



Making Kenya's hospitality globally competitive
KENYA ASSOCIATION OF HOTEL KEEPERS AND CATERERS

Report of the **19th Annual KAHC Symposium 2023**

Theme
Rebuilding Tourism: Resilience and Innovation



22nd – 23rd June 2023
Sarova Whitesands Beach Resort & Spa

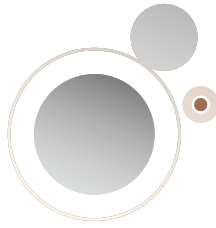


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Abbreviations and Acronyms

CEC	County Executive Committee
CS	Cabinet Secretary
GTRCMC-EA	Global Tourism Resilience & Crisis Management Centre – East Africa
KAHC	Kenya Association of Hotel Keepers and Caterers
KTB	Kenya Tourism Board
KUC	Kenya Utalii College
KWS	Kenya Wildlife Service
NSSF	National Social Security Fund
PS	Permanent Secretary
RBA	Retirement Benefit Authority
TF	Tourism Fund



Executive Summary

The 19th Annual KAHC Symposium was held from June 22nd to 23rd, 2023, at the Sarova Whitesands Beach Resort & Spa in Mombasa, Kenya. The Symposium focused on the theme of "Rebuilding Tourism: Resilience and Innovation" and brought together key industry players from the hospitality and tourism sector, including APA Insurance, Archipelago Hotel, Brookside Dairy, DStv Business, International Hotel and Tourism Trade Institute (IHTI), Kenya Development Corporation (KDC), Kenya Tourism Board (KTB), Kenya Utalii College (KUC), Kenya Wildlife Service (KWS), Safaricom, Tourism Fund (TF), among others. The event saw the participation of 150 delegates.

The Symposium was honoured by the presence of notable dignitaries, including the Cabinet Secretary of Tourism, Wildlife & Heritage, Hon. Peninah Malonzah, and the Permanent Secretary of Tourism, Mr. John Olooltua. Various speakers from the hospitality and tourism industry delivered presentations focused on the theme of the Symposium.

During the Welcome Address, Mr. Mike Macharia, CEO of KAHC, acknowledged the industry's resilience in overcoming challenges over the years and highlighted the establishment of the Global Tourism Resilience and Crisis Management Center, based at Kenyatta University. This centre, he said, aims to support the hospitality and tourism industry through research findings and trends in resilience.

Mr Christopher Musau, the KAHC National Chairman, discussed the initiatives for rebuilding tourism in Kenya, which included increasing inbound flights, simplifying the e-visa process, implementing consistent marketing strategies, and addressing beach traders. He also presented KAHC's achievements in marketing, industrial relations, training, representation, and external engagements for the year 2022. Additionally, the financial statement and auditors' report for the year ending December 30th, 2022, were confirmed as complete.

Mr John Olooltua, the Permanent Secretary of Tourism, assured industry players of the State Department's commitment to collaboration in increasing tourist numbers by diversifying the resource market and marketing the Kenyan brand abroad. He emphasized the adoption of sustainable tourism practices and the application of innovative technologies.

Hon. Mohamed Osman Ali, County Executive Committee (CEC) for Trade, Tourism, and Culture of Mombasa County, spoke on behalf of the Governor, Hon. Abdullswamad Sherrif Nassir. He encouraged industry players to embrace technologies such as mobile apps,

artificial intelligence, robotics, the Internet of Things (IoT), and virtual reality to enhance guest experiences and improve efficiency.

The Keynote Address by Hon. Peninah Malonzah, the Cabinet Secretary of Tourism, Wildlife & Heritage, emphasized the vital role of the tourism and hospitality sector in Kenya's economy. She highlighted the need for a multifaceted approach to rebuilding the industry, including investment in refurbishing establishments, upgrading facilities, introducing new products, and positioning Kenya as a premier destination. She also stressed the importance of sustainability, responsible travel, and collaboration between the public and private sectors in building resilience. Diversification of tourism offerings, capacity building, and skills development were identified as key factors for adapting swiftly to disruptions and attracting a broader range of visitors.

During the Symposium, various speakers gave presentations on topics that focused on innovation and resilience in the hospitality and tourism sectors, the impact of the NSSF Act 2013, and revamping Kenya Utalii College (KUC) to make it more attractive and profitable.

Key learnings and updates from the Symposium included the Ministry of Environment's development of a solid waste management policy, ongoing hotel classification processes, the Ministry of Tourism drafting an MoU for 1000 cruise ship workers, Kenya Utalii College's curriculum review and introduction of online learning, and progress on the establishment of the African College of Hospitality.

Recommendations arising from the Symposium included the regulation of Airbnb in the country, strengthening the relationship between the Ministry of Tourism and the hospitality industry, initiating programs targeting independent, young travellers, building resilience through risk identification and collaboration, diversifying tourism offerings, and investing in infrastructure and education.

Brookside Dairy presented a cheque of Kenya Shillings one million and product donations worth one million shillings to support the Symposium. Additionally, a golf tournament was organized by KAHC, with the proceeds going to charity partners, including the Nairobi and Coast Hospice, Institute of the Blind, Diabetic Management Institute, and disadvantaged children supported by KAHC through their educational journey.

Overall, the Symposium provided valuable insights, recommendations, and opportunities for collaboration in rebuilding and innovating Kenya's tourism and hospitality sector.

Welcome Address

By Mike Macharia

Chief Executive, Kenya Association of Hotel Keepers and Caterers (KAHC)

Mr Macharia welcomed the participants to the 19th Annual KAHC Symposium, whose theme was *"Rebuilding Tourism, Resilience and Innovation"*. He commended the industry on its ability to bounce back and rebuild despite its various challenges over the years; he termed the sector 'resilient'.

On resilience, he mentioned the formation of the Global Tourism Resilience and Crisis Management Center, based at Kenyatta University. The Centre works towards helping the industry move forward based on available research findings and trends in areas anchored on resilience in tourism.

On the Microenvironment, the 19th KAHC Symposium will engage the Tourism Fund, Kenya Tourism Board, the Kenya Utalii College (KUC), International Hotel & Tourism Institute (IHTI), and Kenya Wildlife Services (KWS), to learn how to rebuild the tourism industry through resilience and innovation.

He acknowledged the presence of the other partners; Safaricom, Brookside, DStv business, Tourism Fund, APA Insurance, Kenya Development Corporation and their crucial role in the industry. He introduced a new partner, ARCHIPELAGO; a hotel investment and management group, Mr Chris Legaspi will be drawing parallels/sharing their resilience and innovation experience despite Indonesia's weather challenges and natural disasters.

In closing, Mr Macharia welcomed the newly appointed Kenya Tourism Board Members (KTB). He commended their effort to engage with the industry stakeholders on their challenges and how best to overcome them.



By Ms. Catherine Murage

National Treasurer, KAHC

On behalf of the KAHC National Chairman, Mr Christopher Musau, Ms Murage welcomed all participants to the 19th Annual KAHC Symposium. The Symposium, she said, would i) provide opportunities for discussions to take place around the theme “rebuilding tourism, resilience and innovation” and ii) provide knowledge-sharing opportunities that would enable all participants to dig deep and determine what the future holds for the tourism industry.



She recognised the presence of Hon. Mohammed Osman Ali, County Executive Committee (CEC) Trade, Tourism and Culture, County Government of Mombasa as well as that of Parastatal Chairpersons, CEOs, KAHC Board Members and investors present. Ms Murage further recognised and thanked the following partners for their presence and contributions towards the 19th KAHC Symposium:

- APA Insurance
- Archipelago Hotel
- Brookside Dairy
- DStv Business
- International Hotel and Tourism Trade Institute (IHTI)
- Kenya Development Corporation (KDC)
- Kenya Tourism Board (KTB)
- Kenya Utalii College (KUC)
- Kenya Wildlife Service (KWS)
- Safaricom
- Tourism Fund (TF)

In closing, she introduced the KAHC Board Members present at the meeting. She apologised on behalf of the Chairman, Mr Christopher Musau and the Vice Chairman, Mr Wasike Wasike, who were both absent.



Keynote Address

By Hon. Mohamed Osman Ali

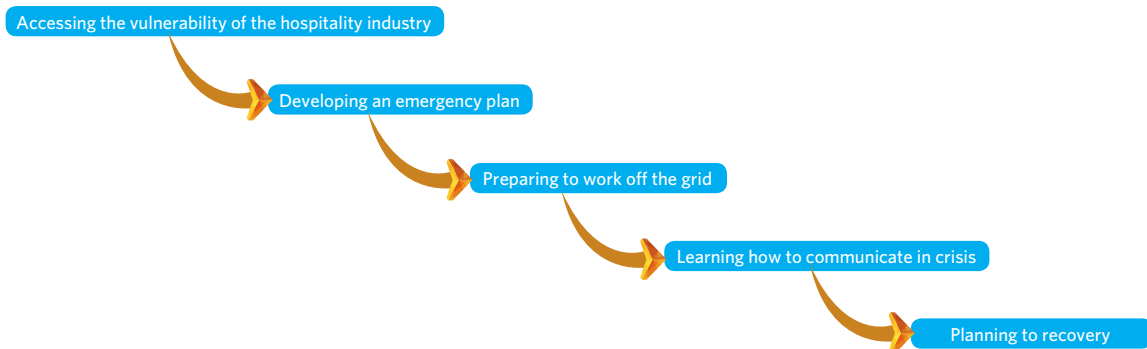
County Executive Committee (CEC), Trade, Tourism and Culture, Mombasa County, on behalf of Hon. Abdullswamad Sherrif Nassir, Governor Mombasa County



The following are the key excerpts of the Keynote Address:

Hon Ali was elated by the increase in visitors' numbers, the re-opening of hospitality-related facilities, and the expansion in both local and international conferences held in the country in the year 2022; this, he noted, indicates a recovery in the tourism and hospitality industry.

To ensure full recovery and growth of the hospitality industry, he discussed the need to look into ways to create resilience and leverage innovation in an uncertain future; he outlined the following strategies that the hospitality industry must embark on:



As the hospitality industry plans for each stage of recovery, it is important to embrace technological solutions and provide personalized services to ensure customer loyalty. He urged the industry to embrace new technologies such as mobile apps, artificial intelligence, robotics, the Internet of Things (IoT) and virtual reality to enhance the guest experience and improve efficiency. Technology allows the hospitality industry to help save time, maximize profits and cut back on costs without compromising on the quality of service. These innovative solutions will help businesses within the industry to offer, among others, cashless payments.

In conclusion, Mr Osman said he strongly believes that the hospitality industry will fully recover and pre covid numbers and earnings will be surpassed in the coming months.

He then officially declared the 19th KAHC Conference officially opened.



Innovation in The Hospitality and Toursim Sectors

By Multichoice Kenya

Presentation by Elsa Lunani, Head of DStv Business

As an introduction, Ms Lunani gave an overview of the different types of packages on offer by DStv, focusing on upcoming content and the right technical setup for establishments. She reported that DStv has a dedicated team of 65 personnel spearheading DStv's business in the country and supporting the clients.



DStv, she said, is currently offering three different types of packages; i) DStv Stay - this is specific to in-room viewing and targeted to accommodation establishments, including hotels, lodges and B&Bs, ii) DStv Play - provides entertainment in public viewing in areas like restaurant, bars and taverns and iii), DStv Work - provides entertainment for workplaces and office spaces. She further explained that the various packages and selections depend on the customer's preference and the business season of the industry. The programs aired vary ranging from movies, sports, and international drama to documentaries, kids and news.

On innovation, Ms Lunani talked about what DStv offers regarding terms of the business hardware subsidy model. This model looks at the costs of the system integrator for doing an upgrade plus the cost of the subscription and then gives the clients a revenue relief based on the subscription. For example, a 12-monthly contract will attract a two-month revenue subsidy of up to 50% catering for new customers who cannot afford the initial/upgraded system and installation costs upfront. The other innovation she talked about is launching a self-help platform where clients can now make payments, view balances and subscriptions, log in queries and download statements and invoices.

The team from Multichoice then took participants through the best technical setup for the different sizes of hotels and the process of determining the best option for the establishment.

By Brookside Dairy

Presentation by Mr Joseph Muguongo, General Manager - Sales

Mr Muguongo resonated with the innovation theme of the KAHC Symposium, which is one of the key pillars of Brookside Dairy. It has three key areas of innovation, they are: -

- Products innovation
- Packaging innovation
- Key partner innovation.

For the past two years, Mr Muguongo reported that Brookside Dairy has been at the forefront in supplying the hospitality and tourism industry with high-quality products; it continues striving to satisfy the customers' changing needs. In meeting the evolving needs of its customers, Brookside Dairy has ventured into probiotic products, functional milk-like fortified products and plant-based categories to react to customers' and consumers' demands. Brookside's innovation has been driven by the desire to satisfy the various market segments with products that meet the needs of its consumers and, most importantly, to position it as a one-stop shop for all its stakeholders' requirements.



Cheque Presentation

As a gesture of support to the symposium, Brookside Dairy presented a cheque of Kenya Shillings one million and another Kshs one million worth of products. Mr Joseph Muguongo presented the cheque to the KAHC Board Members.

By Kenya Tourism Board (KTB)

Presentation by John Chirchir, Ag. Chief Executive Officer

Mr Chirchir invited participants to share a "Wish List" of their expectations from the KTB newly appointed Board and be part of the process as they develop their two-year marketing strategy.

Below are the proposals from the stakeholders present:

Destination Market Plans:

- What is the KTBs marketing theme post-Covid-19?
- The Kenya Tourism Federation, in association with KAHC and other associations, will hand over a priority list to KTB. This list will form the basis of the destination marketing plans.



Regional Markets:

- Focus more on the local and regional markets.
- Tap into African markets like Nigeria, with its huge population and Ethiopia, which has direct flights to Mombasa.

Collaboration with other state departments:

- Work closely with, among others, state departments like Kenya Wildlife Service, Immigration and the national carrier.
- Have synchronized marketing campaigns.

Partnerships/Endorsement:

- Seek partnerships with Kenyan athletes and celebrities to endorse Kenya as a destination and promote tourism.

Market diversification:

- Expand the consumer segment by developing creative ways to engage clients beyond what they already know, for example, engaging them in eco-tourism. This approach will make hotels and restaurants busier.

Entertainment Scene:

- As an area that has been overlooked when marketing Kenya, KTB should work closely with the stakeholders in this industry.

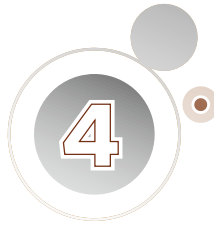
Marketing Destinations Representatives (MDRs):

- MDRs are some of the positive aspects that KTB should maintain as they represent Kenya in foreign countries. They effectively reach local consumers, outbound operators, and local media - all in an effort to drive destination sales and increase visitation.

Kenya's National Carrier:

- Partner with KQ in advertising to bring more tourists into the country.

In conclusion, the above points will inform KTB's development of its marketing plan. An intentionally structured way of evaluating and following up on what has been discussed, with timelines, will be part of the plan even as new issues emerge.



Resilience in The Hospitality and Tourism Sector

By Dr Esther Munyiri

Director - Global Tourism Resilience & Crisis Management Centre - East Africa (GTRCMC - EA)



In her presentation, Dr Munyiri talked about the genesis, mandate and key projects of the GTRCMC-EA. The centre's overall objective is to have a coordinated way of dealing with crises and building resilience within the hospitality and tourism industry.

The Genesis: In 2017, the United Nations World Tourism Organisation (UNWTO) held a conference in Jamaica; as an outcome of the meeting, the member states set up regional centres called the Global Tourism Resilience Centre. In 2019, the GTRCMC-EA was set up; it covers 14 countries and is hosted at Kenyatta University.

Its mandate revolves around research, capacity building and communication on resilience issues. Its thematic areas are climate change, security, pandemics, economics and entrepreneurship.

Within the Kenyan context, a group was established under the National Tourism Crisis Steering Committee (under the gazette notice published in March 2020). It has a membership of the various CEOs of the tourism and hospitality centres and several Principal Secretaries. The Cabinet Secretary of Tourism chairs it.

Below are the eleven key projects and programmes in which the centre is currently engaged in:

Project 1: Research and Policy: The centre is mandated to conduct research, create policies and build capacity on behalf of the National Tourism Crisis Steering Committee. The centre's role is coordination and lobbying with the government in the implementation process. GTRCMC-EA, together with KTB, is compiling/consolidating all the tourism products in the country into one platform, with probably a booking system that will help set up an end-to-end business. It is also working with KAHK to consolidate the expenditure and incomes of hotels in Kenya; this is towards assisting them to make more informed decisions.

Project 2: Resilience Forums: GTRCMC-EA airs out the hospitality views from the ground

to the Ministry of Tourism in these forums. A similar meeting took place in Jamaica, where Ministers of Tourism from across the world discussed matters around resilience. One of the key outcomes of the forum was the creation of Global Tourism Day, which will be celebrated every 17th February. .

Project 3: Mapping of tourism products and experiences: GTRCMC-EA is documenting and putting all the information on Kenya's culture and heritage to attract unreached clients. The recently completed project has been mapping war graves in conjunction with the war graves commission. GTRCMC-EA has since marked the graves and developed information and facts. In the long run, GTRCMC-EA will package this heritage in animation format, similar to Fort Jesus's.

Project 4: Expansion of cruise tourism industry in Kenya: GTRCMC-EA is working with the Global Travel and Tourism Resilience Council, in conjunction with Jacobs Media Group and a maritime consultant, to increase the number of cruise ships docking in Kenya and East Africa ports.

Project 5: Human Resource Development: GTRCMC-EA conducts human resource development at its centre at Kenyatta University. It also supports and promotes an international placement program where fresh graduates and people working in the industry, especially with hotels, are sent to the US for paid internships of 1-2 years.

Project 6: International business connections: This programme looks for business links worldwide. During the International Business Connections Summit held in 2022, some key hospitality and tourism industry leaders were awarded the 'Change Nations Global Award'.

Project 7: Policy Initiatives: GTRCMC-EA developed the sustainable tourism in Kenya policy, gaps and recommendations in collaboration with eco-tourism Kenya. It seeks to bring out what the hospitality and tourism industry wants to change/adapt regarding sustainable tourism. GTRCMC-EA will also advocate for Kenya to meet its promise to be renewable energy 100% compliant by 2030.

Project 8: Tourism Resilience and crisis management resources centre for Eastern Africa: A new creation from the centre to support industry is the use of the geographic information system (GIS) that can transmit signals of radio callers, telephones and rescue guests in case of an emergency, especially during game drives. Another system that is in creation is an early warning system that can understand the risks, and create forecasts, for example, on impending famine. These systems help understand the upcoming dangers, preparedness, planning and prioritizing, mitigating, developing responses, recovery and long-term resilience actions.

Project 9: Establishment of the World Tourism (UNWTO) international network of sustainable tourism observatory: This will monitor several sectors like waste management, climate action, and water management and inform the government on what needs to be done as well as inform private sectors players on their role in managing these resources.

Project 10: Military and police in tourism resilience: GTRCMC-EA closely collaborates with the military and police. Through the international peace support training centre, they help build the capacity of security personnel in the hotel and tourism industry, which helps create resilience and ensure preparedness for any eventuality.

Project 11: Women's economic empowerment in tourism: The key policy outcomes from the Bill & Melinda Gates Foundation Research Grant to Kenyatta University are the affirmative policy for women in tourism, comprehensive taxes and levies policy, as well as a cushioning fund for employees and businesses in the hospitality and tourism industry. Borrowing can be at an interest rate of up to 5%.

Some of the planned capacity-building initiatives that GTRCMC-EA seeks to bring to the fore include:

- Fraud management in hotels
- Guides training on war graves product
- Current security management for personnel in hospitality
- Effectiveness of the Kenya E-visa; what can be done?



REPS Unlimited - ARCHIPELAGO

By Chris Legaspi

Vice President - Commercial

REPS Unlimited is a successful independent hotel management group based in South East Asia . It does not own the hotels but offers them services, making them visible online. Its portfolio boasts 350+ hotels, more than 40,000 rooms, and over 200 locations across South East Asia, the Caribbean, the Middle East and Oceania. It has a customer base of 120 million and is a trusted hotel company with a long track record and a portfolio of 11 award-winning brands. Some of the services it offers include:

- Hotel management
- Technical services
- Market research
- E-commerce services
- Information Technology services

Mr. Legaspi, spoke highly of the Kenyan hospitality industry, citing a beautiful country, spectacular hotel services, good food and smiling faces. He said hotels in Kenya can compare to those around the world. He shared his e-visa experience, which he said was good and superior to what he has seen in other countries, especially standing in line on arrival at the airport in Kenya.

He described the challenges faced in Indonesia, including the frequency of volcanic eruptions, hurricanes and tsunamis. He drew some similarities between tourism in Indonesia and Kenya in the following areas: -

- Determination to succeed
- Authenticity in culture
- Visibility - visible and active online
- Technology - food online, online shopping, booking, transactions



- Accessibility – hosting many airlines, both international and domestic.
- Connectivity – all the islands are connected, and so are the tourist attractions in Kenya
- Balance market source things – tapping into local tourism.

He stated that REPS Unlimited would be interested in having one of its brands in Kenya.



The Impact of the NSSF Act 2013

By Martin Mathai

Head of Corporate Business, APA Life

Mr Mathai provided a brief overview of the APA Apollo Group; below are key excerpts:



- APA Apollo Group is one of the leading financial services providers in East Africa, offering financial and risk solutions to both corporates and individuals.
- It has an asset base of KES 31B and gross written premiums of KES 14B (2022) and has been recognized, among others, as the best in claim settlement, fraud detection & prevention, customer satisfaction and corporate social responsibility.
- The historical performance of APA - over the last ten years: APA has been an average of 10.10 % and average market returns in 2020 at 8.4%, 2021 at 9.4% and 2022 at 8.4%.
- Employee benefits solutions and products that APA can offer the industry include - Pensions (Corporate, Umbrella Funds, Individual, Group Life); Health (Individual, Family& Corporate); General insurance (Group Personal Accident, WIBA & WIBA Plus, Personal Accident).
- The retirement solutions at APA Life:
 - Operates a fund of more than Kshs 8 billion as at December 2022.
 - The different schemes set up by employers are the Occupational Schemes which is a stand-alone scheme set up by employers for employees; the Umbrella scheme, which is set up for multiple employers to save on cost with shared common services of an investment manager, administrator; custodian auditor, legal and actuary.
 - Currently, APA has over 100 employers under this scheme, and lastly, there is the Individual pension plan which is set up by sponsors like APA or individuals who wish to save for retirement. There are also post-retirement schemes.

The following are the key highlights Mr Mathai gave about the NSSF Act 2013:

- It was assented on 24th December 2013 with an effective start date of 10th January 2014. It then differed to 31st May 2014.
- In June 2014, the Employee and Labour courts suspended its implementation; it was then nullified as unconstitutional in September 2022.
- In February 2023, the Act became law through an appeal that ruled in favour of NSSF. The country pensioners association have now filed a petition with the supreme court following the decision by the Court of Appeal.
- The commencement of the NSSF Act 2013 will see the conversion from a Provident Fund to a Pension Fund with an increased contribution rate of 6% of gross earnings.
- The Act aims to improve the adequacy of benefits, mobilise more retirement savings, and promote economic growth.
- The Pension fund will cater for all people engaged in formal employment aged above 18 years, while the Provident Fund will cater for self-employed persons and informal sector employees as well as those willing to make voluntary contributions to the NSSF.
- The new contribution rates from both employer and employee will increase from KES 400 to 12% of pensionable earnings up to the upper earnings limit; however, these contributions are set to graduate over a period of 5 years.

He gave a detailed breakdown of the contribution schedule and illustrated the impact of changes in the Lower Earning Limit and the Upper Earning Limit over five years. He went further to define the Tier contributions, with Tier 1 being mandatory payment to NSSF with contributions based on the lower earnings limit and Tier 2 also mandatory but with the option to pay to NSSF or a registered private scheme like APA. These contributions are based on the earnings between the Lower and Upper Earnings Limit.

He explained that contracting out Tier 2 contributions is permitted for employers who are part of a private Pension Scheme that meets the reference scheme test (for example, APA Life). The following conditions apply:

- Written application must be made to the Retirements Benefit Authority (RBA), giving at least 60 days' notice;
- Application to set out details of the contracted-out scheme for the RBA to ensure that the scheme meets the Reference Scheme Test;
- Within 30 days of receipt of the application, the RBA shall respond, approving or otherwise, to the employer and notify the Board accordingly;
- Where approval is received, Tier 2 contributions already made to the Fund shall be transferred from the NSSF Pension Fund to the approved contracted-out scheme.

The contracting out certificate issued by the RBA is the employer's authority to remit Tier 2 contributions to a contracted-out scheme.



Motivational Talk

By Mwenesi Musalia

“Proper preparation promotes progress and proper preparations prevents problems”

Resilience is the ability to fail fast and fall forward; the ability to take it on the chin and smile!

He talked about the beauty of going through hardship as one gets into the right mindset of winning. He explained and gave examples of lessons on resilience based on the five “Tudes”:



1. **Attitude:** This is the mindset of failing fast, failing forward, looking up, and looking out into the future. One of Mr Mwenesi’s suggested strategies is the OST - Objective, Strategy and Tactics; it is the winning formula, mindset, and attitude in the face of hardship. OST gives one the ability to visualize and look at an ideal way they would want to be. As a result, their thoughts, efforts and resources are all geared towards that. Be faithful to the objective even as strategy and tactics change to reach that objective.
2. **Gratitude** is the ability to appreciate what one has and be thankful. It is easy to lose sight when things are tough and let things slide. When one is grateful for what they have, they tend to take care of it and not look at what they may have lost. Having an attitude of gratitude is one of the most important things when things get tough.
3. **Aptitude:** This is one’s natural ability or competitive advantage. One should harness what one is good at and what one naturally gravitates towards when things get tough.
4. **Latitude:** It is the ability to look and spread one’s activity, to move far and wide, and to be creative. When things are down is the opportunity to try things out, to experiment - it could be social media engagement, new renovation, or venturing out of one’s comfort zone. Innovation doesn’t come when there is comfort; it comes when there is discomfort.

5. **Magnitude:** It is the size or the extent of something, the ability to make informed decisions based on data and empirical knowledge. Being comfortable makes one assume things; one creates beliefs in their market size, products and service level. Tough times force one to take stock and know how much they can handle.

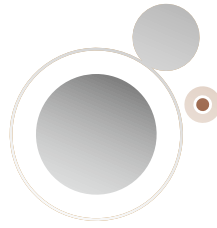
In conclusion, Mr Mwenesi drew parallels between resilience in the hospitality industry and boxing "Hard times make strong men; strong men make good times; Good times make weak men; and weak men make hard times."







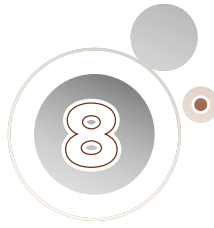
DAY 2



Introduction

Day 2 of the Symposium was graced by the presence of Hon. Peninah Malonza, Cabinet Secretary (CS) Tourism, Wildlife and Heritage; Hon John Oloo, Permanent Secretary (CS) Tourism, the KAHC Board members and Parastatal CEOs.

Mr Mike Macharia, KAHC CEO, in his address spoke about the purpose of the Symposium, which, he said, is to get investors and industry players together to address the physical and non-physical environment in the industry. The two-day Symposium, he said, will have a golf tournament, the proceeds of which will go to KAHC charity partners who include, the Nairobi and Coast Hospice (since 2003), Institute of the Blind, Diabetic Management Institute and 10-15 children from disadvantaged backgrounds that KAHC walks and mentors through school into university.



Welcome Address

By Mr Christopher Musau

KAHC National Chairman



The following are the key highlights of the Mr Musau's speech:

On behalf of the KAHC Board of Directors, Mr Musau welcomed the CS and PS and all the participants to the 19th Annual Symposium. He apologised on behalf of the Governor of Mombasa County, who could not attend the Symposium.

He introduced the Symposium's theme, "Rebuilding tourism, resilience and innovation", which, he said, was selected because of KAHC's strong belief that the hospitality and tourism industry is resilient and can withstand shocks and bounce back. He said innovation is the springboard to the next level in the industry. He noted that though two iconic hotels in Nairobi had exited, new hotels have emerged, indicating investors' confidence.

Mr Musau expressed the industry's full support in the execution of the mandate in line with the six pillars of the Kenya Kwanza manifesto. He noted that the Ministry of Tourism received a budget allocation of Kshs 6 billion; he said this should be able to push the country's tourism numbers and policy changes.

He stated that the KAHC and the hospitality and tourism industry at large are looking at commencing the work of rebuilding tourism in Kenya which can be achieved through the following approaches:

- Increasing air access: Increasing the number of inbound flights and resumption of the pre-Covid 19 airline frequency.
- Simplifying the e-visa process: This will help reduce the challenges experienced by applicants on the e-visa payment platform.
- Marketing: Having structured and consistent marketing initiatives in place for the program.
- Beach traders: This has been a long-standing discussion that needs to be addressed by stakeholders in the hospitality and tourism industry.

Mr Musau further emphasised the need to strengthen the relationship between the Ministry of Tourism and the hospitality and tourism industry and establish a platform to address key issues.

Addressing the KAHC membership, he appreciated the trust and faith in Board to serve the KAHC association even during challenging periods. He then presented the association's achievements for 2022:

1. **Marketing:** The KAHC Symposiums have continued to provide good networks among partners, bringing together the government and private sector players to chart a way forward. This platform has helped create consensus on the hospitality and tourism industry issues. The association continues participating in the International Tourism Forum and the World Travel Market in collaboration with the Tourism Fund (TF) and KTB to market Kenya. The publication of the hotel and restaurant guide will resume in 2024.
2. **Industrial relations:** The triplet relation between the Joint Industrial Council (JIC), the Coast Dispute Committee (CDC) and the Human Resource Management has solidified the human resource's function and ensured industrial harmony over the years by fostering a good environment for negotiation. A new Collective Bargaining Agreement (CBA) to enhance staff performance was signed and will end in 2024.
3. **Training:** Introducing the service charge kitty has enabled training opportunities for both Finance and Human Resource Management (HRM); training of shop stewards will also resume. All association members to remain committed to contributing to the kitty, which will continue empowering and strengthening the industrial relations machinery. KAHC, on its part, will continue to facilitate and coordinate training opportunities through its membership to Kenya Utalii College (KUC); it also has partnered with BOMA hospitality and IHTI. KAHC also collaborates closely with Kenyatta University (KU) and Strathmore University.
4. **Representation:**
 - KAHC sits on the National Industrial Training Authority (NITA) Board and has representation in the Federation of Kenya Employees (FKE).
 - KAHC has representation in the National Labour Board as it continues influencing the labour policy.
 - The KAHC CEO was recently appointed to sit on the Board of NSSF; this comes at a crucial time, especially with the implementation of the new NSSF Act.
 - KAHC sits on the work permit committee, which PS Tourism chairs. It has also participated in the International Labour Conference in Geneva, Switzerland.
 - KAHC will continue participating in and following activities like the International Labour Organisation to influence labour policies; it will help formulate them and push for their implementation.
5. **Finance matters:** KAHC's financial statement and auditors' report for the year ending December 30th 2022 are complete. KAHC's third annual Finance Conference occurred in April 2023 at the Mnarani Beach Club. The forum discussed emerging issues within the finance profession.

6. External engagement: KAHC has made great strides in its external lobbying and advocacy engagements. It remains committed to engaging KTF, KTB and the government to create an enabling business environment.

In conclusion, Mr Musau affirmed that KAHC's achievements could not have been achieved without the dedication of the KAHC Secretariat.

By John Oloolta

Permanent Secretary, Tourism

He appreciated the work of KAHC and for putting together the 19th KAHC Symposium, which allows all industry players to work together with a shared vision and have a common way to address issues. The Symposium also acts as a forum where the Ministry of Tourism can get updates on the hospitality and tourism sector.

He urged the participants to have sustainable tourism practices and be innovative in technology - digital space and fostering community relationships; he applauded the hotel industry for playing a critical role in influencing communities.

He assured all players in the hospitality and tourism industry of the state department's commitment to work closely with them on areas that will help increase the number of tourists visiting the country, such as diversifying the resource market and marketing the Kenya brand abroad.

In conclusion, he urged the industry players to initiate programs targeting independent, young travelers, including Kenyans.





Keynote Address

By Hon. Peninnah Malonza

OGW, Cabinet Secretary, Tourism, Wildlife & Heritage

The following are the key excerpts of Hon. Peninah Malonza

Acknowledging the auspicious occasion that unites industry players, partners, donors and civil society, Hon. Malonza talked about the key role that the tourism and hospitality sector plays in the economy as a beacon of hope and resilience for Kenya.

She appreciated Kenyans' role during the COVID-19 pandemic, when domestic tourism thrived, displaying unwavering resilience and determination; this, she said, is the same spirit that will help in rebuilding the tourism industry.

She applauded the role of tourism in providing employment, fostering cultural exchange, and driving economic growth. Rebuilding tourism requires a multifaceted approach which entails sustainability, innovation and the visitors' well-being. Collaborating closely and defining a roadmap to a brighter future where Kenya's tourism sector emerges stronger and more resilient, with the guidance of the Crisis Management and Resilience Center at Kenyatta University

She said that to rebuild Kenya's tourism industry the following will need to happen; i) investing in refurbishing establishments to maintain and refresh the country's unmatched national brand, ii) upgrading facilities, expanding connectivity, providing affordable transport and accommodation, iii) introducing new and exciting products that enhance the overall visitor experience and, iv) positioning Kenya as a premier destination.

On sustainability, Hon. Malonza emphasised the need to protect and preserve the country's wildlife, cultural heritage, and diverse ecosystems. The industry can achieve this by promoting responsible travel, eco-tourism, and environmental protection. Thorny issues, like beach boys, will also need to be addressed.

Innovation, she said, is the key to unlocking the potential of the tourism industry. It can be achieved by adapting to the evolving needs and preferences of the travellers, ii) harnessing technology and creativity, iii) incorporating eco-friendly initiatives, iv) supporting local businesses, and v) offering authentic and meaningful experiences.

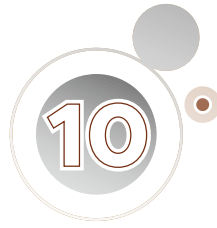
On resilience she said the industry can achieve this by identifying potential risks;



establishing robust contingency plans; and fostering effective collaboration between the public and private sectors. Diversifying the tourism offerings and investing in capacity building and skills development will help adapt swiftly to disruptions and attract a broader range of visitors. Continuous training, mentorship programs, and initiatives that promote entrepreneurship will also help elevate tourism professionals and ensure they stay in tune with global trends.

On rebuilding tourism, Hon. Malonza emphasised the need for collective efforts, determination, and a shared vision for a brighter future; “further, together, we can protect our natural heritage, uplift communities across Kenya, and create unforgettable experiences”.

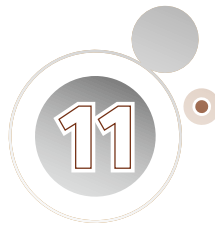
In conclusion, she emphasised that rebuilding the tourism industry is not easy; however, it will be possible with a renewed commitment to sustainability, embracing innovation, resilience, and wise collaboration as guiding principles.



Plenary Discussions (1)

The following were the outcomes of the discussions:

1. **Management of solid waste:** This should start with the county government. The Ministry of Environment is developing a waste management policy; the CS encouraged the hospitality and tourism industry to engage with the private sector in developing solid waste management solutions.
2. **Hotel classification:** The hotel classification exercise is in progress. A committee commenced the work in June 2023; so far, Embu County has been rated; Muranga Country is next.
3. **Strategies to regulate Airbnb:** Studies are currently being undertaken to understand the complexity of this business before regulations are put in place.
4. **The Tourist Finance Corporation (TFC):** Its role is to support financing investors in the hotel industry; however, it merged with Kenya Development Corporation (KDC) through a legal notice. According to the law in Kenya, a legal notice cannot overtake an Act of parliament. Plans are underway to move it back to the Ministry of Tourism.
5. **Labour recruitment for cruise ships:** The Ministry of Tourism confirmed that there has indeed been a request for 1000 cruise ship workers. In this regard, the Ministry is drafting an MoU on this request, and there will be a meeting to navigate how to go about this. It has further reviewed the curriculum at KUC and reduced the period of studying for a Diploma to two years and a Certificate to one year. The college has also introduced online learning. KUC is already in partnership with GR8; this European company has already employed 250 KUC graduates to work in Europe.
6. **Ronald Ngala College:** The due diligence process for the college has been carried out that include, the audit report, KACC and AG reports. The Ministry of Tourism has also availed resources to help kickstart the African College of Hospitality.



The Tourism Fund

By David K Mwangi

Ag. CEO, Tourism Fund (TF)

In his presentation, Mr Mwangi explained that the Tourism Act 2011 mandates the TF to diversify its resource base towards financing the development of a sustainable tourism industry in Kenya. It currently receives a 2% levy from the industry, which it earmarks for the following activities: -



- Development of Tourism Products and Services
- Marketing of Kenya as a tourism destination (done through KTB)
- Capacity building
- Protection services
- Tourism research, intelligence and national information management system
- Tourism Revolving Fund - how can it be operationalized with good interest?
- Tourism sector, safety communication crisis management centre

He reported that the tourism sector is changing, especially with the emergence of Airbnb. Statistics show that Airbnb's worldwide earn a total of US\$ 22 billion annually in an industry that is not regulated. This works to the disadvantage of conventional hotels as well as to the TF.

He requested the hospitality and tourism industry to push for the regulation of Airbnb's as they are in direct rivalry with the regulated tourism establishments registered with TF, albeit the fact that all of their services are under the purview of the VAT Act 2013, Laws of Kenya which requires them to remit tourism levy.

He listed out the following concerns around Airbnb's on the sector:

- Quality consistency and standardization: There are no standardized quality control or evaluation systems; this results in discrepancies between the advertised listing and the actual property.
- Cancellation and refund policies not being well-regulated.

- Safety and security concerns regarding safety standards around, for example, fire and security.
- The pricing of the Airbnb versus the additional cost to the client: The costs can be higher than expected due to additional fees for cleaning, service fees and taxes.
- Fraud: Online scammers are taking advantage of unregulated platforms to defraud travellers.

In closing, Mr Mwangi urged the tourism sector players to support the call for the regulation of online booking platforms. This, he said, will enable the government obtain the needed resources to enable it invest in new tourism products and keep destination Kenya competitive.



The Kenya Utalii College (KUC)

By Prof Charles Musyoki

Ag. Principal & CEO

Prof Musyoki reported that KUC has a 5-year Strategic Plan (2021-2026) based on the following three pillars:

- Training
- Enterprise
- Partnership

The Training Pillar: KUC is keen on ensuring quality teaching, student learning and emphasis on practical skills; 70% practical and 30% theory. KUC has had a curricula review; it has done away with irrelevant courses and reduced the study duration of its Diploma courses (down to two years) and its Certificate course (down to one year). Its new curriculum will kick off in September 2023.

Regular programming in KUC has seen a marked increase, by 12%, in graduating students, from 431 in 2022 to 484 in 2023; this has been the highest number of students in a single graduation in six years. There was an increase of 89% for the refresher courses, from 683 in 2022 to 1291 in 2023.

The total number of graduates from KUCs inception class in 1975 to 2023 for the regular courses stands at 18,305, and of these 54,636 are for short courses.

The Enterprise Pillar: KUC is developing a Business Plan focusing on converting the hotel into a profit-making centre specifically on i) revamping the hotel facilities to make them modern, ii) reclassification of the hotel, iii) signature meals, iii) customer experience, and iv) marketing.

- On KUC Financial Performance: KUC had a growth in revenue in 2022 as compared to 2021 in the following areas:
 - Utalii Hotel (33%)
 - Student fees (17%)
 - Swimming pool (150%)



- Beverages (108%)
- Laundry (29%)

The newly introduced gym brought in a revenue of Kshs 3.8 million in 2022. This growth is a clear indication of the resilience of the industry. KUC has also had an overall increase in revenue of 90.4% between January to May 2023 compared to January to May 2022, the specific increment being 88% from the hotel and 93% from student fees. This shows that it is easy to turn around an institution like KUC to be profitable.

- On Automation: Online applications for student admission to KUC will begin in September 2023, an approach that will save time and eliminate manual applications.
- On Support services: The following are support services that will positively enhance the college:
 - Good access to the college using the Thika Superhighway
 - Stable water supply
 - Building of a water purification plant is underway, which, when completed, will reduce the cost of the purchase of mineral water by 70%
 - Revamping of the laundry machines
 - Rehabilitation of cold rooms
 - Refurbishment of the outside catering van
 - Facelift of student hostels
 - Opening of a student centre, the first in 48 years
 - The hotel set to undergo a complete facelift
- On Costing of products and services: The management at KUC needs to understand the cost of educating one student from the point they join the college to the point they graduate, taking cognizance of the fact that students pay 10% and TF subsidizes the fees by 90%.
- The future outlook: To make it attractive to customers and students the following will be carried out"
 - Revamping its training laboratories
 - Upgrading and modernizing the kitchen, rooms, and conference rooms
 - Building a new training kitchen and 50 additional rooms as well as four conference rooms

The Partnership Pillar: For KUC to enter into partnerships with local, regional and global institutions. This approach will help facilitate its growth and development and enhance revenue generation.



Plenary Discussion (2)

The following were the key outcomes of the discussions:

The Tourism Revolving Fund: The Tourism Fund is yet to operationalize the fund. A department has, however, been setup with personnel who are currently seeking the views from stakeholders on how it can be effectively operationalized, in terms of the tenure and the courses to be funded. In the current budget Kshs 110 million has been put aside as seed capital.

Recommendations to KUC:

- **Courses on entertainment:** KUC needs to consider introducing DJ and bar attendant courses, barristers, among others. Properly trained ones are missing in the industry.
- **KUC Alumni:** The college should consider reaching out to its alumni to encourage young students to peruse a career in hospitality and tourism. Serena group of hotels has been supportive towards this end.
- **Real Estate options:** For KUC to consider pursuing the real estate option in a bid to create income from the Utalii Village and the sports club.
- **Summer program courses:** The college should consider introducing summer programs in addition to the refresher courses. This would attract more students and generate additional income for the college all year round.
- **Equipping students to work in cruise ships:** With the existing demand of 1000 trained people needed to work in cruise ships, KUC should develop a programme that is geared towards equipping them with the needed skills.

The hospitality and tourism industry: It should consider, for example, adapting and renovating hostels or their kitchens within them, building or buying new equipment to help upgrade such facilities. The industry can also setup a fund to educate needy students pursuing courses in hospitality.

Refresher courses at KUC: No refresher courses were carried out in 2022 by KUC due to the challenges of availability of hosting venues. Towards this end, KUC has now put a budget aside for 2023 to avoid such an eventuality.



Closing Remarks

By Mr. Mike Macharia
CEO, KAHC

He thanked all participants for a fruitful and excellent 2-day engagement during the 19th KAHC Symposium. He particularly thanked all the industry players and KAHC partners for their commitment. He further thanked the KAHC Chairman, the board and the secretariat for giving direction and in helping make then event successful.



Appendix 1: Meeting Programme

2023 SYMPOSIUM, SAROVA WHITESANDS BEACH RESORT & SPA

THEME: REBUILDING TOURISM: RESILIENCE AND INNOVATION

DAY ONE: THURSDAY 22ND JUNE 2023

TIME	ACTIVITY	ACTOR
08:00 – 09:00 a.m.	Registration	KAHC Secretariat
09:00 – 09:15 a.m.	Welcome Address	Chief Executive Mike Macharia invites KAHC Finance Chairperson to make introductory remarks.
09:15 – 09:30 a.m.	Introduction	Cathrine Murage , Introduction of KAHC Board; Recognition of Partners; Symposium Highlights.
09:30 – 10:00 a.m.	Key Note Address and Official Opening	H.E. Abdulswamad Shariff , Governor, Mombasa County
10:00 – 10:30 a.m.	TEA BREAK/TOUR OF THE EXHIBITION STANDS	All
10:30 – 11:00 a.m.	Presentation: Innovation in the Hospitality and Tourism Sector	John Chirchir , Ag. Chief Executive Officer, Kenya Tourism Board
11:15 – 11:30 a.m.	Presentation:	Elsa Lunani , Head of DSTV Business, Multichoice Kenya.
11:30 -12:00 a.m.	Discussion	
12:00 – 12:30 p.m.	Presentation: Resilience in the Hospitality and Tourism Sector	Dr. Esther Munyiri , Director, Global Tourism Resilience & Crisis Management Centre
12:30 – 12:45 p.m.	Presentation:	Joseph Muguongo , General Manager – Sales, Brookside Dairy
12:45 – 01:00 p.m.	Cheque Presentation	KAHC Board and Brookside Team
01:00 – 02:00 p.m.	LUNCH BREAK	ALL
02:00 – 02:15 p.m.	Presentation:	Chris Legaspi , Vice President – Commercial, REPS Unlimited
02:15- 02:20 p.m.	Discussion	
02:20 – 02:50 p.m.	Presentation: The Impact of the NSSF Act 2013.	Martin Mathai , Head of Corporate Business, APA Life
02:50 – 03:00 p.m.	Discussion	
03:00 – 03:45 p.m.	Presentation	Mwenesi Musalia , Motivational Speaker
03:45 – 04:00 p.m.	Discussion	
04:00 p.m.	TEA BREAK	All
07:00 p.m.	Welcome Cocktail	All

DAY TWO: FRIDAY 23RD JUNE 2023

TIME	ACTIVITY	ACTOR
09:00 - 9:30 a.m.	Registration	KAHC Secretariat
09:30 - 09:40 a.m.	Welcome Address	National Chairman, Christopher Musau ; Recognition of Partners & Sponsors.
09:40 -09:50 a.m.	Welcome Remarks	John Ololuaa , PS Tourism to make remarks and invite the Cabinet Secretary, Tourism, Wildlife & Heritage
09:50 - 10:20 a.m.	Chief Guest	Hon. Peninah Malonza, OGW, Cabinet Secretary, Tourism, Wildlife & Heritage
10:20 - 10:30 a.m.	Discussion	
10:30 - 11:00 a.m.	TEA BREAK/TOUR OF THE EXHIBITION STANDS	
11:00 - 11:15 a.m.	Presentation:	David Mwangi , Acting Chief Executive Officer, Tourism Fund
11:15 - 11:30 a.m.	Presentation	Dr. Erustus Kanga , HSC, Acting Director General, Kenya Wildlife Service
11:30 -11:45 p. m.	Presentation:	Prof. Charles Musyoki , Ag. Principal & CEO Kenya Utalii College
11:45 - 12:00 p.m.	Discussion:	
12.00 - 12:30 p.m.	Wrap up	
12:30 - 02:00 p.m.	LUNCH BREAK	
02:00 - 03:00 p.m.	KAHC AGM	KAHC Members
07:00 p.m.	GALA DINNER	Chief Guest, Hon. Peninah Malonza, OGW , Cabinet Secretary, Tourism, Wildlife & Heritage

KAHC CHARITY GOLF TOURNAMENT NYALI GOLF CLUB

DAY THREE: SATURDAY 24TH JUNE 2023

TIME	ACTIVITY	ACTOR
09:00- 9:30 a.m.	Registration	KAHC Secretariat
09:30 - 05:00 p.m.	KAHC Golf Tournament	Nyali Golf Club
07:00 p.m.	Prize Giving Dinner	Nyali Golf Club





Cocktail



Gala Night







Making Kenya's hospitality globally competitive
KENYA ASSOCIATION OF HOTEL KEEPERS AND CATERERS

