Investment trends and opportunities in Africa
Natalia Bayona, Executive Director
1 Global investments outlook

Facts and figures of the world and Africa
Global Foreign Direct Investments (FDI) - *all sectors*

Global FDI grew 64% in 2021, reaching almost **USD 1.6 trillion** and declined 12% in 2022 until USD 1.3 trillion.

*UNCTAD World Investment Report 2023*
FDI inflows by region, 2022
(USD billion)

- Asia: 662
- North America: 338
- Latin America and the Caribbean: 208
- Africa: 45
- Europe: -107

UNCTAD World Investment Report 2023
Developing countries accounted for 70% of global Foreign Direct Investment in 2022, which also increased 4%, and investors finished the year announcing new projects in both industry and infrastructure.
FDI flows to Africa in 2022 fell by 44% to 45 billion, following the 2021 record due to a single intrafirm transaction in South Africa in the energy sector.

Otherwise, the increase would have been of 7%.
The value of greenfield projects announced in Africa almost quadrupled, to a record of USD 195 billion in 2022.

The number of projects also rose by 39% to 766 in the same year.

6 of the top 15 greenfield megaprojects announced worldwide in 2022 were in Africa, mostly in renewable energy.
Global Greenfield Foreign Direct Investments (FDI) (2017-2023) - tourism sector

2,198 announced projects, representing a total capital investment of USD 192.6 billion

UNWTO based on fDi Intelligence from the Financial Times (2023)
Greenfield Foreign Direct Investments (FDI) - tourism sector Africa

109 announced projects representing a total capital investment of USD 8.64 billion.

88% of the projects developed correspond to hotels.

It means, an average investment of USD 105 million per project.

18,559 jobs created in the same period.

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Note: Greenfield FDI by all companies investing in 42 African countries that are consider UNWTO member states which information is available in the data base between January 2017 and December 2022.
Key fact 2022 vs 2021
83.3%
announced greenfield investment projects due to rebound effects
by Tourism FDI made in Africa (source) 2017 - 2023

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>18</td>
</tr>
<tr>
<td>Spain</td>
<td>12</td>
</tr>
<tr>
<td>Belgium</td>
<td>10</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>10</td>
</tr>
<tr>
<td>France</td>
<td>9</td>
</tr>
<tr>
<td>Germany</td>
<td>7</td>
</tr>
<tr>
<td>South Africa</td>
<td>6</td>
</tr>
<tr>
<td>Morocco</td>
<td>5</td>
</tr>
<tr>
<td>Kenya</td>
<td>3</td>
</tr>
<tr>
<td>Nigeria</td>
<td>3</td>
</tr>
</tbody>
</table>
Investment guidelines for Mauritius
Why invest in the Republic of Mauritius

- GDP growth in 2022: 7.2%
- Growth in total FDI inflows from 2010 to 2022: 49.6%
- Tourism - accommodation and food services stands as the 3rd largest recipient sector from total FDI inflows, 2010-2022.

Main reasons to invest in the Republic of Mauritius:

<table>
<thead>
<tr>
<th>Natural resources and biodiversity</th>
<th>Political and economic stability</th>
<th>Attractive incentive scheme to invest</th>
<th>Strategic location and infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>150 km of pristine beaches</td>
<td>Economic Freedom of the World Ranking 1st in Africa 9th worldwide</td>
<td>46 investment promotion and protection agreements in place</td>
<td>2,772 km road network 29 commercial harbors</td>
</tr>
</tbody>
</table>

Tourism contributes to 8% of the GDP

Russell Turner (2000), Economic Development Board Mauritius (2023), The Heritage Foundation (2022), Ministry of Foreign Affairs, Regional Integration and International Trade of Mauritius (s.f.), Statistics Mauritius (s.f.).
Economic outlook

Mauritius reached a record in GDP for 2 years with a total GDP of USD 11.9 billion and GDP per capita of USD 9,436 in 2022.

7.2% GDP growth in 2022.

8% is Tourism's contribution to the country's GDP in 2019.

13% of the total employment in 2019 was in tourism.
Real GDP growth (%) 2010 - 2022

2010: 4.4
2011: 4.1
2012: 3.5
2013: 3.4
2014: 3.8
2015: 3.7
2016: 3.9
2017: 3.9
2018: 4
2019: 2.8
2020: -14.6
2021: 3.6
2022 [T]: 7.2

World Tourism Organization (2023), based on Economic Development Board Mauritius (2023)
Tourism is the main source of exports with **59.36%**, followed by other businesses services and transportation.

**Share of services to exports (2018)**
Sectoral contribution to GDP, 2017 - 2021

**TERTIARY**
- Financial and insurance activities
  - 11.25
- Wholesale & retail trade; repair of motor vehicles, motorcycles
  - 10.74
- Public administration & defence; compulsory social security
  - 5.83
- Transport and storage
  - 5.34
- Real estate activities
  - 5.29
- Professional scientific and technical activities
  - 4.68
- Accommodation and food service activities
  - 4.77
- Education
  - 4.34
- Human health and social work activities
  - 4.21
- Arts, entertainment and recreation
  - 3.62
- Information and communication
  - 4.03
- Administrative and support service activities
  - 2.18
- Other service activities
  - 1.3

**SECONDARY**
- Manufacturing
  - 11.22
- Construction
  - 4.17

**PRIMARY**
- Agriculture, forestry & fishing
  - 2.09

The services sector contributes to almost **67.4%** to the Mauritian economy and employs **70%** of the country’s workforce.

USD 605.66 million is the total of Foreign Direct Investment inflows in 2022 in Mauritius.

19.4% is the growth of the Foreign Direct Investment inflows from 2019 to 2022 (from USD 488.09 million to USD 605.66 million).

5 leading investors 2014-2022 in Mauritius

<table>
<thead>
<tr>
<th>Country</th>
<th>FDI (USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>1,032</td>
</tr>
<tr>
<td>South Africa</td>
<td>506</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>320</td>
</tr>
<tr>
<td>China</td>
<td>274</td>
</tr>
<tr>
<td>Algeria</td>
<td>204</td>
</tr>
</tbody>
</table>
FDI inflows in Mauritius by sectors, 2010-2022

Key facts

Tourism related investments in nominal terms represents **45%** of FDI:

- **10%** = Accommodation and food services
- **35%** = Real Estate Schemes related to tourism

(IRS/RES/IHS/PDS/SCS)

UNWTO based on Economic Development Board (2023), provided by Mauritius with weighted average data based on value added by sector (2010 - 2022 (rounded)). Notes: (i) Sector is according to ISIC 3 digit. The data are in line with the structure of the fourth revision of the UN’s International Standard Industrial Classification (ISIC Rev. 4). Details on ISIC Rev 4 are available on the United Nations Statistics Division website at https://unstats.un.org/unsd/methods/m49/indg49.pdf. (ii) The data for 2014 to 2021 have been supplemented with the results from the annual Foreign Assets and Liabilities Survey (FALS) and therefore also include reinvested earnings and shareholders’ loans. (iii) IRS/RES/IHS/PDS/SCS: Integrated Resort Scheme/Real Estate Scheme/Invest Hotel Scheme/Property Development Scheme/Smart City Scheme.
Investments in innovation: startups

- From 2000-2023, Mauritius registered more than **380 startups** in different sectors including: financial services, cybersecurity, health, agriculture, and tourism.

- Three startups in Mauritius raised around **USD 1,680,000** in 2022, as stated by “The African Tech Startups Funding Report”.

Competitiveness and value proposition

Mauritius ranks:

**1st** in Africa and 13th in the world in the Doing Business Index 2020.

**62** in the Travel and Tourism Development Index 2021 amongst 117 countries.

The country saw an average of **USD 1,472.00 in receipts per arrival**, boasting an impressive sum that was **40.11% higher** than the global average.

World Bank Group (2020), World Economic Forum (2022) and UNWTO (2022)
Country comparison via the Travel and Tourism Development Index 2021

As of June 2023

24 Different schemes and incentives for Foreign Direct Investment

- Premium Investment Certificate
- Investment Certificate
- Export Development Certificate
- Export Credit Guarantee Insurance Scheme
- Freight Rebate Scheme
- Trade Promotion Marketing Scheme
- International Fairs SME Refund Scheme
- Regulatory Sandbox License (RSL)
- The Africa Warehousing Scheme (AWS)
- VAT Refund Scheme (MICE)
- E-commerce Scheme
- Film Rebate Scheme
- Property Development Scheme
- PDS for Senior Living
- The Invest Hotel Scheme
- Smart Cly Scheme
- National Regeneration Programme
- Registration Certificate (Food Processing)
- Integrated Modern Agricultural Marcellement Scheme
- Sustainable Agriculture
- Mauritius Diospora Scheme
- Investment certificate granted by the EDB
- Digital Technology and innovation
- Energy and Sustainability

As of June 2023

Tourism related schemes

- VAT Refund Scheme Meetings, Incentives, Conventions and Exhibitions (MICE)
- The Property Development Scheme
- Silver Economy
- Investment Hotel Scheme Project
- Commercial Developments
- National Regeneration Program
- Participation in International Fairs SME Refund Scheme

Financial Law Amendment
In the process
Portfolio of projects

- Merville Ltd (LUX* Grand Bay)
  Grand Baie, Riviere Du Rempart
- Sharma Ltd (Ocean’s Creek Beach Hotel by Shanti Collection)
  Grand Baie, Riviere Du Rempart
- Sharma Ltd (Ocean’s Creek Beach Hotel by Shanti Collection)
  Grand Baie, Riviere Du Rempart
- B59 Ltd (Sunrise Attitude Hotel)
  Belle Mare, Flacq
- Ebene Square Ltd (Hilton Garden Inn)
  Phoenix, Plaine Wilhems
- Stella Di Mare (Mauritius) Ltd (Stella Di Mare Resorts)
  Grand Baie, Riviere Du Rempart
- RIU Le Morne Ltd (RIU HOTELS)
  Le Morne, Black River

6 current projects for a total of USD 298 million
TOURISM DOING BUSINESS
INVESTING IN
MAURITIUS

UNWTO
World Tourism Organization
While global Foreign Direct Investments have dropped 12% in 2022, the tourism sector in Africa has showed a positive perspective: the value of greenfield projects announced almost quadrupled.

Mauritius has demonstrated its leadership in FDI schemes and incentives, and a solid GDP growth of 7.2% in 2022 as ideal conditions for attracting investors.
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