

ECONOMY> Special loan facility to rehabilitate ageing hotels part of the plan

Balala announces Sh11bn tourism revival package



KEVIN EDITI | NATION

Participants at the Mombasa State House Tourism Summit yesterday.

Hotels asked to rise up to new market challenges as Kenya Airways management comes in for criticism

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The government will help in the investment of billions of shillings to revive the tourism sector which has taken a beating in recent years due to insecurity.

Tourism Cabinet Secretary Najib Balala announced yesterday that a fund to offer affordable loans for hotel renovations

would be set up.

Talks were on with the African Development Bank (ADB) to secure Sh10 billion funding, he said.

The fund will only be available to hotels built years ago and whose standards and quality are wanting.

The government will also pump in some Sh1.5 billion into marketing.

Kenya's tourism has suffered in recent years because of travel advisories by western governments occasioned by terror attacks. International arrivals have dropped drastically with current high season hotel bookings at a low of 10 per cent.

But speaking at a tourism summit at State House, Mombasa, Mr Balala was optimistic that the sector had started

registering marked improvement with a 14 per cent growth between January and June. Full recovery is expected in 2018 with state support of conference tourism being one of the measures being taken to fully revive the sector.

In the past six months, the country earned Sh47 billion from tourism, and is expected to earn a record Sh100 billion by the end of the year, Mr Balala told industry players.

He said the government had invested "heavily" in security and infrastructure, especially in tourism hubs such as at the coast, where Sh100 billion worth of projects are being undertaken.

"The government has pumped Sh3.2 billion into the construction of Narok-Sekenani Road which leads to Maasai Mara National Reserve and the project

Centre (KICC) will oversee development of conference tourism in the country. Some of the projects in the pipeline include establishment of a conference facility at the Bomas of Kenya and at the Mombasa Beach Resort.

Mr Hailey said he was impressed that the Jubilee Administration had addressed insecurity and terrorism challenges.

"The Kenyan government is doing much to protect tourists and we appreciate that security has improved in Kenya compared to previous years," said Mr Hailey adding that as a result of this, his government had lifted travel advisories against coastal towns such as Mombasa and Malindi and the UK supports Kenya in the war against terrorism.

The British government, he said, was also supportive of the ongoing infrastructure projects such as the building of Mombasa Airport and Port Reitz Roads funded under TradeMark East

Sh10bn The loan funds the Government is for from the African Development Bank to revive tourism

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