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REPORT OF THE 5TH EDITION OF THE TOURISM INVESTMENT AND BUSINESS FORUM FOR AFRICA (INVESTOUR)

Note by the Secretary-General

The Secretary-General informs the Members of the Commission about the Report of the 2014 edition of the Tourism Investment and Business Forum for Africa (INVESTOUR), a joint initiative of the World Tourism Organization, the International Tourism Fair of Madrid (FITUR) and Casa África in representation of the Spanish Government.

REPORT OF THE 5TH EDITION OF THE TOURISM INVESTMENT AND BUSINESS FORUM FOR AFRICA (INVESTOUR)



I. Introduction

1. Jointly initiated in 2010 by the United Nations World Tourism Organization (UNWTO), the International Tourism Fair of Madrid (FITUR) and Casa África, the Tourism Investment and Business Forum for Africa (INVESTOUR) celebrated the last 23 January 2014 its 5th edition. This 5th anniversary has been the opportunity to introduce the INVESTOUR'S Recognition Awards, which has been given to Mr. Ousmane Ndiaye, former Director of the UNWTO Regional Programme for Africa, in recognition of his dedication, his hard work and outstanding commitment and contribution to the success of INVESTOUR since its first edition in 2010.

2. Over the years, the Forum truly became a platform to showcase Africa's best opportunities for tourism entrepreneurship and the 5th edition has been the opportunity to renew and consolidate the spirit which makes the event a continuous success. For each edition, the organizers attach importance to maintain a certain level of innovation, in order to make the event lively for tourism stakeholders eager to contribute to the development of the African tourism market; which was the case of the latest edition.

II. Fifth edition

3. The 5th edition of the Tourism Investment and Business Forum for Africa (INVESTOUR) increased in number of participation, in comparison with the previous edition, receiving 269 participants (248 in the 4th edition), coming from 43 countries, including the representation of 32 African countries and the presence of 13 African Tourism Ministers. The growing number of participants over the years affirms the growing interest for the African tourism sector. For this year's edition, it has been decided to open the floor not only to the Spanish potential investors but also to the Portuguese Tourism Stakeholders.

4. This innovation attracted a small representation of the Portuguese tourism private sector for this edition. However since the Forum has always attracted the attention of international participants, it has been decided to extend the participation of the Business to Business (B2B) session of the Forum to the Spanish and Portuguese potential tourism investors as well as to open it to international tourism stakeholders for future editions. This will be applied from the 6th edition of the Forum henceforth.

5. A sponsorship proposal has also been introduced as a new feature of the 5th edition during the preparatory activities of the Forum in order to give private companies the opportunity to showcase themselves during the event. The proposal will be maintained for the next edition, given more thought on the approach and the time frame to be devoted to it.

Morning session

6. The morning session included the official opening, presentation of INVESTOUR Recognition Award, and the roundtable sessions followed by a presentation on Angola where the 56th edition of the UNWTO Commission for Africa is set to take place. The annexes include information about the moderators and panellists who participated in the round table sessions.

7. The inauguration began with welcome remarks by the newly appointed UNWTO Regional Director for Africa, Elcia Grandcourt, who expressed appreciation for the continued support shown by both the public and private sectors during the five editions of the forum, while stressing the effort and commitment that Africa is making in order to promote tourism as a means to reduce poverty, create jobs and promote sustainable development. Speaking after her were, Mr. Santiago Martínez-Caro, Director-General of Casa África; CEO of IFEMA, Mr. Luis Eduardo Cortés; and Mr. Taleb Rifai, Secretary-General of the UNWTO.

8. Mr. Martinez-Caro described INVESTOUR as the premier forum for generating real business opportunities for African and Spanish companies, by serving as an instrument that "showcases opportunities of the African continent for the realization of projects in the tourism sector, brings together companies from different backgrounds and creates synergies between them, showing the potential of Spain in this field". Mr. Martinez-Caro also stated in his speech that ten of the twenty economies with the biggest growth potential out to 2017 are African countries, and that among the ten countries that grew most in the last decade, six are in Africa. "The forecast for 2014 is that virtually all African countries will grow economically at much higher rates than OECD countries," said Mr. Martinez-Caro.

9. For his part, Mr. Cortés in his speech highlighted the participation achieved to date over the different editions of INVESTOUR: 550 projects presented from 45 African countries, 180 Spanish companies and more than 800 participants. He highlighted the importance of the topics addressed in the roundtables, describing them as "issues that are at the core of any initiative to boost tourism whose analysis is critical to their interests." Mr. Cortés also highlighted the context in which the forum took place, FITUR, a fair recognized as one of leading business forums for the tourism sector with the participation of more than 9,000 companies and around 200,000 visitors. He added that the number of exhibitors from Africa at the fair "has increased by 4% with two new countries joining it: Kenya and Equatorial Guinea".

10. Finally, the Secretary-General of the UNWTO, Mr. Taleb Rifai, said that over the years, the number of projects and companies participating in the forum has been increasing, "turning this initiative into a dynamic platform for African and Spanish businesses and institutions". In his opening remark Mr. Rifai said that in 2013 the continent received 56 million tourists, 5% more than in 2012, a figure he described as "impressive considering that the total number of international tourists in Africa was below 20 million just a decade ago". Mr. Rifai also noted the biggest obstacles facing the continent in increasing these numbers: air connectivity, visa facilitation and investment in hotel infrastructure.

11. After the official opening, a special recognition ceremony was dedicated to the former director of the UNWTO Regional Programme for Africa, Ousmane Ndiaye, who was given an award acknowledging his more than 35 years of dedication to tourism development in the region, as well as his professional efforts to set up the Forum in 2010.

Air connectivity and visa facilitation, key factors for tourism development in Africa

12. The first roundtable session addressed the topic on air connectivity and visa facilitation as key elements for tourism development on the continent. The session was moderated by Mr. Jon Howell, representative of UBM Aviation Routes Ltd. The panellists included the Minister of Tourism and Hospitality Industry of Zimbabwe, H.E. Mr. Walter Mzembi; the Chief of Planning and Business Development of Air Europa, Mr. Albert Muntané; the Executive Director of the Kavango-Zambezi Transborder Protected Area (KAZA TFCA), Mr. Frederick Dipotso; and the Regional Marketing Manager of Turkish Airlines, Mr. Miquel Alimbau.

13. Mr. Howell opened one line of discussion by noting that despite the tourism growth of 5% being experienced by Africa and the fact that its population growth accounts for 12% worldwide, the continent only receives a mere 3% in global air traffic. Another line of discussion was the impact that liberalization of African airlines would have on the economy of each country and on passengers.

14. The Minister from Zimbabwe described Africa as a "continent of opportunities" and invited both Spain and Latin America to explore its economic potential. He also stressed the importance of collaboration between African countries, and cited as an example the UNWTO General Assembly jointly organized last August by Zimbabwe and Zambia. Among the areas he indicated as being key for increasing tourism in the continent was the opening of borders, both between continents and between African countries, citing as examples to follow the European Schengen agreement, and the common visa between Kenya, Uganda and Rwanda; joint tourism promotion by the islands of the Indian Ocean: Mauritius, Madagascar, Seychelles, and other Vanilla Islands; and the joint efforts of Zambia and Zimbabwe in fighting for the protection of animals. The Minister also pointed out the importance of improving air connectivity in Africa and supporting African airlines with a view to increasing inter-regional connectivity.

15. The representative from Air Europa stressed the need to "facilitate the implementation of airline routes through clear regulations and coordination at the government level on the part of civil aviation, tourism and economy officials". Speaking on the positive experience of his company in Africa, Mr. Muntané stressed its operations in Gambia, where the facilitation of all these aspects led to a rapid and effective implementation of the route. Mr. Muntané also expressed the airline's commitment to the liberalization of the airline market "in order to benefit the consumer with a wide range of prices, flight schedules and economic growth."

16. In the case of Turkish Airlines, Miquel Alimbau said his company looks to Africa as a land of opportunity. "We are operating in six destinations and we want to expand to 11 in 2014, linking

continents and cities." Mr. Alimbau also noted that "government regulations are very important in order to increase air traffic and thus investment; it is necessary to start by expanding routes and later, gradually, the demand will come". As for African airlines, Alimbau said it is important to maintain cooperation agreements with them, which is key for continuing to increase flights on the continent.

17. Speaking for KAZA-TFCA, Mr. Frederick Dipotso highlighted the efforts of this initiative promoted by five countries: Angola, Botswana, Namibia, Zambia and Zimbabwe. Mr. Dipotso explained that in 2011 a treaty was signed formalizing the strategic lines aimed at the sustainable development of the area, and among its objectives is the creation of a single visa making it possible to enter this area with the aim of increasing tourism while at the same time promoting conservation and the development of its infrastructure. "It is important to facilitate the entry of visitors through a rapid visa issuance process via the Internet," noted Mr. Dipotso in his intervention.

Investment in African hotel infrastructure

18. The second roundtable session focused on the importance and challenges of the implementation of hotel infrastructure in Africa. The panel was moderated by Mr. Matthew Weihs, CEO of Bench Events, and its participants were the Minister of Tourism and Arts of Zambia, H.E. Mrs. Sylvia Masebo; the Director for Africa of Banco Santander, Mr. Rafael Gómez-Jordana; the Director for Expansion of Meliá International Hotels, Mr. John Alarcón; the President of the Mangalis Management Group, Mr. Denis Sorin; the Chairman of the Agency for Promotion of Tourism in Morocco (SMIT), Mr. Imad Barrakad; and the Marketing Manager of Azalai Hotels, Mr. Seydou Sidibe.

19. The Zambian Minister said in her speech that this is the time when investors should look to Africa, which, she said, offers a wealth of tourism opportunities thanks to its numerous natural resources: wildlife, waterfalls, agriculture and a young workforce. "There is great potential in terms of investment in infrastructure; Africa is ready for investment in roads, airports, hotels...", she said. To do this, and from the government perspective, institutions must promote business-friendly incentives such as those that have been launched in Zambia, on taxation and fiscal legislation and ensure political stability.

20. Speaking for Mangalis Management Group, a company responsible for the development of hotel brands in various parts of Africa, Mr. Sorin stressed that the key investment in the continent should be improving the quality of buildings and services offered and reducing the prices of hotel services. He also pointed out in his intervention that there is a need to improve internal and external communication of the different countries for infrastructure projects to be carried out within the budget allocation and timely.

21. For his part, Mr. Alarcón, on behalf of the Spanish group Meliá International Hotels, said his company has three hotels in Africa and is interested in continuing the search for opportunities for hotel management rather than investment in the sector. For Mr. Alarcón, the most important hurdle to overcome in order to increase tourism in the continent is air connectivity both between continents and between regions.

22. Also agreeing on this point was the representative of the Mali-based hotel chain Azalai Hotels, Mr. Sidibe who said that it was essential to improve communication between areas of the continent to promote tourism and business. The representative of this African chain also highlighted other aspects that favour the growth of hotel infrastructure, such as faster and more widespread Internet access.

23. Mr. Gómez-Jordana, representative of Banco Santander, said the presence of this entity in Africa is possible thanks to the shareholdings the bank has in the Attijariwafa bank, which is number one in Morocco and number six on the continent, with trade finance and corporate banking being the bank's top activities in Africa. "Convincing our clients to invest in Africa is not easy because there is a lack of confidence and fear related to security and political stability however, we believe it is a continent where there is a great demand for knowledge and the development of major infrastructure, so it is a great investment opportunity that governments cannot take on alone but rather with the collaboration of the private sector, he said. In addition, Mr. Gómez-Jordana stressed that the economic crisis in Spain and the rest of Europe, with high unemployment is another of the factors why investors are increasingly looking to Africa.

24. Finally, Mr. Barrakad as spokesman for the SMIT organization highlighted the wide range of opportunities on the continent. In the case of Morocco, Mr. Barrakad highlighted the large hotel capacity in the country as well as the effort that is being made in terms of promotion and marketing strategies while taking into account sustainable development. He also noted that in the case of Morocco air connectivity is good, although he highlighted the continuing need to increase infrastructure to attract more tourists.

25. The two roundtable sessions were concluded with remarks from Mrs. Grandcourt who assured the participants that the reflections made during the discussions would be taken into account by the UNWTO programmes as well as in future activities to be held in the Africa region, such as in this Commission meeting and the Tourism and Transport Ministerial Conference on Tourism and Air Transport in Africa to be held later this year in Seychelles. This conference will be the first of its kind which will bring two key ministries of the travel industry together and is being jointly organised by UNWTO and ICAO.

Afternoon session

26. After a cocktail for participants and a working lunch for Ministers of Africa and the Middle East, the afternoon session of INVESTOUR, was dedicated to the Business to Business meetings with the assistance of PROEXCA, a public agency of the Ministry of Economy and Finance of the Government of the Canary Islands, for the coordination of the online registration and the provision of the meetings' agenda.

27. It is important to emphasize on the importance of the online registration for both African tourism project leaders and international potential tourism investors, since the page provides the opportunity to register online to participate in this event and more importantly to access information on registered companies and make a shortlist of each participant's preferences when setting up its meeting's agenda.

28. As for the past edition, it has been decided to maintain a registration fee for potential investors, applied in this case to the Spanish and Portuguese companies. In total 21 companies

proceeded to pay the 100-euro registration fee, with one of the payments being returned due to cancellation prior to the closing of the meeting agendas.

29. The B2B session was attended by a total of 114 participants: 74 from Africa, 33 representatives of Spanish companies and institutions and 7 from other countries (Cambodia, England, Hungary, Iran, Turkey, and United States). Unfortunately, the Portuguese companies registered for the B2B meetings either failed to travel or cancel their participation at the last minute.

30. From the 134 African projects presented at the B2B Meetings, 56 of them were associated with proposals for the construction, renovation or expansion of resorts and other similar facilities such as tourist parks or restaurants; 31 project proposals consisted in the creation or the promotion of travel agencies and tour operators; 27 related to more general tourism promotion projects; 14 seeking training or exchange of know-how. The rest of the projects included the launch of a magazine or tourism guide creating a service for cruises and water sports or opening a boutique selling local products among others.

31. Concerning the type of companies from Spain and other countries, the largest group consisted of consulting firms (11), followed by tour operators and travel agents (6) and equipment providers (6). The number of hotel companies was 5 and there were 2 transport enterprises, 3 public institutions and 7 corresponding to various other types of projects.

32. This year's edition has improved the organization of meetings compared to previous editions. One notable aspect is the improvement of the online registration tool which underwent some changes this year in order to better suit the needs of the participants and the organization of B2B meetings with a greater separation between participation in one or two sessions as well as integrating the data needed to facilitate the process for collecting fees. Among the new elements introduced to enhance the dynamic of the meetings were to give all attendees a badge showing the flag of their respective countries which also made it easier for them to locate participants in whom they were interested; to use an audible signal during each interval on the schedule to alert participants that it was time to change tables; and to provide participants with a folder including information about the forum as well as an updated schedule of appointments and a pen drive with the data of all participants in the B2B meetings.

III. Recommendations

33. Although improvements have to be made to ensure the continual performance of the Forum, the whole event has received a high general grade of satisfaction, recording a 60% of satisfied or very satisfied participants.

34. Among the recommendations for future editions, the following are worth noting:

- **Analysis of the objectives of the Forum:** The forum began in 2010 with the aim of bringing together synergies between African projects seeking financing with prospective Spanish investors. In 2013 it was decided to broaden participation to include companies interested in doing tourism business on the continent. After the celebration of the second edition in this line, it has been observed that participants from one side or the other seem to come to the forum especially to the B2B meetings with different objectives and interests.

Therefore an analysis should be carried out regarding what profile participants invited to the forum should have, on both the African and Spanish/Portuguese sides, and it should be determined if a pre-selection should be carried out for projects and companies that want to register for the Forum. In this regard, the registration process (forms and online platform) should also be reviewed.

- **Timeline of the preparation of the Forum:** In order to better prepare the Forum, work on the following organizational aspects should be started in advance regarding the following aspects:
 - First draft of the Programme: topics and panellists
 - Criteria and Process for Registration
 - Selecting the winner of the Investour Recognition Award
 - Sending out sponsorship proposal
 - Meetings with collaborating institutions and organizations

- **Absentee rate in the B2B meetings:**
 - Maintaining the payment of a registration fee for non-African companies
 - Change the time of holding the B2B to the morning or reduce the time of meetings in the afternoon for attendees who wish to visit the Fair

- **Follow-up:** Track the success of meetings established in relation to projects that materialises to illustrate the return on investment/businesses for the participants.

IV. Sixth edition

35. The sixth edition of INVESTOUR will take place in Madrid, in the framework of the 35th edition of the International Tourism Fair of Madrid (FITUR) on a date to be announced shortly.

36. The Members of the Commission are invited to participate and to mobilize African tourism enterprises to attend the 2015 INVESTOUR Forum and to take advantage of the opportunities offered to attract and establish business cooperation.