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.
Foreign Direct Investments (FDI) - all sectors - Africa

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**
Greenfield Foreign Direct Investments (FDI) - tourism sector Africa

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

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

88% of the projects developed correspond to hotels

18,559 jobs created in the same period

2017 - 2022

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.

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Nigeria

Key fact 2022 vs 2021
83.3% announced greenfield investment projects due to rebound effects

Number of projects 2017-2022

Top 10 African countries by Tourism Greenfield FDI received (destination)

FDI Intelligence from the Financial Times (2023)

1. Morocco (21)
2. Senegal (4)
3. Tunisia (8)
4. Cameroon (4)
5. Ethiopia (5)
6. Rwanda (4)
7. Tanzania (11)
8. South Africa (6)
9. Kenya (6)
10. Mozambique (4)

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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>

FDI Intelligence from the Financial Times (2023). Note: greenfield FDI by all companies investing in 42 African countries that are consider UNWTO member states which information is available in the database between January 2017 and December 2022.
2 Investment guidelines for Mauritius
TOURISM DOING BUSINESS
INVESTING IN MAURITIUS

MINISTRY OF TOURISM

UNWTO
World Tourism Organization
1

Why invest in the Republic of Mauritius

- **8.8%** GDP growth in 2022.
- **49.6%** Growth in total FDI inflows from 2010 to 2022.

*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</td>
<td>46 investment promotion and protection agreements in place</td>
<td>2,772 km road network</td>
</tr>
<tr>
<td>Tourism contributes to 8.1% of the GDP</td>
<td>1st in Africa worldwide</td>
<td>9th worldwide</td>
<td>29 commercial harbors</td>
</tr>
</tbody>
</table>

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.), World Data (s.f.).
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.

8.8% GDP growth in 2022.

8.1% 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

-14.6
2.8
3.9
3.9
3.7
3.4
3.5
4.1
4.4

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

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

• **USD 614.6 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).

<table>
<thead>
<tr>
<th>5 leading investors 2014-2022 in Mauritius</th>
</tr>
</thead>
<tbody>
<tr>
<td>(FDI in all sectors in USD million)</td>
</tr>
<tr>
<td>1,032</td>
</tr>
</tbody>
</table>

FDI inflows in Mauritius by sectors, 2010-2022

UNWTO based on Economic Development Board (2023), provided by Mauritius with weighted average data based on value added by sector (2010 - 2022 (condensed)). 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/publications/Series/M/series_m4rev4.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.

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)

Tourism Schemes 35%
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”.

UNWTO data based on Crunchbase selected companies created after 2000, considering travel tech and tourism sectors, acceded 28 of June 2023.
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 City 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
- Invest Hotel Scheme
- Commercial Developments
- National Regeneration Program
- Participation in International Fairs SME Refund Scheme

### Amendments following the Mauritius National Budget 2023-2024 and Finance (Miscellaneous Provisions) Act 2023

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)
Le Goulet, Pamplemousses

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)
Les Salines Koenig, Black River

RIU Le Morne Ltd (RIU HOTELS)
Le Morne, Black River

6 current projects for a total of USD 298 million
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 8.8% in 2022 as ideal conditions for attracting investors.