



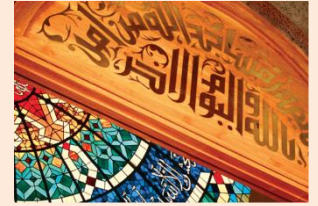
# **Enabling Tourism Investment Climate in the COMCEC Region: Challenges and Prospects**

**Challenges and Prospects for Tourism  
Investment in the COMCEC Region**

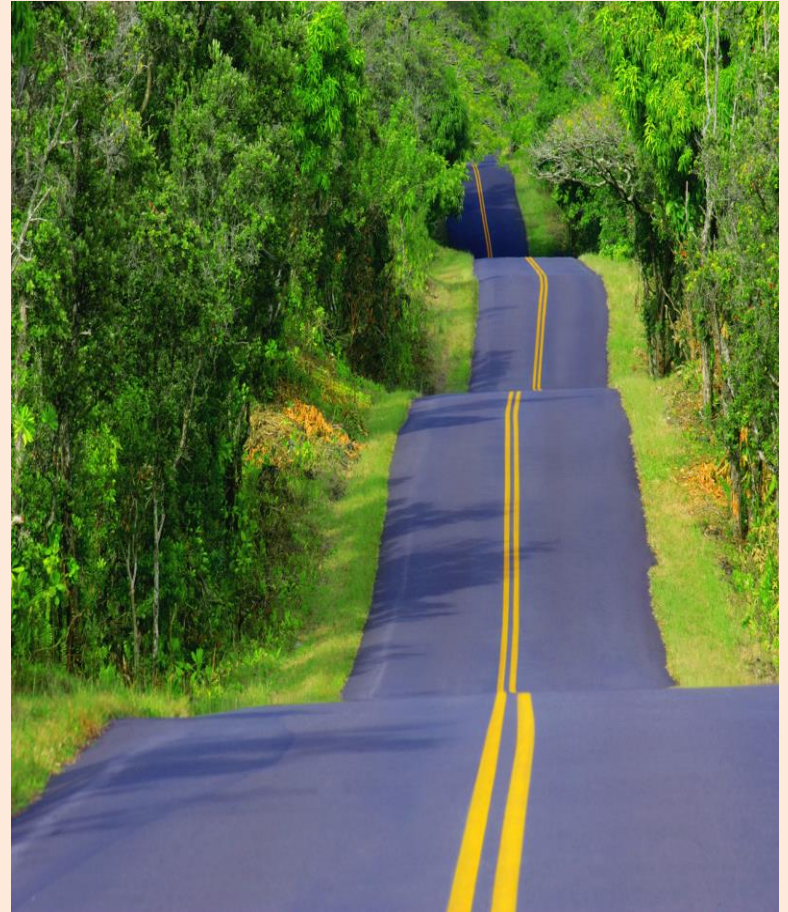
**Presented by:**

**Scott Wayne and Manuel Knight,  
SW Associates, LLC  
Washington, DC**

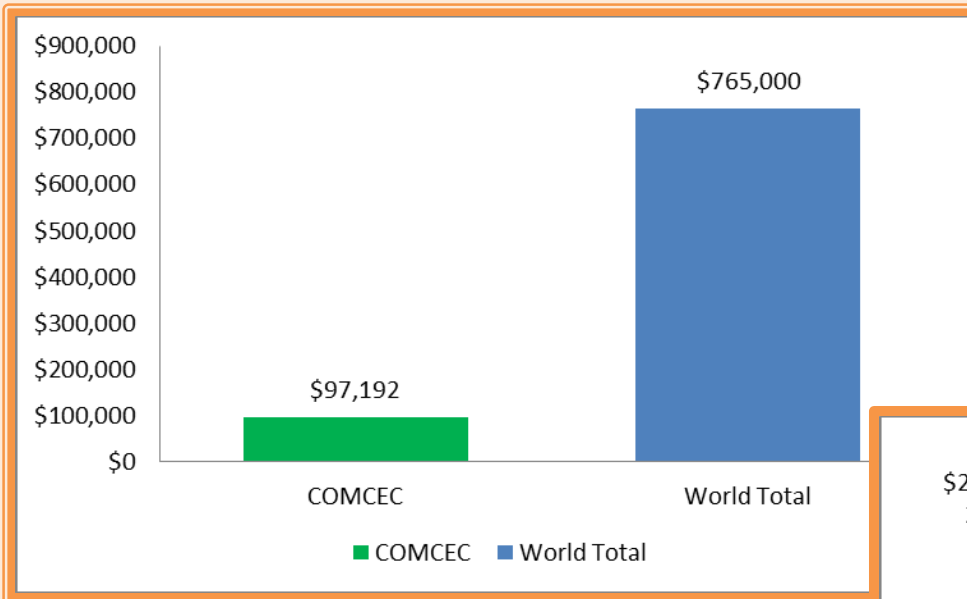
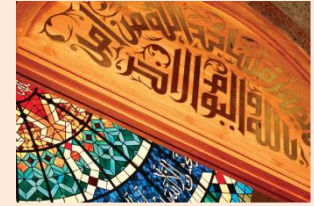
# Agenda



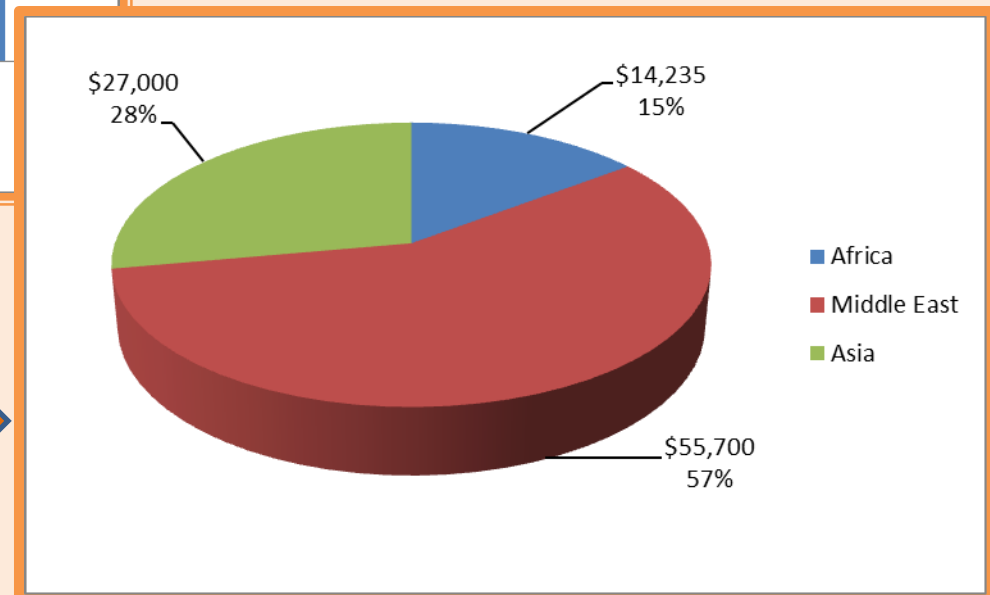
- Enabling Tourism Investment Climate in the COMCEC Region: Challenges, Prospects and Solutions



# World vs COMCEC: Tourism Capital Investment (2012)



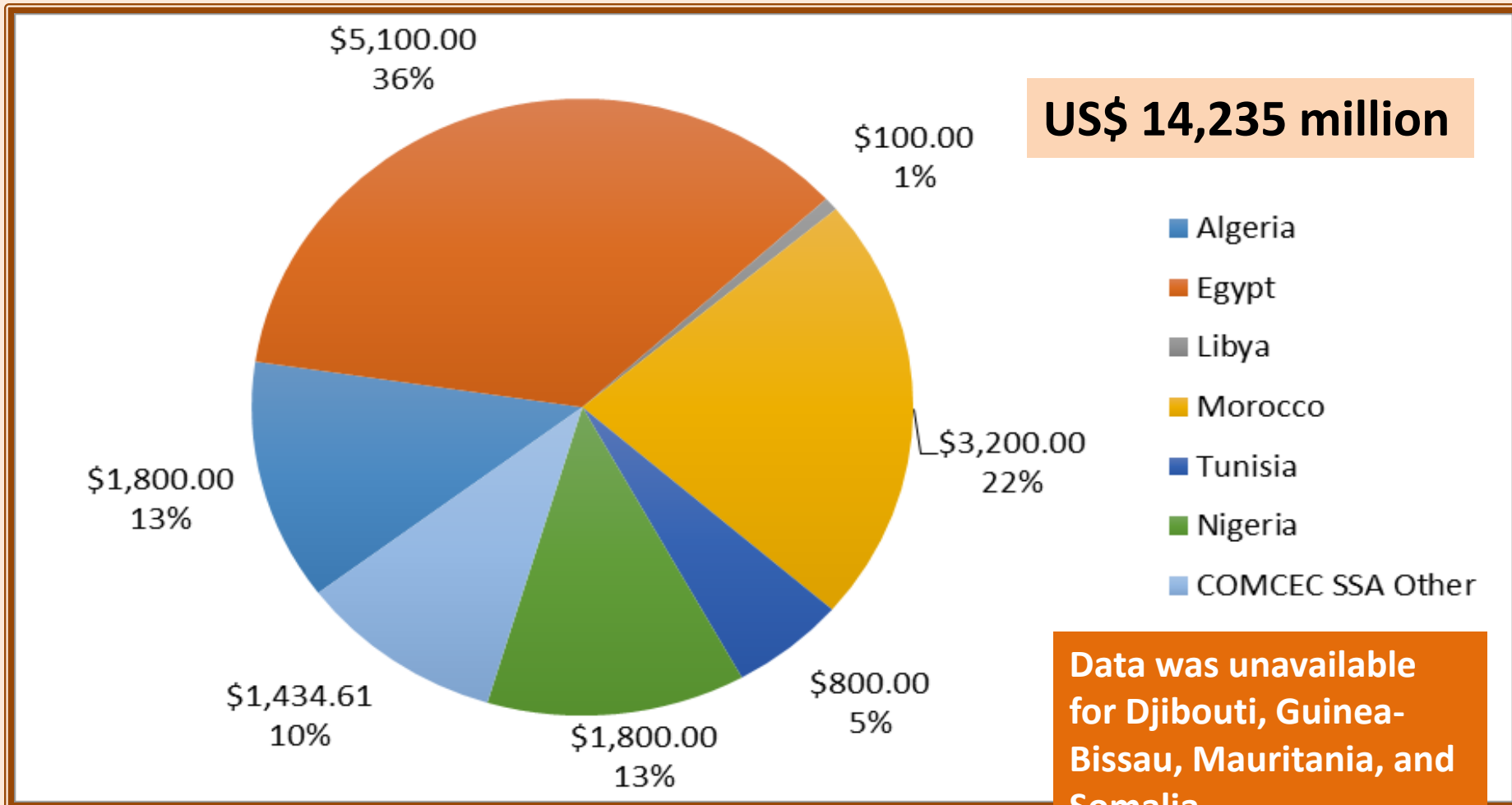
**US\$ 97,192 million**



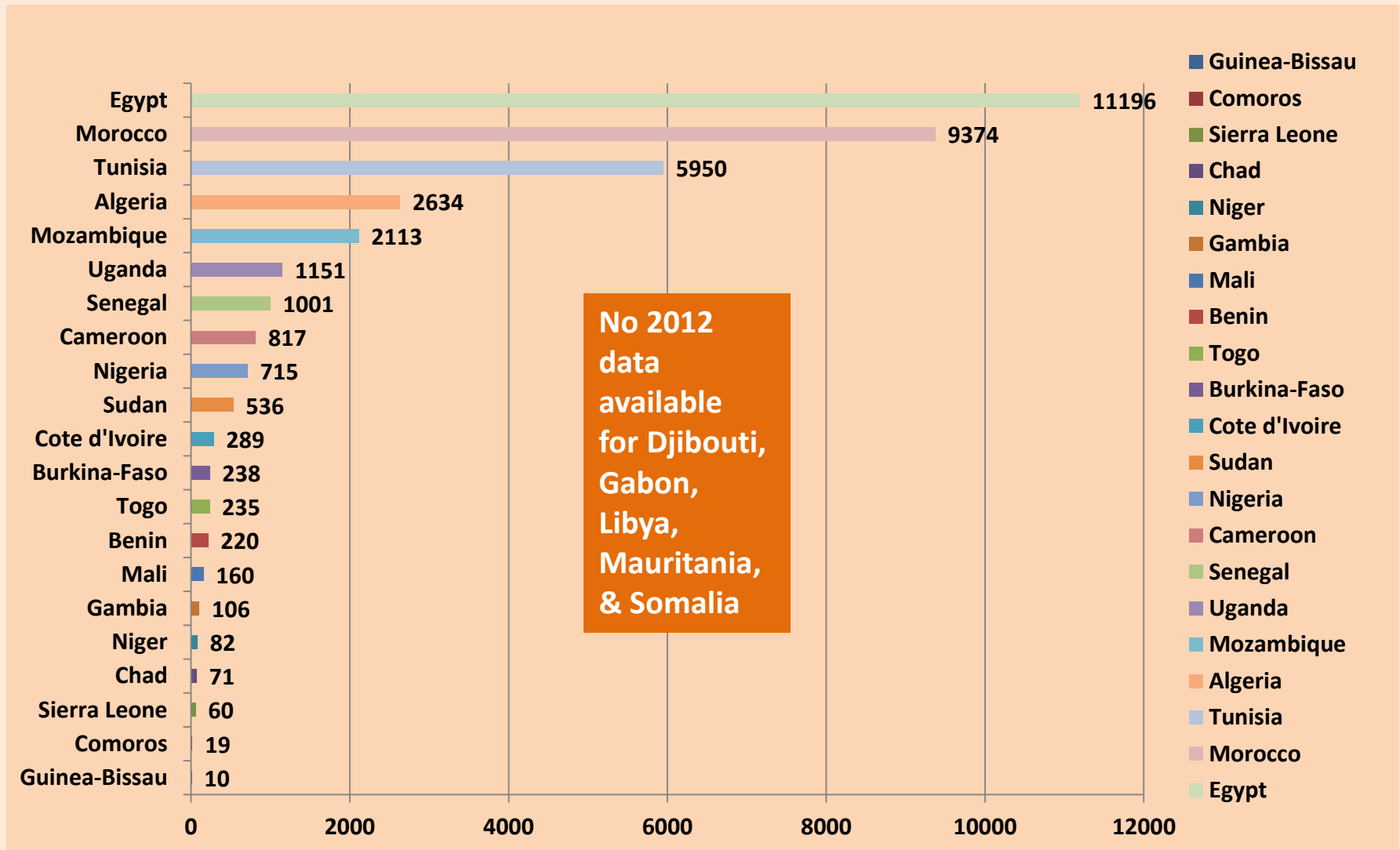
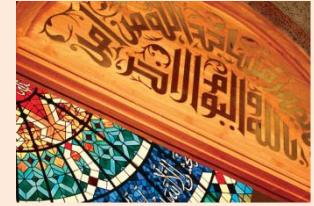
Three other COMCEC members – Guyana, Suriname and Albania – accounted for an additional US\$257 million in 2012 tourism investment.



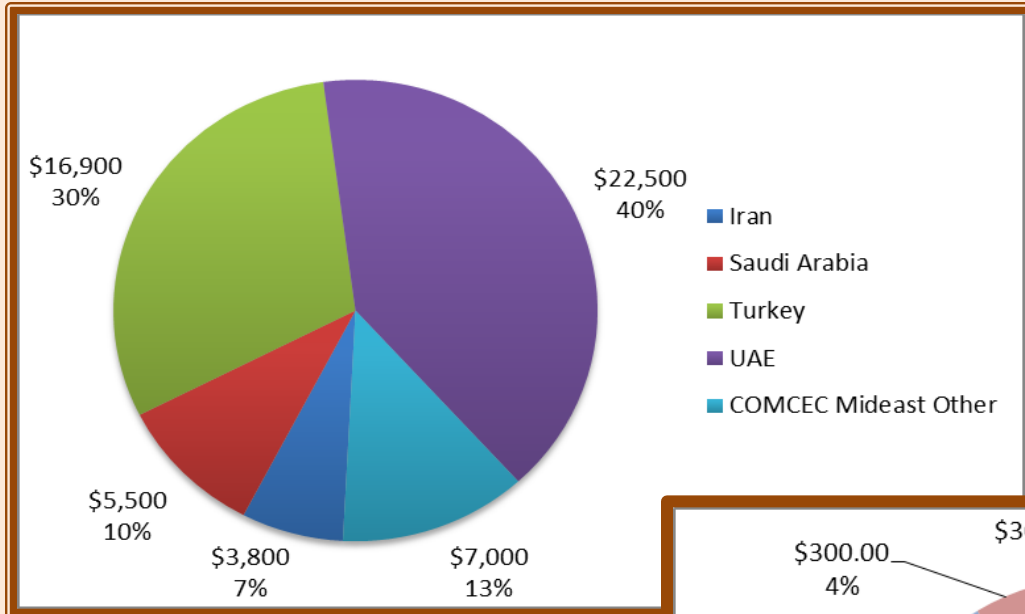
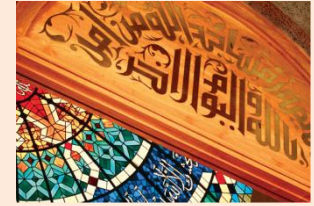
# Tourism Capital Investment: COMCEC Africa (2012)



# International Tourism Arrivals: COMCEC Africa ('000 - 2012)

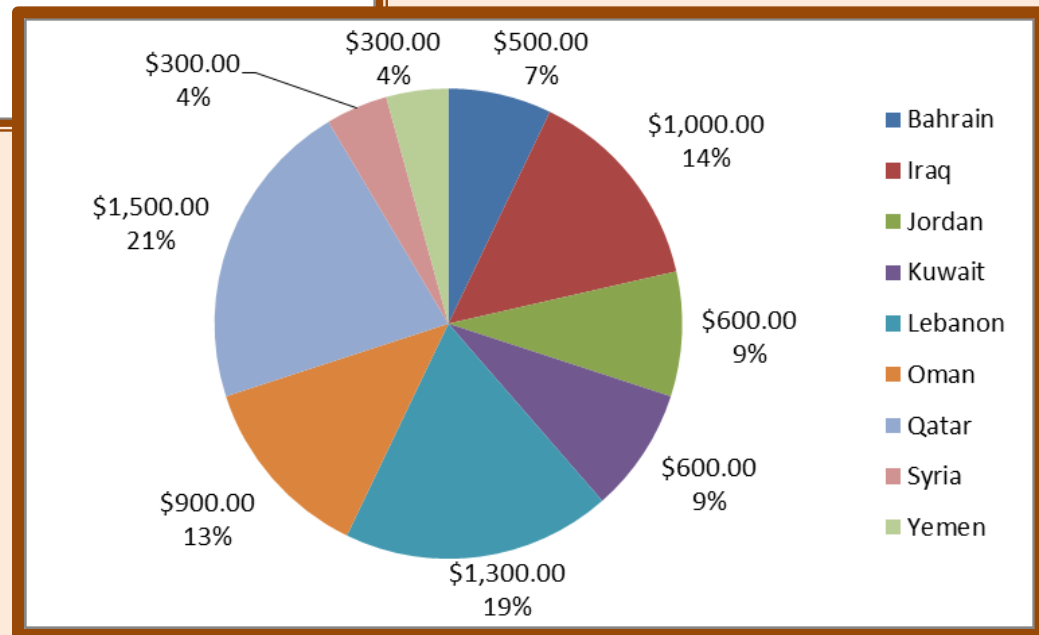


# Tourism Capital Investment: COMCEC Middle East (2012)

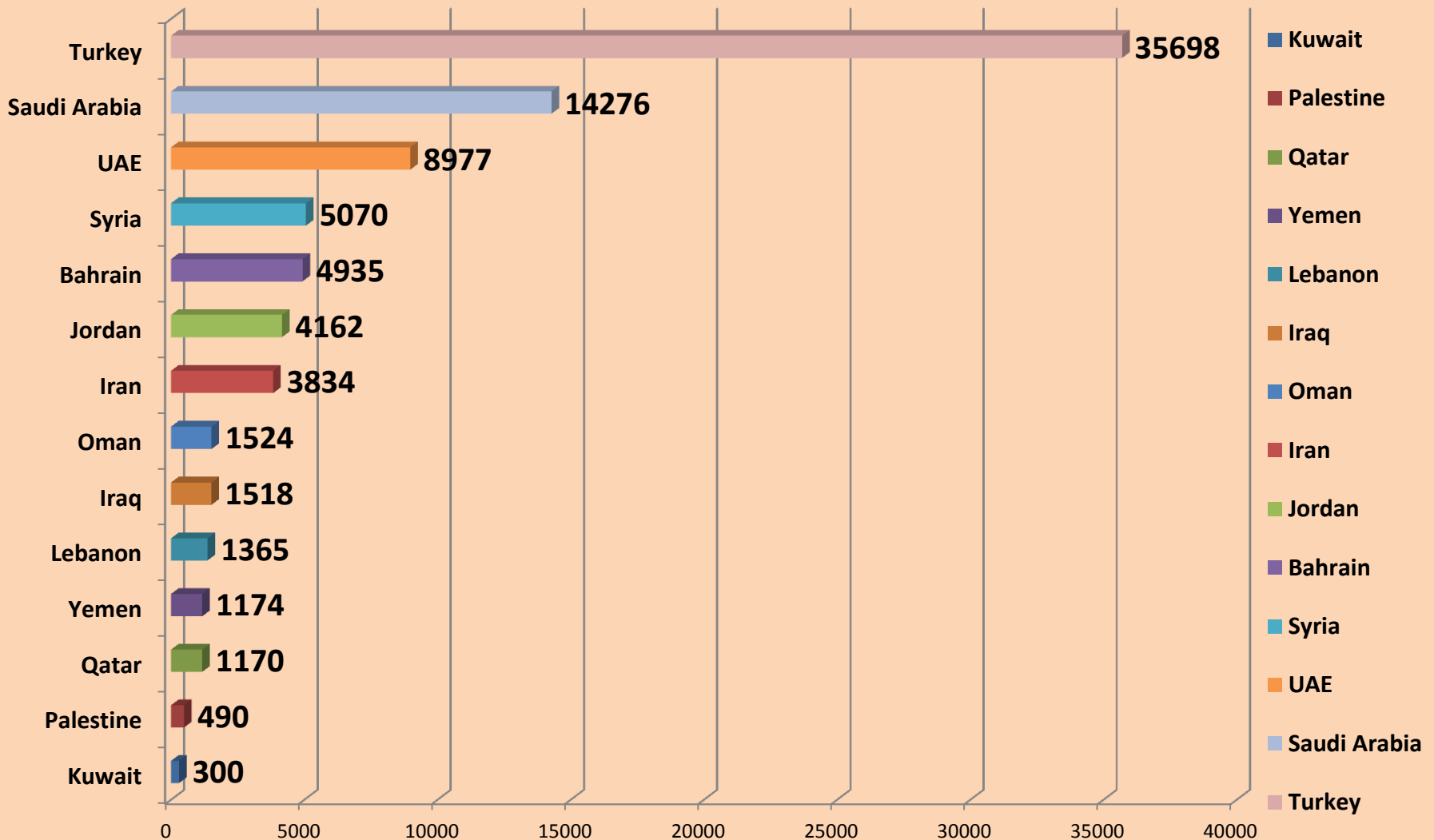
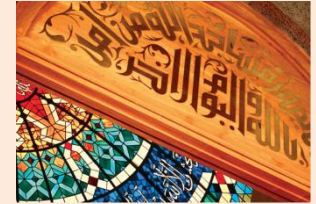


**US\$ 55,700 million**

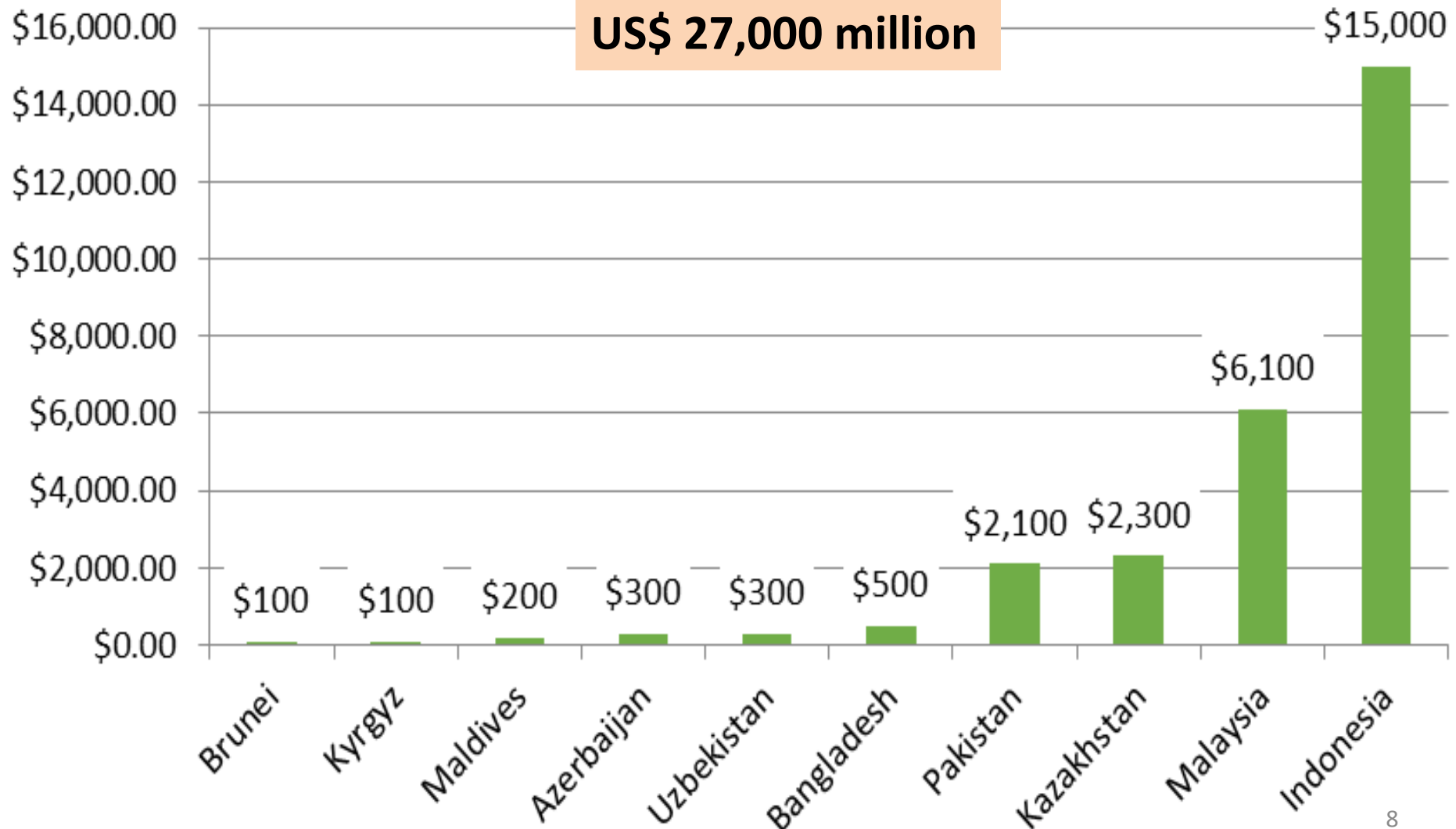
**COMCEC Middle East Other Countries**



# International Tourism Arrivals: COMCEC Middle East ('000 - 2012)

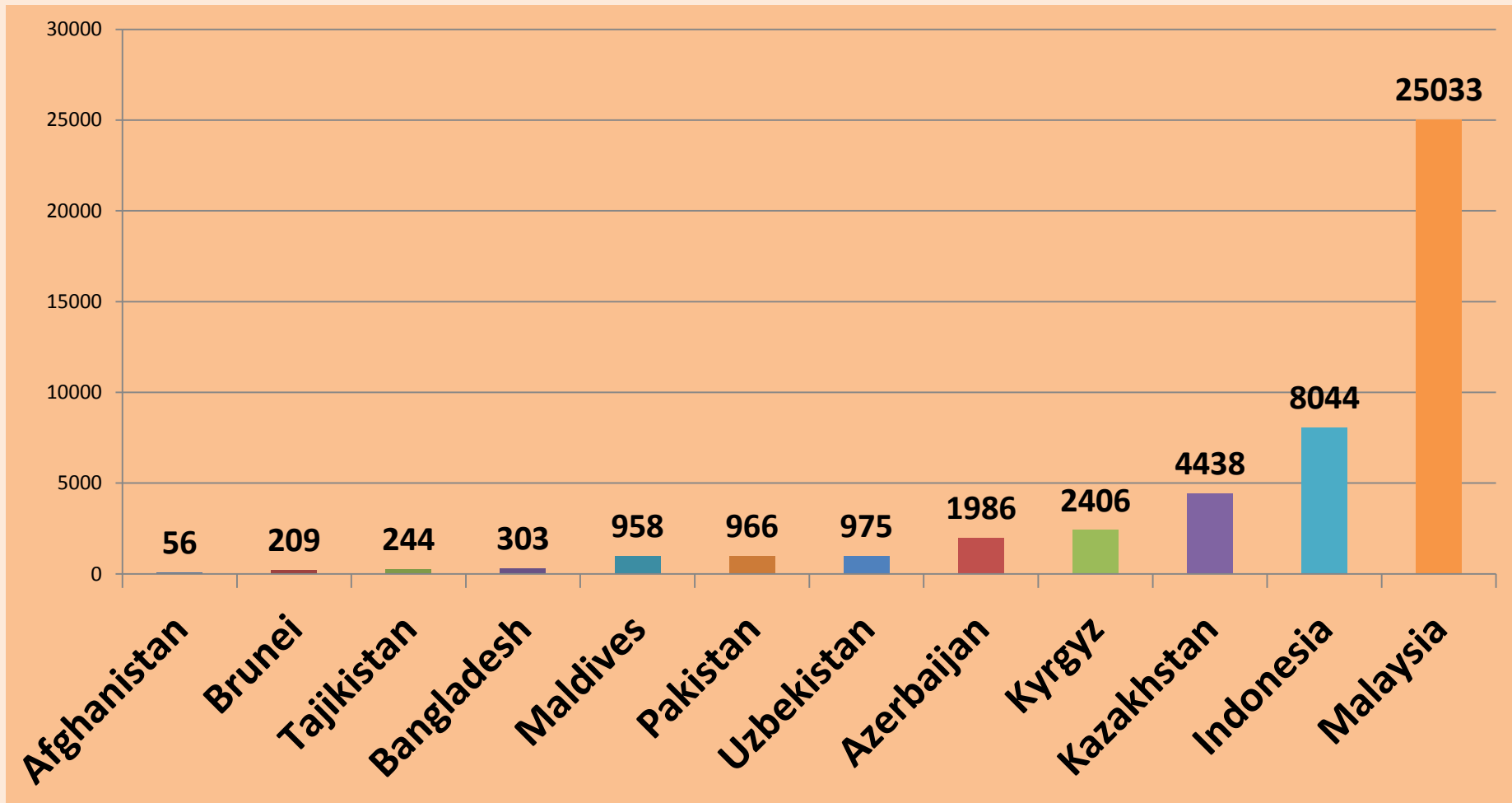


# Tourism Capital Investment: COMCEC Asia (2012)





# International Tourism Arrivals: COMCEC Asia ('000 – 2012)

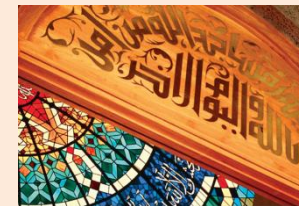


# 2013 WEF TTCI Rankings: COMCEC Regions



Region (# of countries)	Overall Average rank (/140) and Average Score (1-7)	Regulatory Framework Rankings/Avg. Score	Business Environment, Infrastructure Rankings/Avg. Score	Human, Cultural and Natural Resources Rankings/Avg. Score
World - 140	70.5/4	70.5	70.5	70.5
COMCEC - 41 countries	97.9/3.6	97.7/4	93.7/3.2	95.8/3.6
COMCEC Africa-17	119.7/3.2	118.5/3.6	118.8/2.75	113.6/3.3
COMCEC Middle East-11	68.2/4	77.6/4.4	55.6/4	77.4/3.8
COMCEC Asia-9	90.2/3.8	87.8/4.3	90.6/3.3	88.3/3.7

# Best Performing COMCEC Countries (2013)



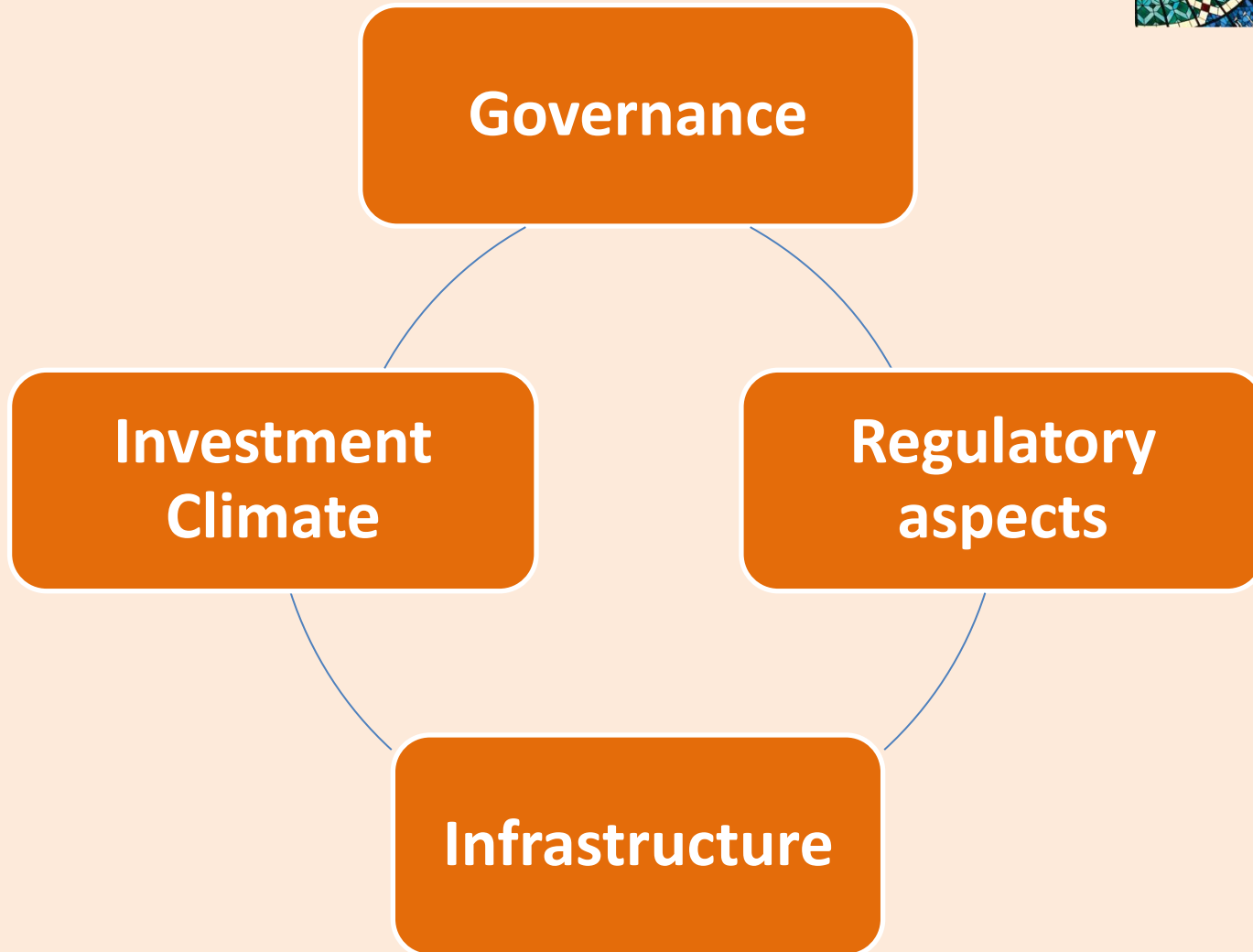
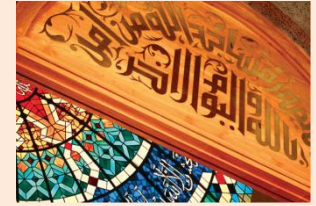
Country	Overall Index Ranking (/140)
UAE	28
Malaysia	34
Qatar	41
Turkey	46
Oman	57
Bahrain	55
Jordan	60
Saudi Arabia	62
Indonesia	70

# Key reasons for best performance in COMCEC

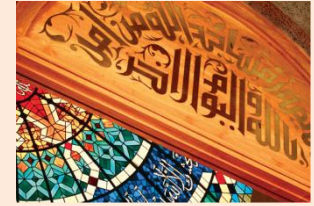


	T&T Regulatory	Business Environment	T&T human, cultural and natural resources
Albania	63		63
Azerbaijan	46		
Bahrain		32	
Brunei		57	67
Indonesia			31
Jordan	37	69	
Kazakhstan	62		
Kuwait		62	
Lebanon		65	70
Malaysia	55	41	17
Morocco	68		68
Oman	56	47	
Qatar	48	31	
Saudi Arabia		38	
Turkey	64	52	27
UAE	45	9	35

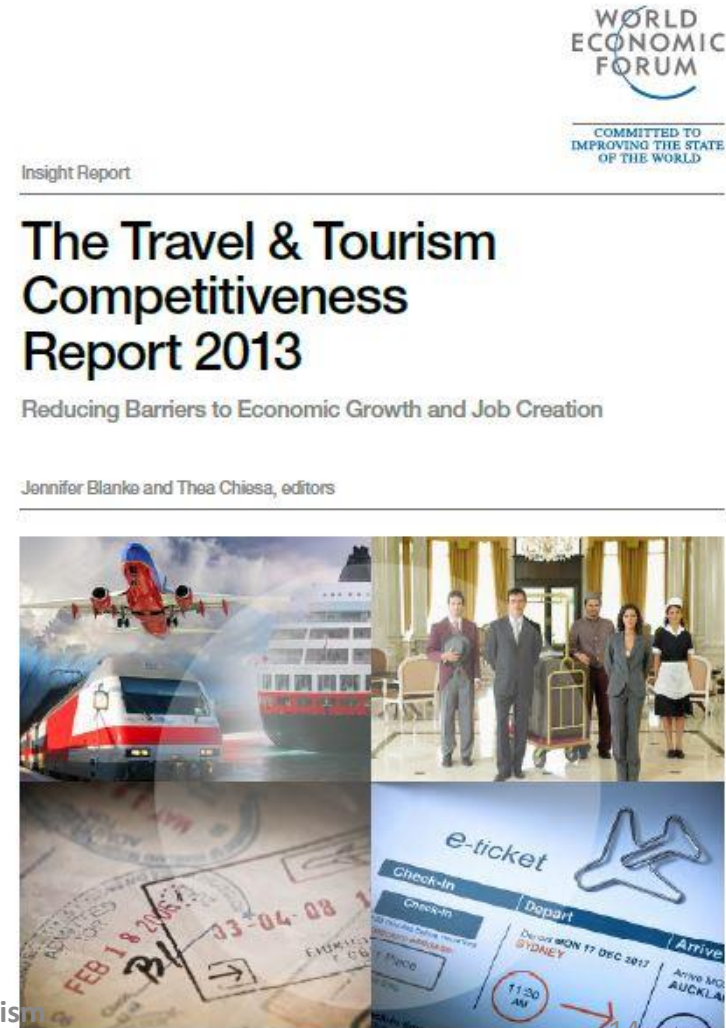
# Key Challenges for Tourism Investment



# Approach: World Economic Forum Travel & Tourism Competitiveness Index



- 140 countries ranked  
(41 in OIC)
- 3 key sub-indexes
  - Regulatory framework
  - Business environment and infrastructure
  - Human, Cultural and Natural Resources
- 14 pillars of key issues



# Approach: TTCI's 14 pillars of Key Issues

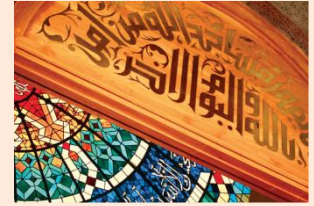
**Policies (7) and resources (7) measured**

**Policy Rules &  
Regulations,  
Prioritization,  
Price competitiveness,  
Affinity for T&T,  
Sustainability,  
Safety & Security  
Health & Hygiene**

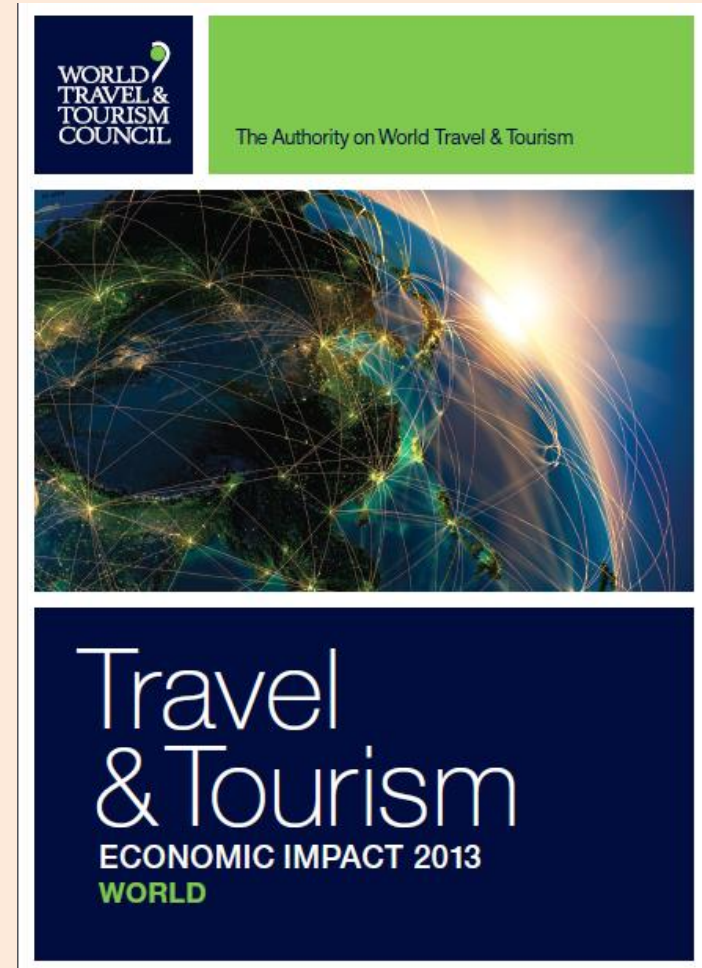
**Human  
Natural &  
Cultural  
Resources**

**Infrastructure:  
Air and Ground  
Transport,  
Tourism, & ICT**

# Approach: World Travel & Tourism Council - Economic Impact

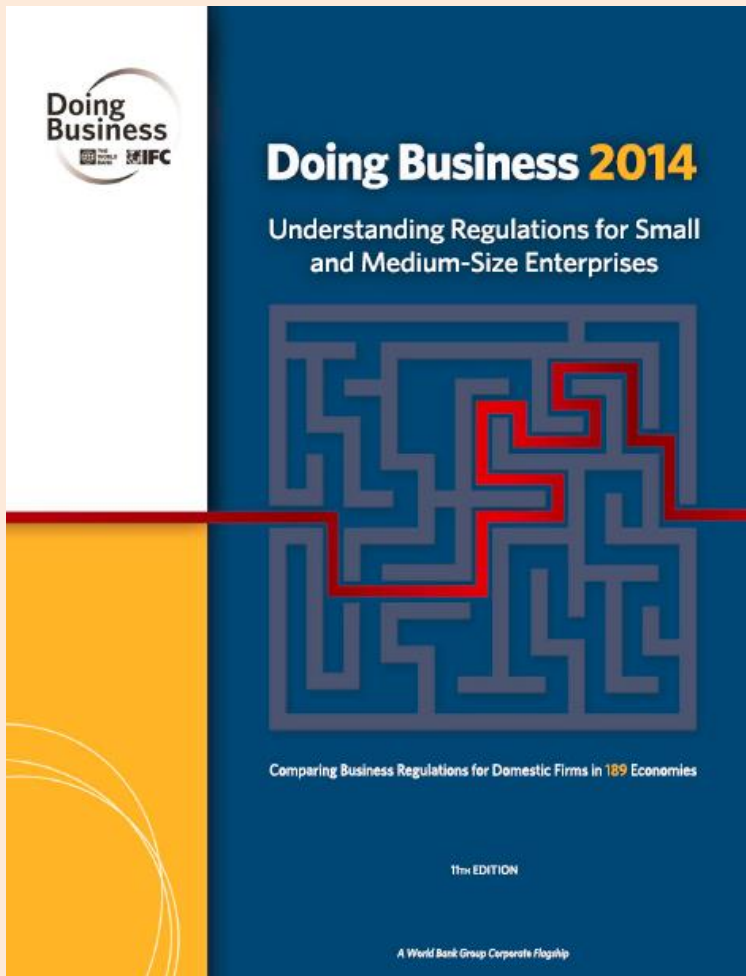
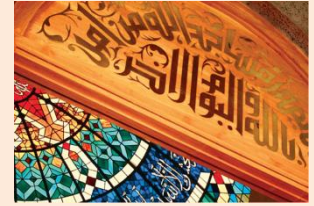


- GDP, employment, investment, foreign currency
- 189 countries and 24 groupings





# Approach: World Bank's *Doing Business 2014*



## *Understanding Regulations for SMEs*

- 189 countries
- Based on indicators in 11 areas

# **Approach: *Doing Business 2014***

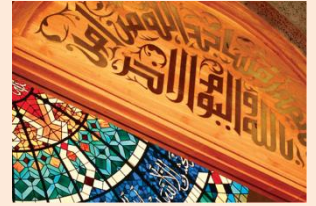
**measuring 11 areas in the life of a business**

## **Quantitative indicators**

- 1. Starting a business**
- 2. Dealing with construction permits**
- 3. Getting electricity**
- 4. Registering property**
- 5. Getting credit**

- 6. Protecting investors**
- 7. Paying taxes**
- 8. Trading across borders**
- 9. Enforcing contracts**
- 10. Resolving insolvency**
- 11. Employing workers**

# Challenges: How competitive is my country for tourism investment?

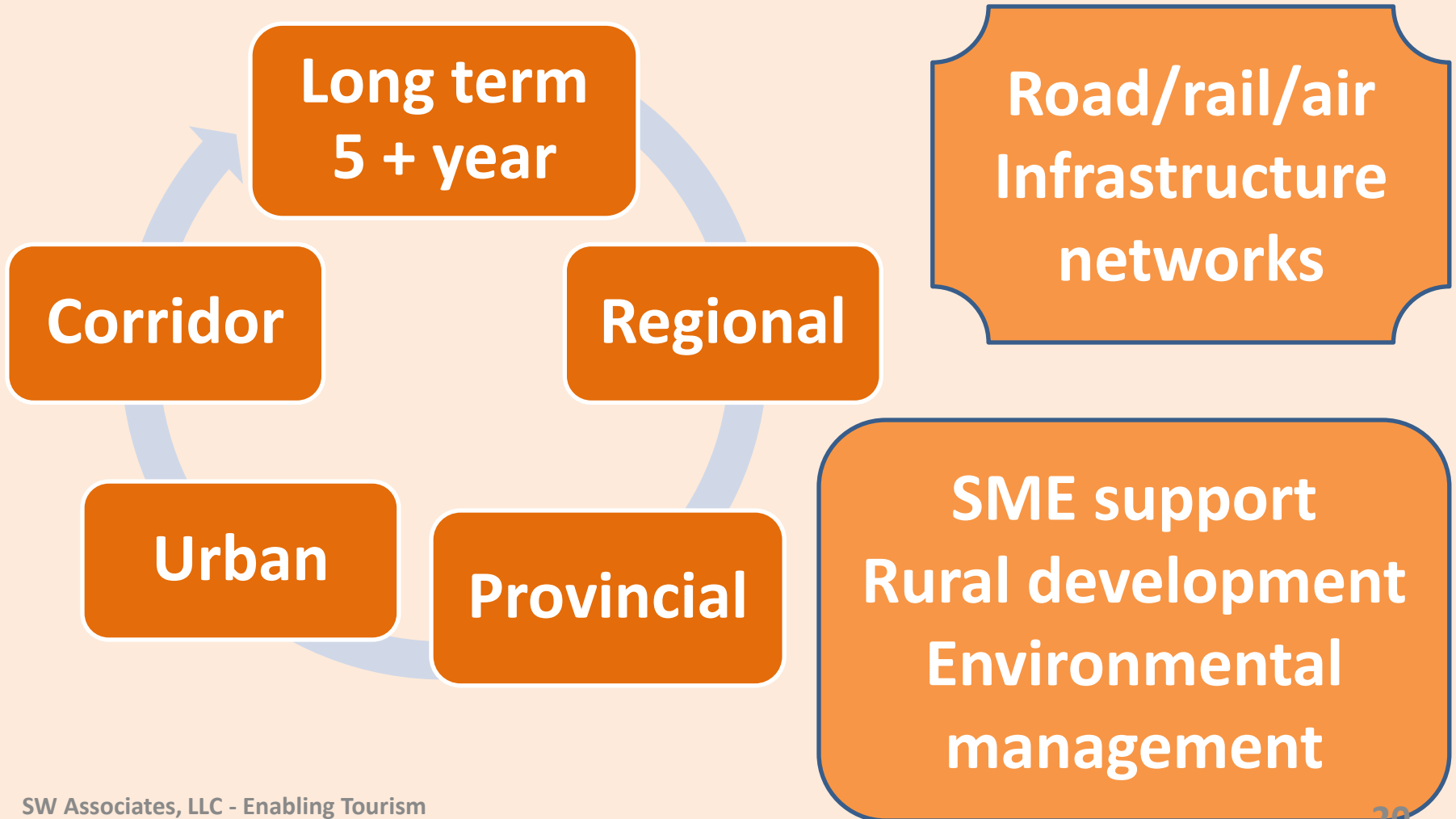


- Global ranking - Annex F
- Indicators for COMCEC countries - Annex A
- COMCEC and the world - Tables 13-15

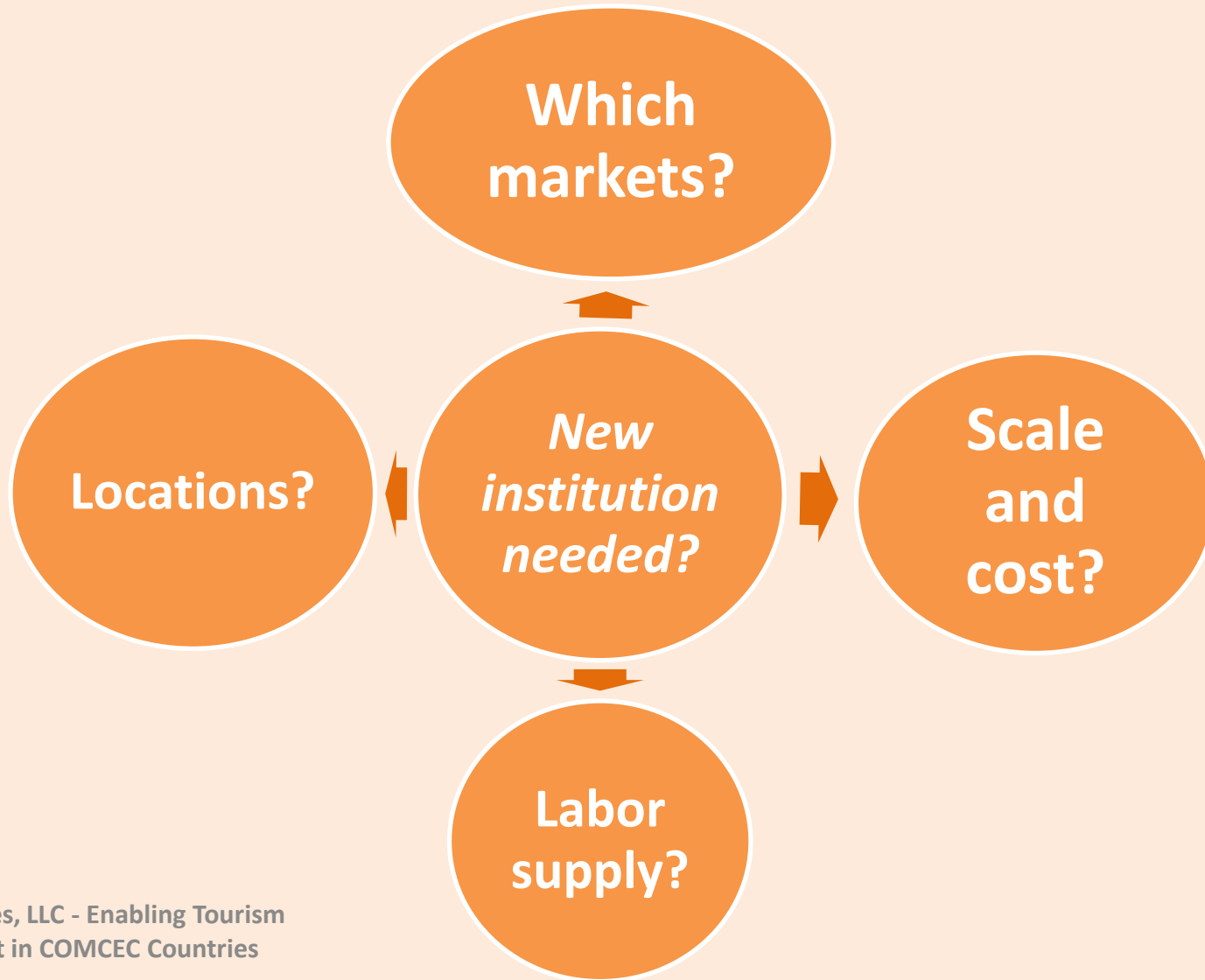


# Governance Challenges 1:

## *Tourism missing from plans?*



# Governance Challenges 2: Strategic framework for tourism?

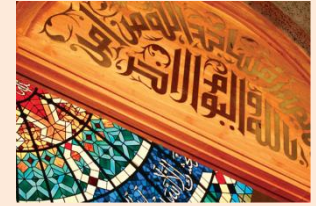


# Governance Challenges 3: Most Common...



1. Lack of strategic framework
2. Lack of awareness of tourism
3. Low priority of tourism in institutions
4. Insufficient coordination among policy makers
5. Few industry statistics
6. Security worries scaring away tourists

# Investment Climate challenges



**Inadequate  
information  
for investors**



**Laws & regulations**

**Investment  
opportunities**

**Taxes or  
incentives**

**Finance sources**

# Regulatory challenges



**Restrictive  
Visa  
Regimes**

**Formalities for  
New Business**

**Restrictions  
on foreign  
investment**

**Formalities for  
new  
construction**

**Incentives for  
Investment?**

**Limited  
information on  
VAT and Duties**





# Infrastructure Challenges



## Deficient utilities

- Poor public systems
- Costly private ones

## High costs

- Duplicate power supplies
- Costly desalination

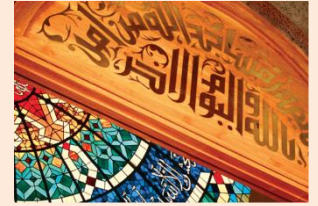
## Poor roads

- Short vehicle lifetime
- High operating costs

## Conflicting Developments

- Factory next to hotel
- Market/shipping traffic

# Additional Challenges

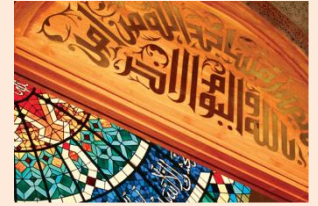


## Workforce training

- Hospitality skills lacking
- Few or no training facilities

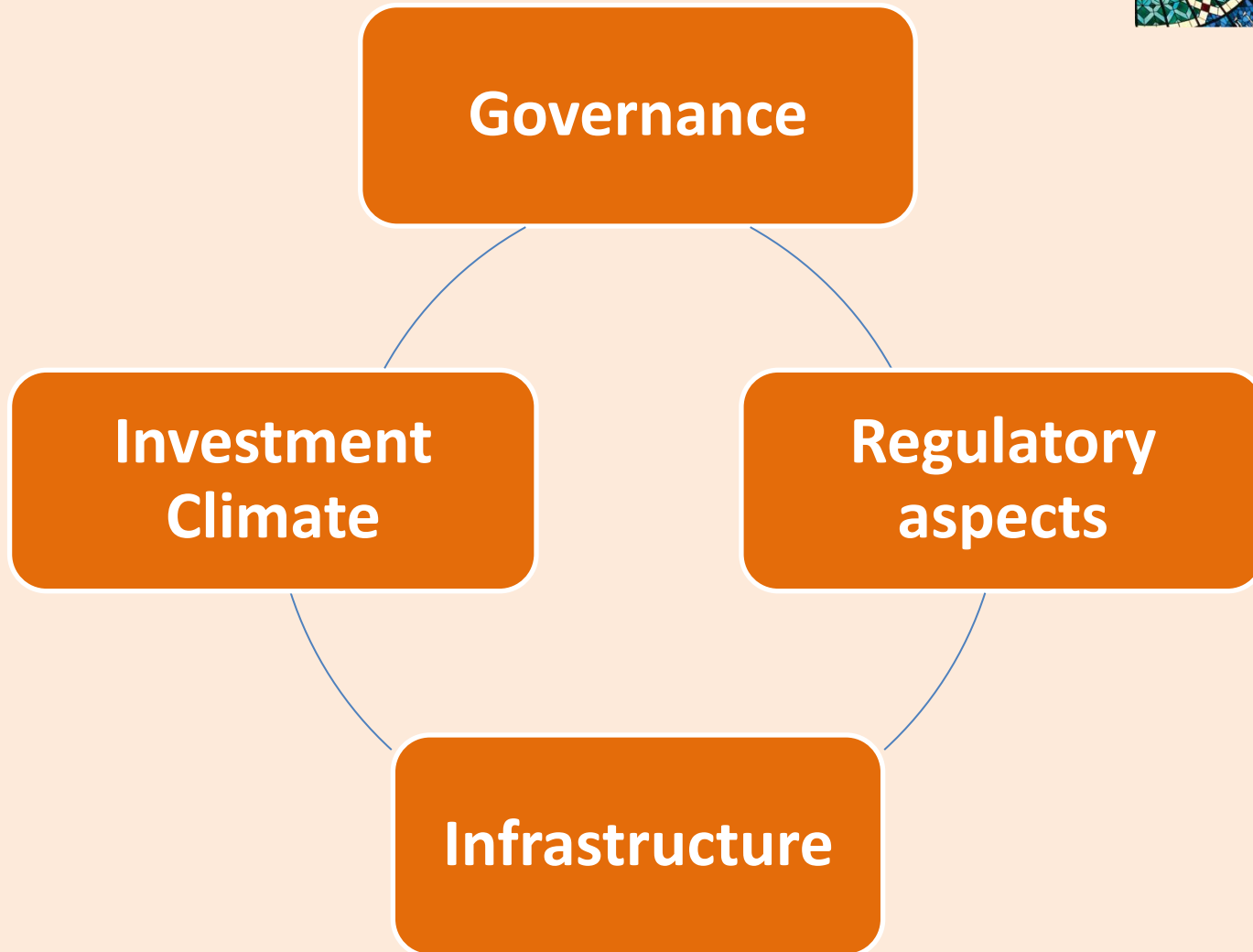
## Post disaster & conflict

- Negative image
- Costly rebuilding

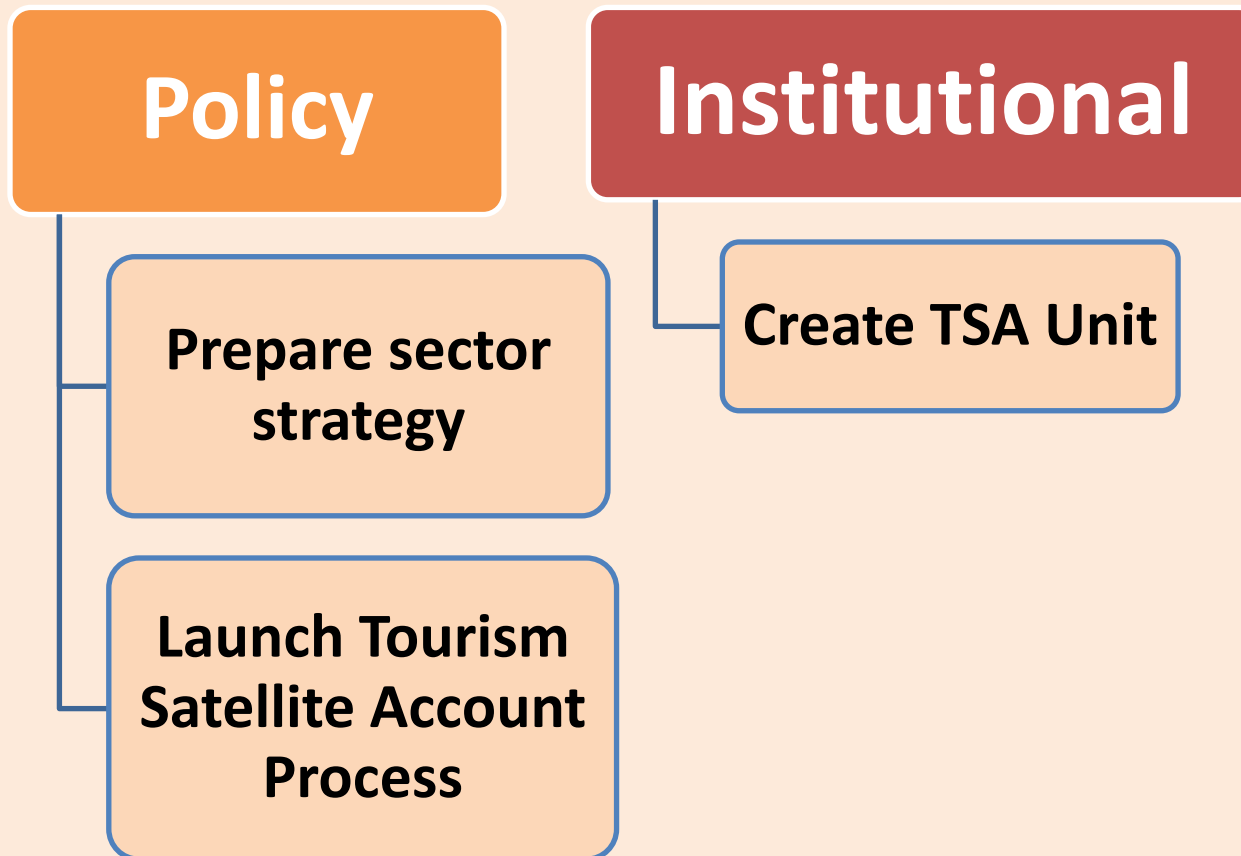


# Targeting Prospects for Tourism Investment *Recommended Solutions*

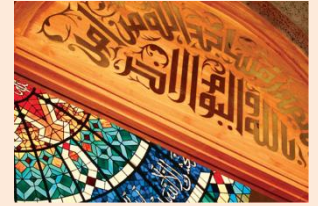
# Solutions for Tourism Investment



# Governance Solutions 1: Lack of Tourism Strategy



# Governance Solutions 2: Lack of Policy Coordination



## Policy

**Raise profile of  
tourism**

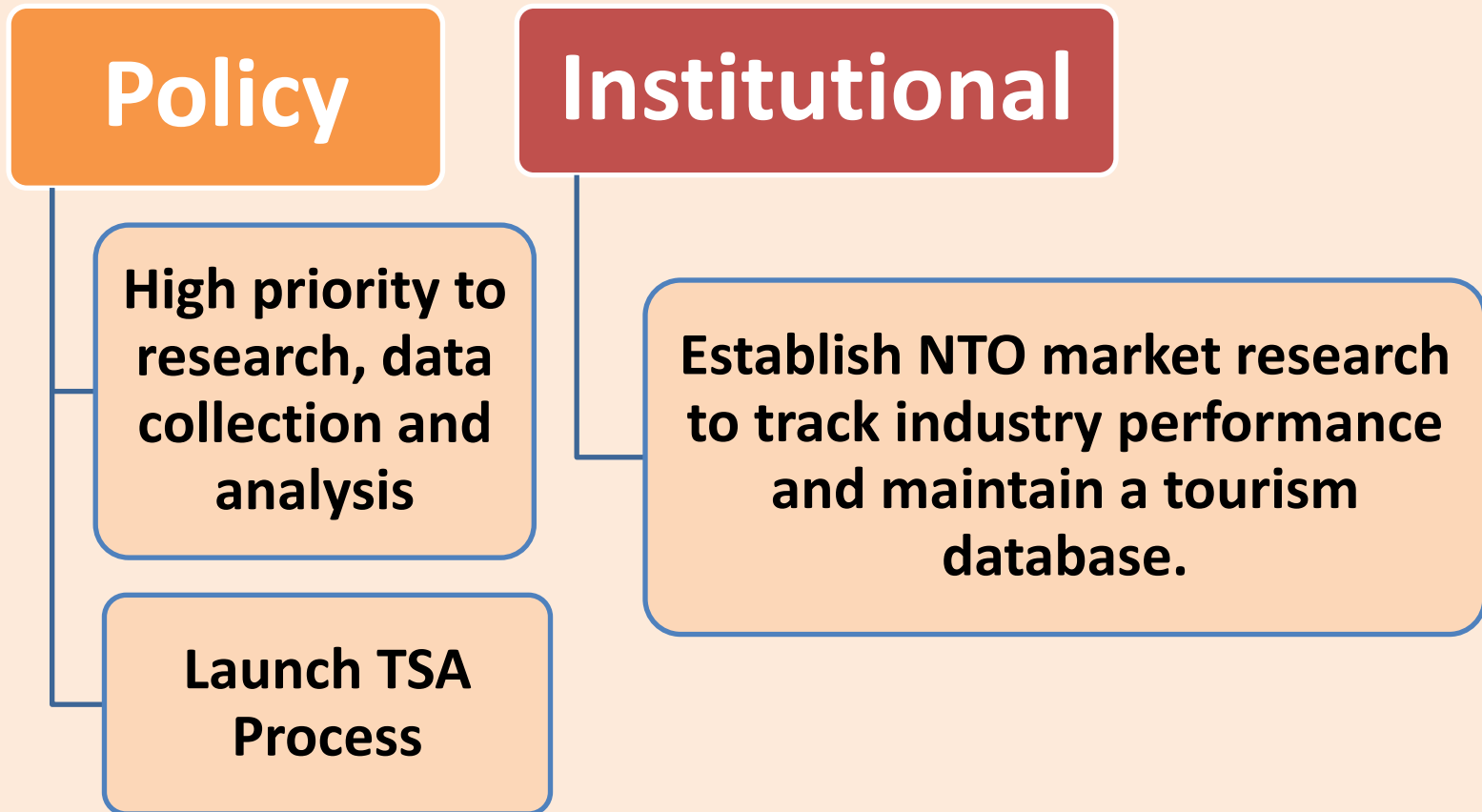
**Use new research,  
TSA results for  
project feasibility**

## Institutional

**Inter-ministerial  
tourism commission**  
**Include tourism  
business council**

# Governance Solutions 3:

## Lack of Data



# Governance Solutions 4

## Improved Security



### Policy

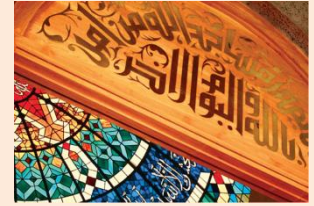
**More collaboration between tourism ministry and security authority**

### Institutional

**Tourism training to police and immigration officials.  
Create 'tourism police' with foreign language training**



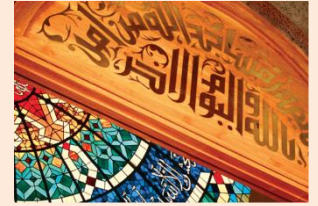
# Investment Climate Solutions 1: Online Marketing and Market Research



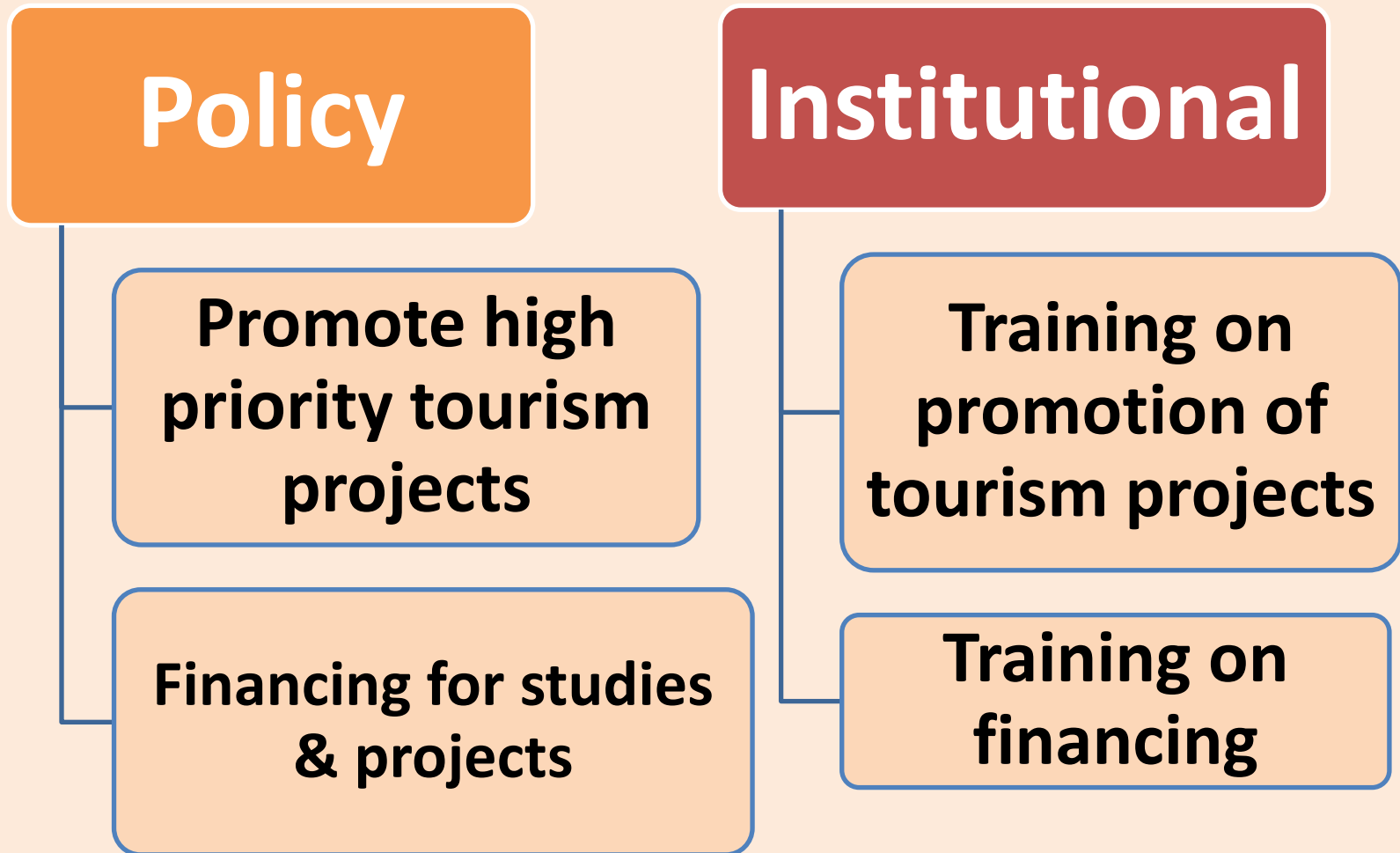
**Institutional**

**Train NTO/IPA personnel to produce high quality market research and improve online customer service and marketing.**

# Investment Climate Solutions 2: Clear information provided



# Investment Climate Solution 3: Poor information on opportunities



# Regulatory Solutions 1: Restrictive visas, low openness

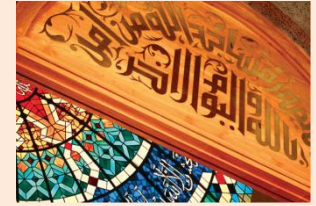


## Policy

**Adopt visa-free  
procedures for  
targeted nationalities**

**Adopt expedited systems  
for others**

# Regulatory Solutions 2: Reduce permits, formalities and visas



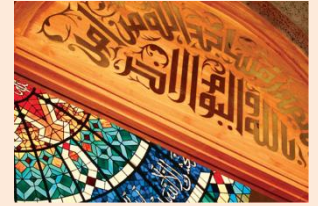
## Policy

**Reduce barriers to  
establishing  
business and  
investment**

## Institutional

**Create one-stop  
shop in the IPA**

# Regulatory Solutions 3: Information on incentives for tourism



**Policy**

**Provide information  
on key incentives for  
tourism projects**

# Regulatory Solutions 4: Land tenancy problems



## Policy

**Consider a land  
bank agency  
policy for tourism**

## Institutional

**Conduct a  
feasibility study  
on land banking  
for tourism**

# Regulatory Solutions 5: Restrictions on Foreign Investment

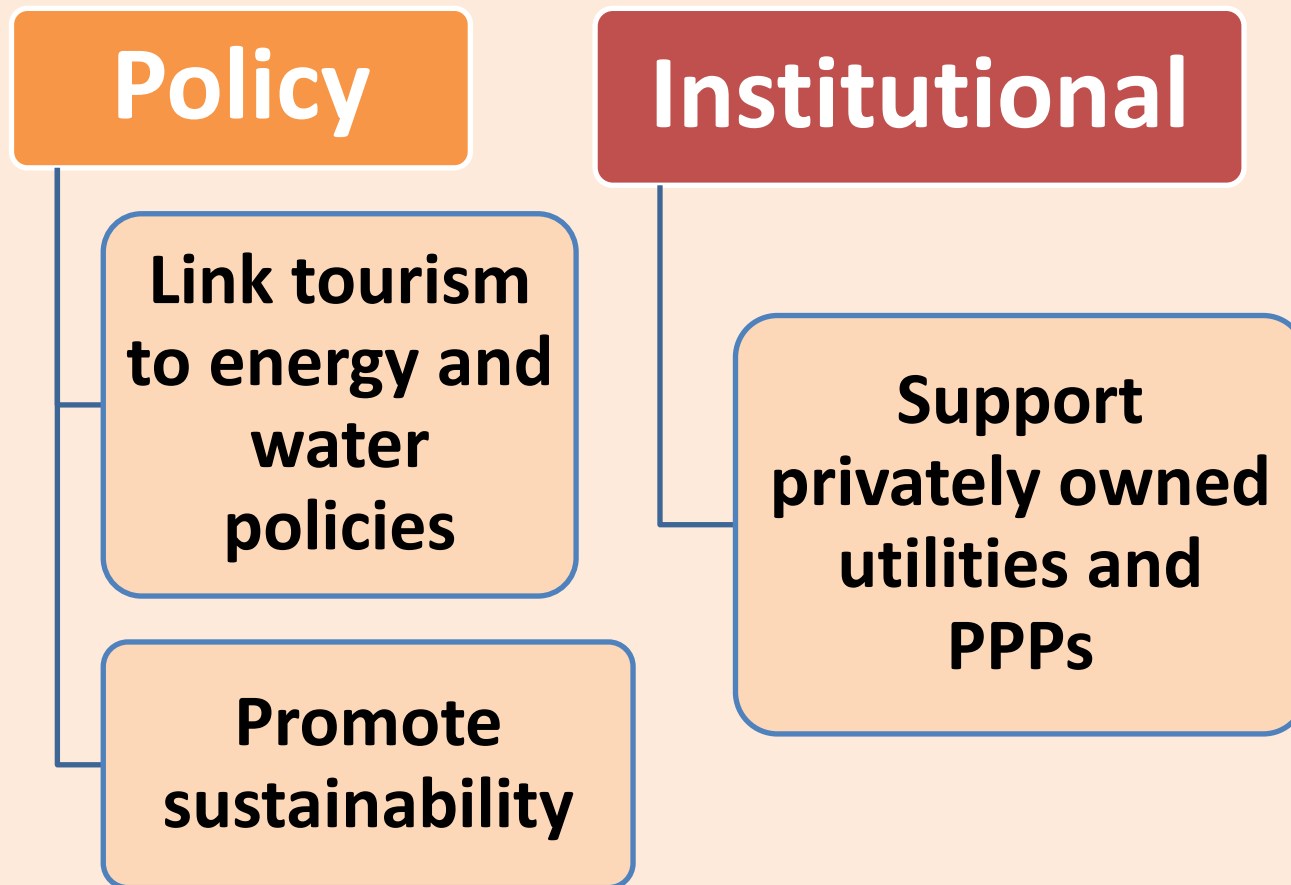


**Policy**

**Reduced restrictions  
and barriers on  
foreign investment**



# Infrastructure Solution 1: Inadequate utilities



# Infrastructure Solution 2: Poor transportation networks



## Policy

**Link tourism  
policy to  
transportation  
policy: road, air,  
sea and rail**

## Institutional

**Inter-ministerial  
commission to  
coordinate**

# Infrastructure Solution 3: Poor urban planning of destinations



**Policy**

**Support  
integrated  
destination  
master planning**

**Institutional**

**NTO/IPA Capacity  
Building on  
Master Planning**

# Additional Solution 1: Inadequate Workforce Preparation



## Policy

**Link tourism to  
vocational  
training**

## Institutional

**Extend incentives  
to training  
institutions**

# Additional Challenges: Investment for recovery



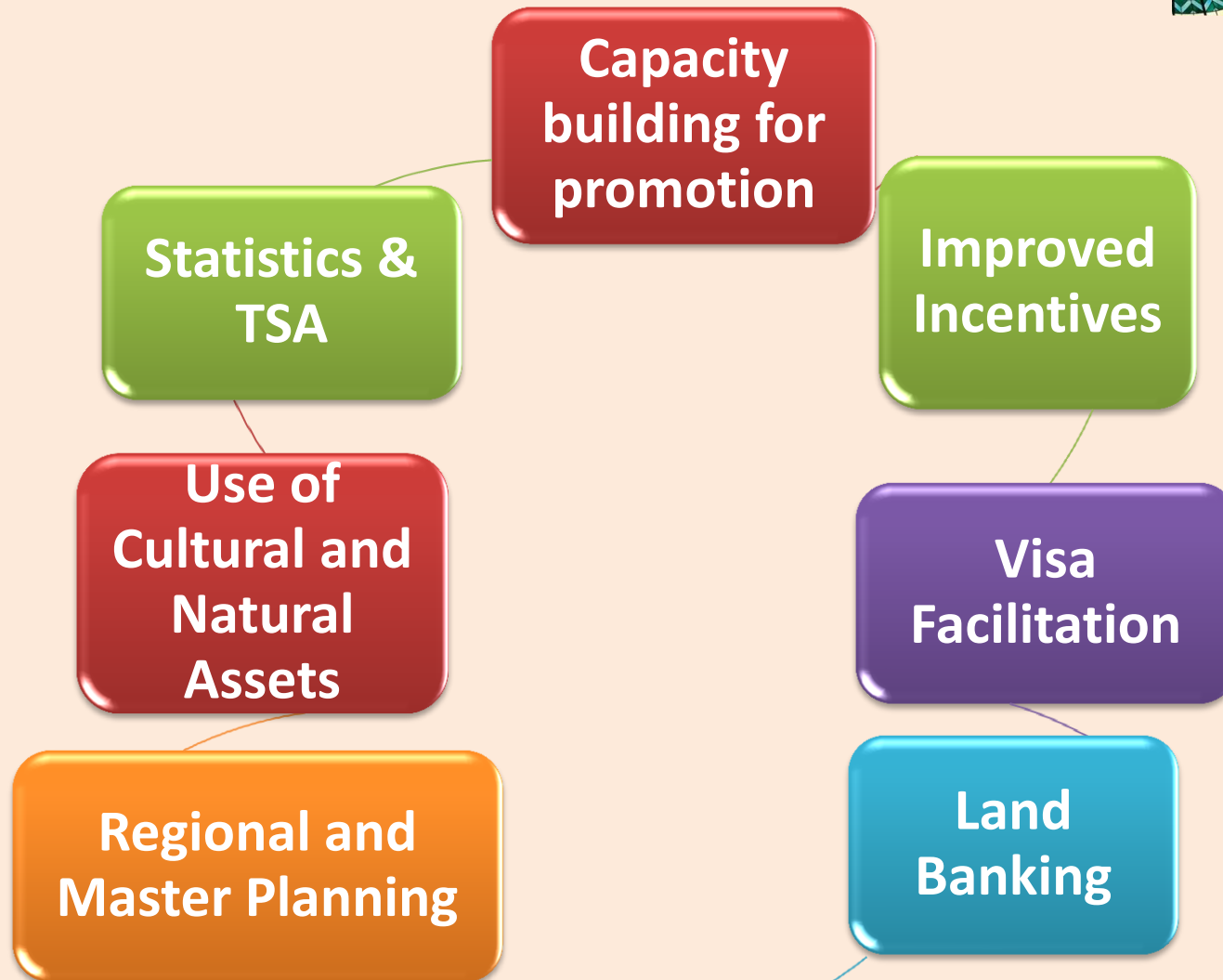
## Policy

**Contingency  
Planning and  
Emergency Funds  
for rapid  
reconstruction**

## Institutional

**Government ready  
to activate policy  
and provide  
reconstruction  
plans and funding**

# Technical cooperation solutions

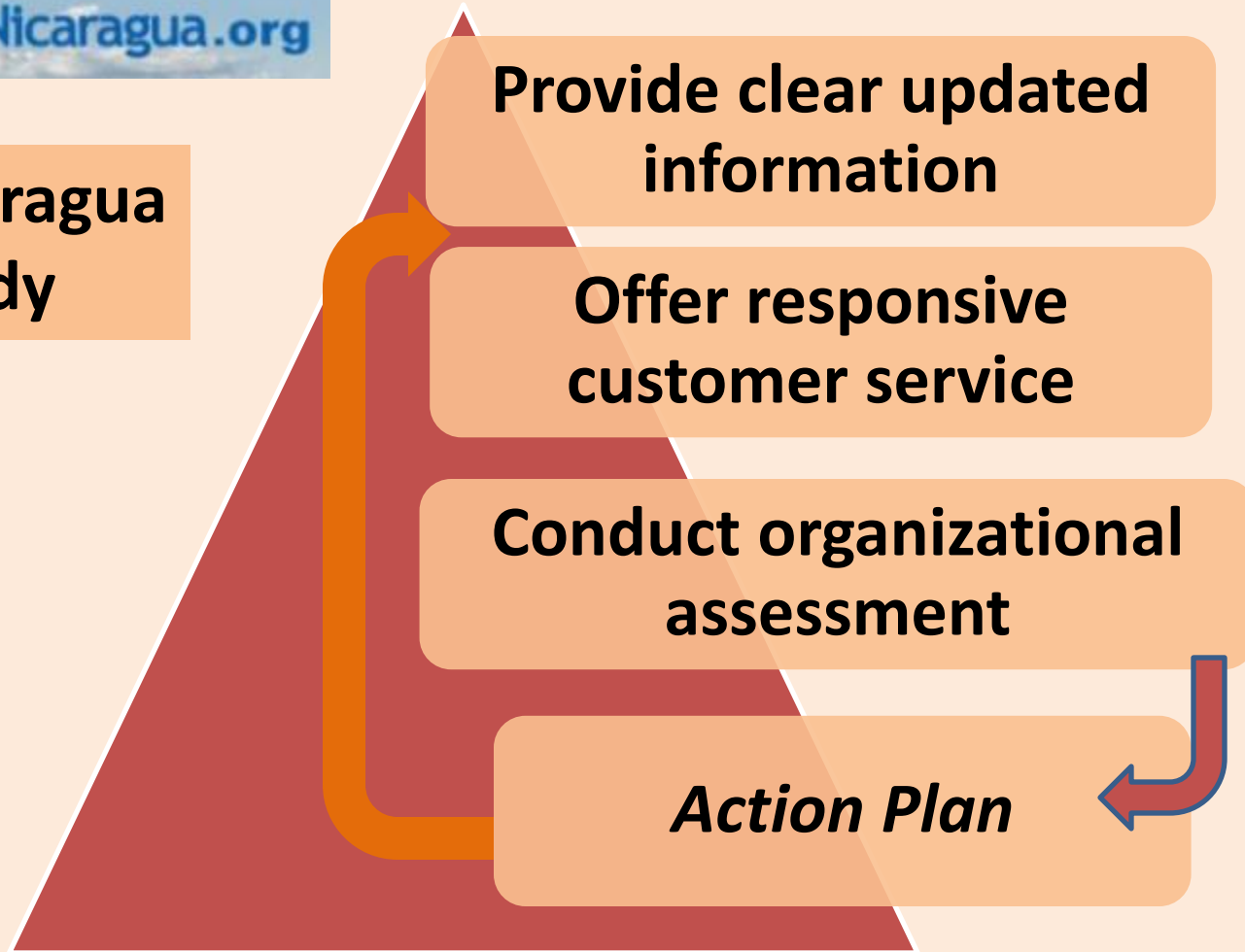


# Key Solution: Bring Investment Promotion to a Higher Level



[www.PRONicaragua.org](http://www.PRONicaragua.org)

Pro-Nicaragua  
case study





***Thank you for your attention and  
best regards from the SW Associates  
team!***

\* \* \*

*Merci! شكرا Terima kasih! متشكرم Size teşekkür  
ederiz! Obrigado!  
taşəkkür edirəm! Na gode!*



# Discussion Questions



- How do you evaluate the role of government agencies for attracting tourism investments? What is the situation in your country?
- What are the main challenges faced by your country in attracting tourism investments?
- How can these challenges be overcome and how can the cooperation among the Member States be constituted in order to handle these issues?
- How do you evaluate the impacts of tourism investments in your country on tourism development in general?