Global Investment Trends and Opportunities

Natalia Bayona I Executive Director
1 Global investments outlook

Foreign Direct Investments - all sectors
Global Foreign Direct Investments (FDI) - all sectors

Global FDI grew 54% in 2021, reaching almost USD 1.5 trillion and declined 12% in 2022 until USD 1.3 trillion.

UNCTAD World Investment Report 2023
However,

Developing countries accounted for 70% of global Foreign Direct Investment in 2022.

The value of announced greenfield projects in the service sector grew by 68% from 2021 to 2022.
World top investors (USD billion)

United States (373)

Canada (79)

United Kingdom (130)

China (251), including Hong Kong (104)

Germany (143)

Japan (161)

Australia (117)

Sweden (62)

Republic of Korea (66)

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2 Tourism investments outlook

Foreign Direct Investments and Venture Capital
Global Greenfield Foreign Direct Investments (FDI) - tourism sector

2,415 announced projects representing a total capital investment of USD 175.5 billion.

66% of the projects developed correspond to hotels.

It means, an average investment of USD 72.6 million per project.

388,000 approx. jobs supported in the same period.

2018 - 2022

FDI Intelligence from the Financial Times in association with UNWTO (2023).

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Tourism Greenfield FDI by region from 2018 to 2022
by number of projects and USD billion

Europe
1,004 projects
USD 51.1 billion

Middle East *
177 projects
USD 12.39 billion

North America
232 projects
USD 10.4 billion

Latin America and the Caribbean
340 projects
USD 27.9 billion

Africa *
101 projects
USD 7.73 billion

Asia and the Pacific
517 projects
USD 65.1 billion

*Facts for Middle East and Africa has been updated on 25 September taking into account UNWTO’s regions distribution.

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fDi Intelligence from the Financial Times in association with UNWTO (2023).
### Top 10 Tourism FDI Investors
(source) 2018 - 2022

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>323</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>209</td>
</tr>
<tr>
<td>Spain</td>
<td>153</td>
</tr>
<tr>
<td>France</td>
<td>131</td>
</tr>
<tr>
<td>Thailand</td>
<td>88</td>
</tr>
<tr>
<td>Germany</td>
<td>73</td>
</tr>
<tr>
<td>India</td>
<td>67</td>
</tr>
<tr>
<td>China</td>
<td>62</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>50</td>
</tr>
<tr>
<td>Netherlands</td>
<td>48</td>
</tr>
</tbody>
</table>

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**Saudi Arabia**

Attracted 31 tourism FDI projects between 2018 and 2022.

2022 performance was 80% higher than 2021.

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FDI Intelligence from the Financial Times in association with UNWTO (2023).
### Top 10 Tourism FDI Receivers
*(destination) 2018 - 2022*

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>198</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>160</td>
</tr>
<tr>
<td>Spain</td>
<td>133</td>
</tr>
<tr>
<td>Germany</td>
<td>133</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>114</td>
</tr>
<tr>
<td>Mexico</td>
<td>105</td>
</tr>
<tr>
<td>France</td>
<td>96</td>
</tr>
<tr>
<td>China</td>
<td>79</td>
</tr>
<tr>
<td>Portugal</td>
<td>58</td>
</tr>
<tr>
<td>Japan</td>
<td>57</td>
</tr>
</tbody>
</table>

Job creation in tourism FDI was **highest in Mexico** with an estimated **31,000 jobs**, followed by **China** and **Spain**.
Tourism Tech - Investment Landscape

Venture Capital reached USD 48 billion in the last 5 years. 27% were invested in 2021 as a record year as a result of the pandemic. 2022 has returned to normal market numbers with an investment of USD 7.8 billion.

UNWTO based on Crunchbase database (as of 14 September 2023) and Crunchbase Report (21 June 2022). Criteria: VC-Backed Travel And Tourism Companies including Air Transportation.
**Venture Capital in Tourism Tech (2018 – 2022)**

**By regions**
- Europe (21.3%)
- North America (41.5%)
- Asia and the Pacific (34.8%)
- Middle East (1.4%)
- Latin America and the Caribbean (0.8%)
- Africa (0.2%)

**By categories**
- 40% went to **Travel** startups;
- 25% to **Hospitality** ones; and
- 10% to **Air Transportation**

**Top 6 Unicorns in the sector**
- **SpaceX**
- **Pony**
- **Faraday Future**
- **OYO**
- **TripActions**
- **OLA**

UNWTO based on Crunchbase data base (as of 14 September 2023) and Crunchbase Report (21 June 2022). Criteria: VC-Backed Travel And Tourism Companies including Air Transportation. Unicorns from TNMT (20 July 2021).
Since 2016, Public Provident Funds and Sovereign Wealth Funds have directly invested USD 20 billion in the hotel and leisure industry.

- 58% in Europe
- 21% in North America
- 14% in Developed Asia
- 7% in Emerging Markets

Some key players in the tourism sector:
- Norway
- Singapore
- Saudi Arabia
- European Union

- SWF (2023)
- Norges Bank Investment Management (2023)
- GIC (2022)
- European Court of Auditors (2020)
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Tourism Investment Frameworks

UNWTO’s approach towards investments
Current Model for Investment Promotion

- Financial and Tax Incentives
- Government Regulation
- Investment Strategy
- Knowledge and Technology
Comprehensive new investment framework
based on the UN 2030 Agenda for Sustainable Development

PEOPLE
Investing in talent

PLANET
Investing in sustainability

PROSPERITY
Investing in innovation and technology
PEOPLE

16% of the global population are young people. But, more than 1 in 5 of them were not in education, employment or training in 2020.

- Up to 25% of tourism workers in the European Union have low-level qualifications.

- 882,000 global tourism jobs per year will require vocational training until 2030.

Case study  Strong commitment to Tourism Education and Human Capital Development - Kingdom of Saudi Arabia
PLANET

CO2 emissions from tourism are forecasted to increase by 25% by 2030 from 2016 levels.

- Only a quarter of accommodations (26.3%) have climate action plans.

- USD 24.7 trillion is the investment opportunity the green buildings sector represents towards 2030.

PROSPERITY

About 80% of tourism businesses are Micro, Small and Medium-sized enterprises (MSMEs).

- 2.2% of the global venture capital 2018-2022 has flowed into Tourism and Tech startups.

UNWTO Innovation Top 300 innovators ➔ Total funding of USD 2+ billion.

➔ 22% of them are female-led.
UNWTO Tourism Doing Business - Investment Guidelines
4

UNWTO Investment Guidelines
TOURISM DOING BUSINESS
INVESTING IN
UZBEKISTAN
### Main reasons to invest in the Republic of Uzbekistan:

<table>
<thead>
<tr>
<th>Historic and cultural heritage</th>
<th>Economic growth and stability</th>
<th>Attractive incentive schemes</th>
<th>Strategic location and infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 UNESCO World Heritage Sites</td>
<td>5.35% of annual GDP growth in last 5 years</td>
<td>21 Free Economic Zones</td>
<td>184,000 km road network</td>
</tr>
<tr>
<td>Crucial crossroad along ancient Silk Road</td>
<td>5.25% projected GDP growth 2023-2026</td>
<td>2 Touristic Zones</td>
<td>11 international airports</td>
</tr>
</tbody>
</table>

World Tourism Organization, UNESCO, and Agency of Statistics under the President of Uzbekistan (2023).
Economic outlook

Uzbekistan GDP per capita from 2019 to 2022 grew by 15%, reaching USD 2,072 last year.

41.5% was service sector contribution to GDP in 2022. 7% corresponded to trade, accommodation and catering services.

Largest tourism contribution to GDP (2019) USD 1.6 billion

Agency of Statistics under the President of Uzbekistan, and IMF (2023).
According to UNCTAD, Foreign Direct Investment inflows nearly triple from 2011 to 2022.

Tourism sector:

727 investment projects accounted for USD 1.9 billion in capital investment last year.

1,564 announced projects 2019-2023 amount USD 4.3 billion.

<table>
<thead>
<tr>
<th>5 leading investors 2014-2023 in Uzbekistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>(FDI in all sectors in USD billion)</td>
</tr>
<tr>
<td>11</td>
</tr>
<tr>
<td>5.6</td>
</tr>
<tr>
<td>2.8</td>
</tr>
<tr>
<td>2.4</td>
</tr>
<tr>
<td>2.3</td>
</tr>
</tbody>
</table>

Tourism Committee under the ministry of Ecology, Environmental Protection and Climate Change, and Agency of Statistics under the President of Uzbekistan (2023).
Foreign Direct Investment (FDI) trends analysis in the tourism sector, 2019–2023

Note: * Planned investments for 2023. UNWTO based on information provided by the Tourism Committee under the Ministry of Ecology, Environmental Protection and Climate Change of the Republic of Uzbekistan, 2023.
Competitiveness and value proposition

Uzbekistan:

Is doing an important effort by investing in education: creating its Tourism Academy in Samarkand.

Ranks 69th in the Ease of Doing Business Index 2020.

Tourism sector in 2022:

- Contributed to 40% of all service exports
- 5.2 million international tourist arrivals.
- USD 1.4 billion international tourist receipts.

Agency of Statistics under the President of Uzbekistan, Tourism Committee under the Ministry of Ecology, Environmental Protection and Climate Change of the President of Uzbekistan (2023), World Bank (2020), and World Tourism Organization (2023).
**Decree DP-5326 (Feb 2018):**

*Creation of favorable conditions for the development of tourism potential of Uzbekistan*

**Decree N 232 (April 2022):**

*Diversification of the country’s tourism offer under the “Travel in Uzbekistan” programme*

<table>
<thead>
<tr>
<th>Development of Tourism Services</th>
<th>Foreign Film Companies</th>
<th>Entrepreneurship and Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Concessional loans</td>
<td>- Subsidies for a part of the expenses incurred</td>
<td>- Grants to implement innovative business ideas and startups in tourism.</td>
</tr>
<tr>
<td>- Exemption from customs duties</td>
<td>- Under the Tourism Sector Support Fund, grants if filming about the country’s history</td>
<td></td>
</tr>
<tr>
<td>- Subsidies for tour operators and travel agents bringing tourists to the country</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Portfolio of projects

International all-season resort “Plato Suffa 2400”, “Orlikisoy” and “Zamin Ultra” touristic zones
Zomin district, Jizzakh region
USD 500 million

“Bukhara City” multifunctional complex
Bukhara City
USD 500 million

Nanay, Zarkent and Paromon tourism villages
Nanay district, Namangan region
USD 400 million

Boysun Tourism Center
Boysun district, Surkhandarya region
USD 400 million

International all-season resort “Chimgan”
Bostanlyk district, Taschkent region
USD 480 million

USD 970 million

USD 2.8 billion

5 current projects for a total of USD 2.8 billion
While global Foreign Direct Investments have dropped 12% in 2022, the tourism sector has shown a positive perspective: the value of greenfield projects announced increased.

Uzbekistan has demonstrated its leadership with incentive schemes for attracting investors for the tourism sector.
Tourism is the most human economic sector. Today, the investment framework needs to ensure that:

- **PEOPLE** are in the center as a top priority
- Sustainability, our **PLANET**, is our main goal
- Innovation and Tech are the drivers for **PROSPERITY**
Global Investment Trends and Opportunities
Natalia Bayona | Executive Director