



Standing Committee  
for Economic and Commercial Cooperation  
of the Organization of Islamic Cooperation (COMCEC)

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



**COMCEC COORDINATION OFFICE**  
February 2014

**ENABLING TOURISM INVESTMENT CLIMATE:  
CHALLENGES AND PROSPECTS FOR TOURISM  
INVESTMENTS IN THE COMCEC REGION**

The analytical study titled “Enabling Tourism Investment Climate: Challenges and Prospects for Tourism Investments in the COMCEC Region” has been commissioned by the COMCEC Coordination Office specifically for the 3<sup>rd</sup> Meeting of the COMCEC Tourism Working Group, to be held on March 4<sup>th</sup>, 2014 in Ankara, with a view to enriching the discussions during the aforementioned Meeting.

The study is divided into five main chapters. Chapter One focuses on a conceptual framework for tourism investments, including the benefits and risks of tourism investments. Chapter Two presents the general outlook of the tourism investments in the COMCEC Region including major tourism investment trends. Chapter Three presents four sets of key challenges for tourism investments in the COMCEC region. Chapter Four presents some success stories from the COMCEC Region as well as the world. Finally, Chapter Five provides some recommendations for ensuring an enabling environment for the tourism investments.

**KEY FINDINGS OF THE STUDY:**

**1. CHALLENGES**

The COMCEC Member Countries are facing four sets of key challenges in attracting and sustaining tourism investments. Though there are some specific challenges particular to each of the sub-regions, most tourism investment challenges facing COMCEC members fall into four main categories: 1) Governance of the tourism sector, 2) Investment climate, 3) Regulatory aspects, 4) Infrastructure and some additional challenges.

**a- Governance of the Tourism Sector**

Tourism is not a single industry but an amalgam of service industries. It is so broad in nature encompassing a range of sectors such as travel and leisure, lodging and entertainment, physical planning and development of resorts and attractions, management of ‘public goods’ such as heritage areas and structures, and of monuments and protected lands such as national parks. When key stakeholders recognize the value of tourism,

they are better able to advocate for reforms and initiatives essential to launching the industry.

**b- Investment Climate**

Availability and transparency of information for tourism investments – research, statistics, laws, regulations, procedures, available incentives, etc - is one of the crucial factors in attracting tourism investments. The Study identified a number of weaknesses from the websites and documentation available on National Tourism Offices (NTO) sites, Investment Promotion Agencies (IPAs), chambers of commerce, and tourism associations from the various COMCEC member countries.

**c- Regulatory aspects**

Visas, red tape and access to land are universally cited problem areas. Some regulations are necessary to protect the public and the country’s natural and cultural heritage from degrading tourism developments and practices. However, Governments must compete to attract tourism investment. Thus they must find a balance between having the necessary regulatory regimes to protect a country’s assets as well as to attract tourism investments.

**d- Infrastructure**

Infrastructure challenges include inefficient utilities, poor access by road, air and/or sea, and inadequate visitor facilities, including information centers. In part, some of these challenges could be addressed by better urban and rural planning, as well as increased use of public-private sector partnership arrangements, particularly with regards to operating facilities such as ports, visitor concessions at cultural sites and on park lands, and for roads and airports.

**2. SUCCESS STORIES**

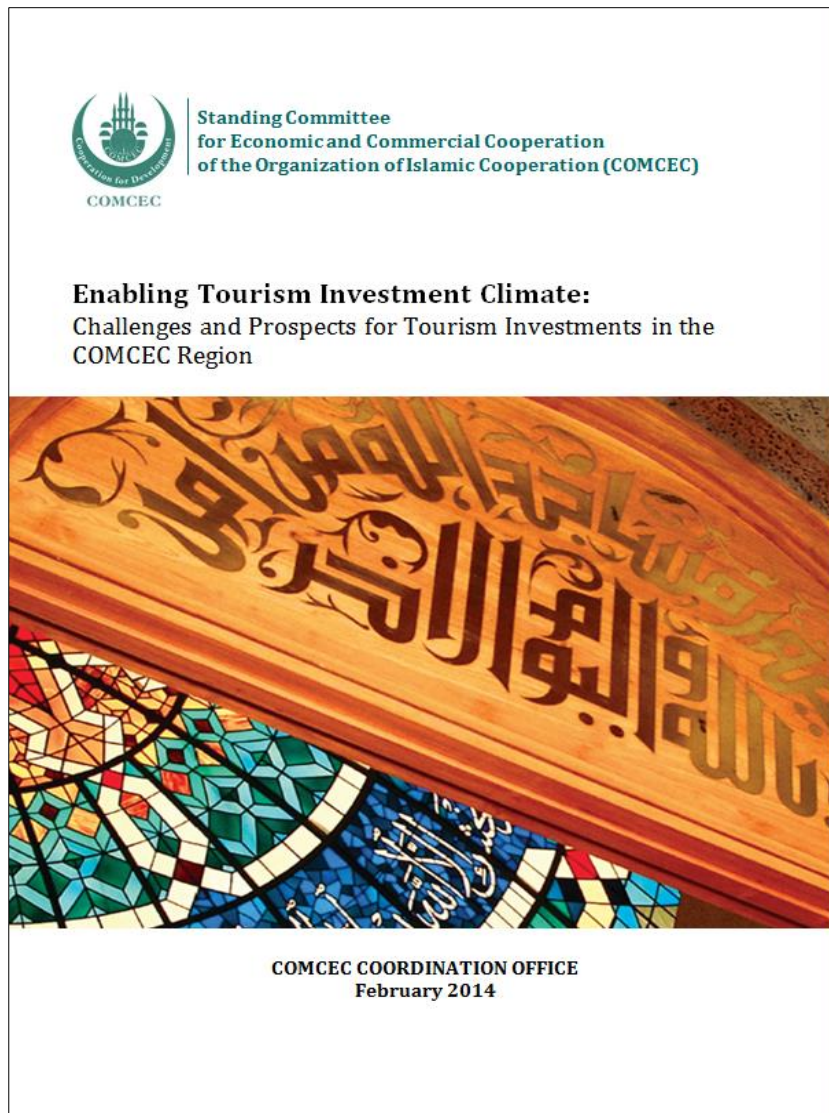
The Study examines eight case studies that provide a range of successful approaches for addressing some of the challenges. The cases on Jordan, Lebanon and Mexico describe major urban developments, each of which focuses on one city. The Mexican case also describes the creation of a successful seaside mega-destination from a totally undeveloped area. The cases on Egypt, Mozambique and Lebanon cover approaches to ‘land banking’ meaning

earmarking and assembling strategically selected tracts of land for later tourism investment. The cases on Malaysia, Mozambique and Nicaragua deal with approaches to investment promotion and the offering of incentives. ProNicaragua, the investment promotion agency of Nicaragua, is especially a notable case because it exemplifies a small agency with a small budget that became one of the leading investment promotion agencies in the world.

### 3. RECOMMENDATIONS

The Study proposes several recommendations that could be delivered via COMCEC-led technical cooperation:

- Capacity building for tourism investment promotion
- Land banking and allocation for large scale tourism development
- Regional planning and master planning for tourism
- Adaptation and use of cultural and natural public assets for tourism
- Tourism statistics and satellite accounts
- More effective incentive schemes
- Visa facilitation



**For viewing the full report please log into**

**[reports.comcec.org](http://reports.comcec.org)**

**or**

**contact Nihat AKBALIK via e-mail**

**[nakbalik@comcec.org](mailto:nakbalik@comcec.org)**,

**phone number (+ 90 312 294 57 49)**