

Investment returning to global tourism sector: UNWTO

- A Monitor Desk Report

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Dhaka: Investment in the global tourism cluster is bouncing back from the lows it touched during the pandemic off the back of the steady recovery of international tourist arrivals, according to a newly released report jointly produced by UNWTO and fDi Intelligence.

In the report, Zurab Pololikashvili, Secretary-General, UNWTO, argued, "To ensure the growth and competitiveness of the sector, significant investments must be made in education and talent by upskilling the professional workforce and implementing vocational and technical programmes. Only in this way can we equip young people with the knowledge and capabilities they need to thrive in the sector. These investments will then pave the way for a skilled workforce that can deliver exceptional growth, drive innovation and, by embracing digital

technologies, enhance the competitiveness and resilience of the tourism sector."

The report, based on data from fDi Markets, fDi Intelligence's proprietary database of greenfield FDI projects, as well as international tourism data from UNWTO, provides a broad overview of the ongoing investment cycle in the tourism sector, breaking down investment figures by region, segments and companies.

Key findings include:

Both FDI project numbers and job creation rates in the tourism cluster grew by 23 per cent from 286 investments in 2021 to 352 in 2022. Job creation in tourism FDI also increased by 23 per cent over the same period, to an estimated 36,400 in 2022.

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The leading destination region for tourism FDI projects in 2022 was Western Europe with 143 announced investments at a combined estimated value of USD 2.2 billion.

The number of announced projects into the Asia-Pacific region increased marginally by 2.4 per cent to 42 projects in 2022.

The hotel and tourism sector accounted for almost two-thirds of all projects in the tourism cluster between 2018 and 2022. FDI projects increased by 25 per cent from 2021 to 2022.

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"Greenfield FDI into the tourism sector is showing signs of life after all but vanishing in the pandemic years. With Covid-19 behind us, the sector has no time to waste in addressing the biggest challenge of our times: climate change and the resulting sustainability imperative," commented Jacopo Dettoni, the editor of fDi Intelligence.

Natalia Bayona, Executive Director, UNWTO, said, "As the sector steers its course towards recovery and growth, UNWTO now, more than ever, prioritises innovation, education and strategic investments as the pillars

for recalibrating and adapting to these ever-evolving market dynamics. Spearheading a series of initiatives, we equip the professional workforce with new skills through upskilling and vocational workforce programmes, creating quality job opportunities, and raising average wages across the entire tourism value chain."

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The North America and Asia-Pacific regions each contribute three companies to the top 10 investors list for tourism foreign direct investment (FDI) between 2018 and 2022. The rest of the top 10 comprises companies from Europe, with Spain-based Melia, UK-based Intercontinental Hotels Group, France-based Accor and UK-based Selina all featuring.

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