



**Opportunities for Investors in Tourism and Other Service Sectors  
by His Excellency The Minister of Wildlife Conservation and Tourism**

**Investment Seminar: Juba South Sudan**

**October 10, 2011**



# Presentation Overview

## ■ Executive Summary

- Overview of Opportunities in Tourism and Service Sectors
- Top Priority Investment Opportunities
  - *Tourism & Transportation*
  - *Health & Education*
- Conclusions and Next Steps

# With a booming economy and very limited supply, South Sudan offers untapped opportunities for investors in tourism and services

## Proposition for Investors in Tourism and Services

### **BOOMING DEMAND**

- Driven by oil revenues, remittances, government spending and growing investments in agriculture and minerals, South Sudan's economy is booming – likely growing 5-10% per year
- Demand for all types of goods and services is skyrocketing – hotels, transportation services, financial and professional services, etc.

### **LIMITED LOCAL SUPPLY & HIGH COST OF IMPORTS**

- After years of war and neglect, local supplies of all types of goods and services are virtually non-existent
- Unlike other countries of comparable size, South Sudan has no major hotels, only 1 major private school and 1 private health clinic, only 1 private bank with a national branch network, and 1 supermarket
- Those who can afford to do so fly abroad for health, education and other services

**This supply-demand gap creates opportunities for investors in all areas of commerce**

**Opportunities for Investors in Tourism and Services**

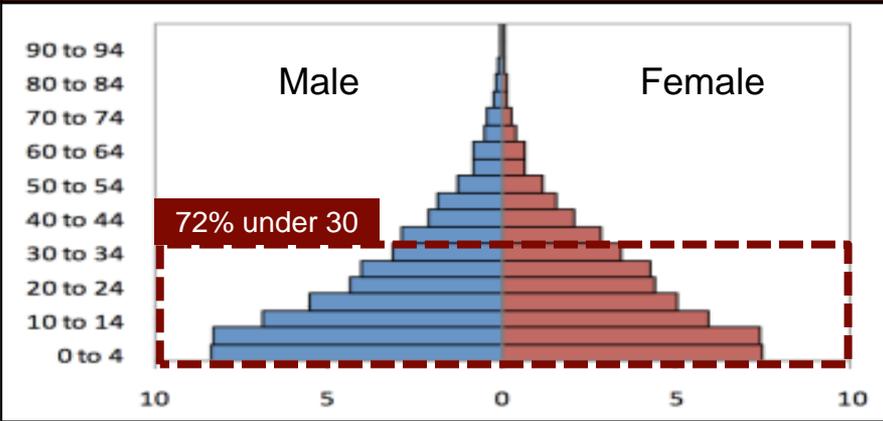


- | <b>SAMPLE OPPORTUNITIES</b>  |
|--|
| <ul style="list-style-type: none"><li>▪ Financial services</li><li>▪ Professional services</li><li>▪ Retail and wholesale trade</li><li>▪ Private schools</li><li>▪ Private clinics and hospitals</li><li>▪ Tourism and leisure facilities</li><li>▪ Transportation services</li><li>▪ Etc</li></ul> |

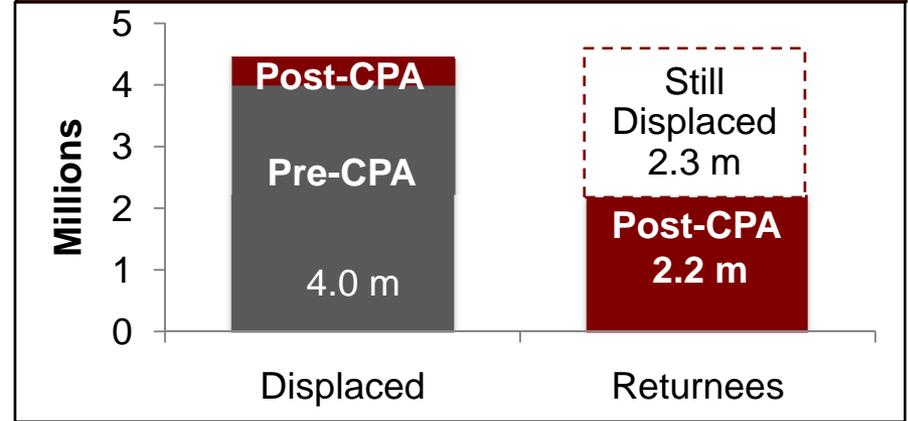
**While power, transport and ICT infrastructure is still severely constrained, new airports, roads, power sources and telecom networks are now making it feasible to establish local services facilities**

# Returning residents, diaspora remittances and a youthful population are fuelling fast-growing consumer demand

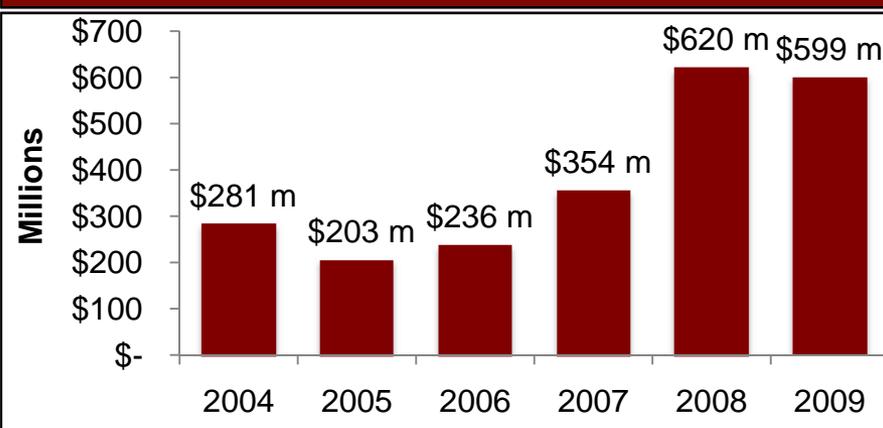
## Youthful, fast-growing population



## Returning Residents



## Remittances



## Economic Impact

- Fast-growing population further swelled by:
  - 2 million IDPs returning to farming and other economic activity
  - 300,000 diaspora returning from abroad with education, know-how and capital
- Drives demand for agricultural inputs, consumer goods, accommodation, health, education and other services

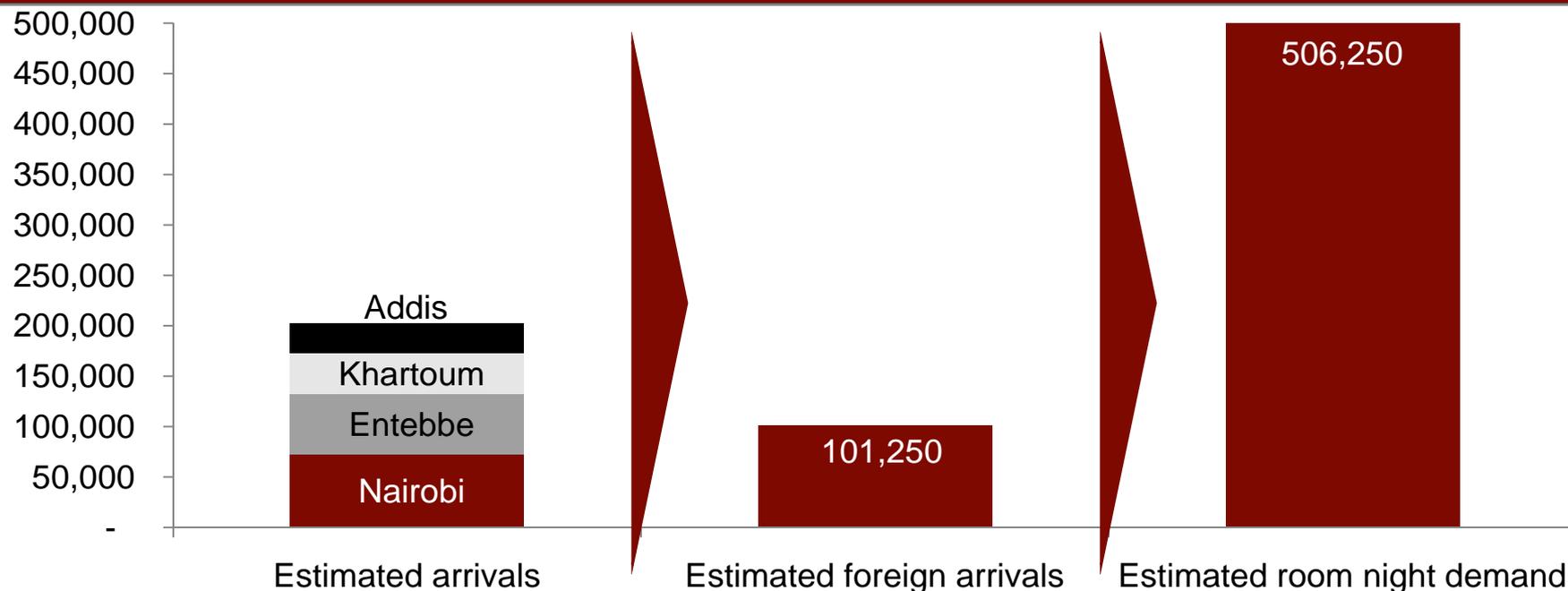
## This creates enormous opportunities for entrepreneurs ready to invest in local provision of services

Sector	Nature of Opportunity
<b>Financial and professional services</b>	<ul style="list-style-type: none"> <li>• Several banks have set up operations, but only 1 bank (KCB of Kenya) has started a branches outside Juba; less than 1% of the population has access to banking services</li> <li>• The same is true in all areas of financial and professional services: several insurance firms, accounting &amp; legal firms, IT &amp; engineering consultants, etc., have set up, but there is enormous opportunity for more</li> </ul>
<b>Hotels and tourism facilities</b>	<ul style="list-style-type: none"> <li>• More than 40 small hotels have been set up by local and regional entrepreneurs, but there are no 4-5 start hotels in Juba or other major towns; Juba is the only capital city in the region without 3-4 international hotel brands</li> <li>• As yet, there are no safari lodges or camps or other leisure tourism facilities outside Juba, despite South Sudan's incredible scenery, wildlife and cultural sights</li> </ul>
<b>Health and education facilities</b>	<ul style="list-style-type: none"> <li>• Juba is the only capital city in the region without 3-4 international private schools, clinics and health facilities: government officials, local middle class and expats all travel abroad for healthcare and education</li> </ul>
<b>Transportation and logistics services</b>	<ul style="list-style-type: none"> <li>• Multiple airlines, trucking companies, car hire firms and cargo agents have started operations, but as the economy grows, demand for more cargo and passenger services will continue to escalate</li> </ul>
<b>Retail &amp; wholesale trade</b>	<ul style="list-style-type: none"> <li>• There is 1 international supermarket in the whole country and no other modern stores – enormous potential at every stage of the wholesale and retail value chain</li> </ul>



## The number of international visitors arriving in South Sudan is growing fast – mainly donors/NGOs, diplomats, investors and some tourists

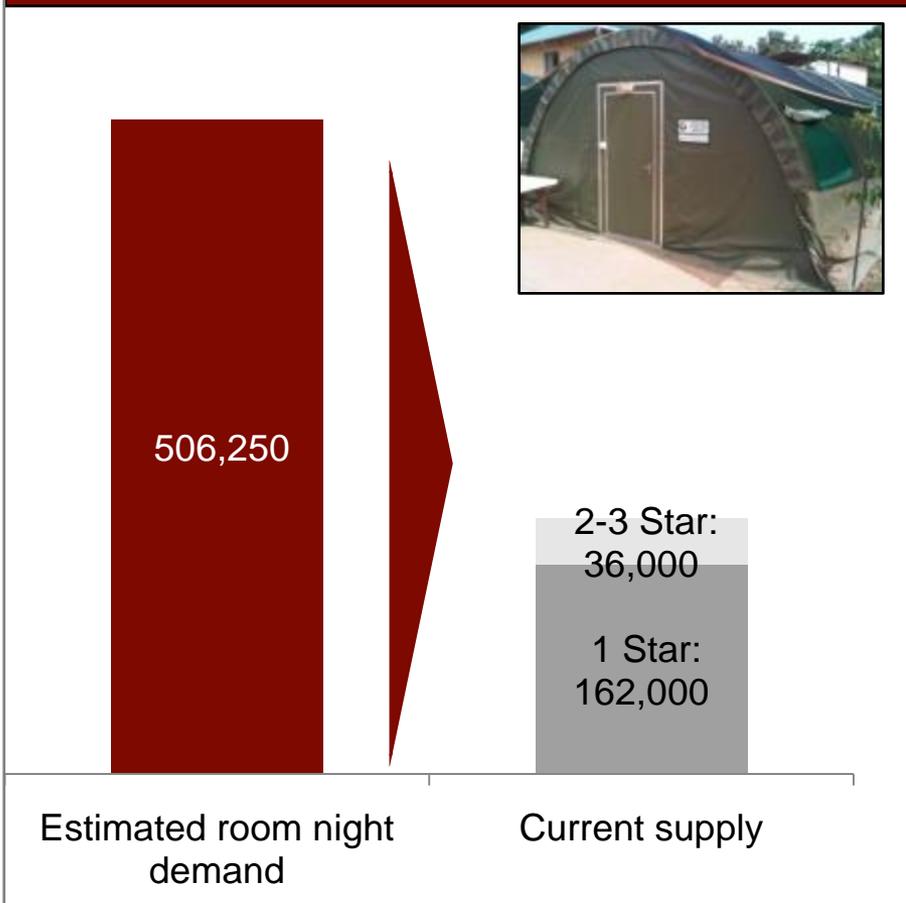
### Projected demand for hotel rooms in Juba, 2011



- The number of international airlines serving South Sudan has grown from 1 to 14 in the last 3 years
- Most arrivals are donors/NGOs, diplomats, investors and some tourists
- Most stay in Juba 5-10 days, but many are on longer assignments of 6-36 months
- Due to the lack of housing, most longer-term visitors stay in hotels and camps: UNDP alone has 500+ employees and contractors in Juba at any one time

# The supply of international quality hotel rooms in South Sudan is extremely limited with no 4 or 5-star properties

## Projected room demand vs. supply Juba, 2011



## Current hotel supply

- More than 40 hotels and guesthouses have been opened in the last 4 years, mostly by local, Eritrean, Ethiopian, Kenyan and Ugandan entrepreneurs
- However, the vast majority are very basic (many are still tented camps or converted shipping containers and none are 4 or 5-star)
- The better properties are booked solidly, and prices for 2-3 star properties average \$200 per night
- Outside Juba, there are virtually no hotels of any description

Juba is the only major city in the region without several international hotel brands



**The government is keen to attract 2-3 major hotel brands to build and/or manage a range of properties in Juba and other major towns**

**Rock City**

- Emerging leisure district on rocky outcrop overlooking city
- One local investor has begun work on 200-room property, looking for international partners

**C.B.D.**

- Plans for conference centre and 5 star hotel

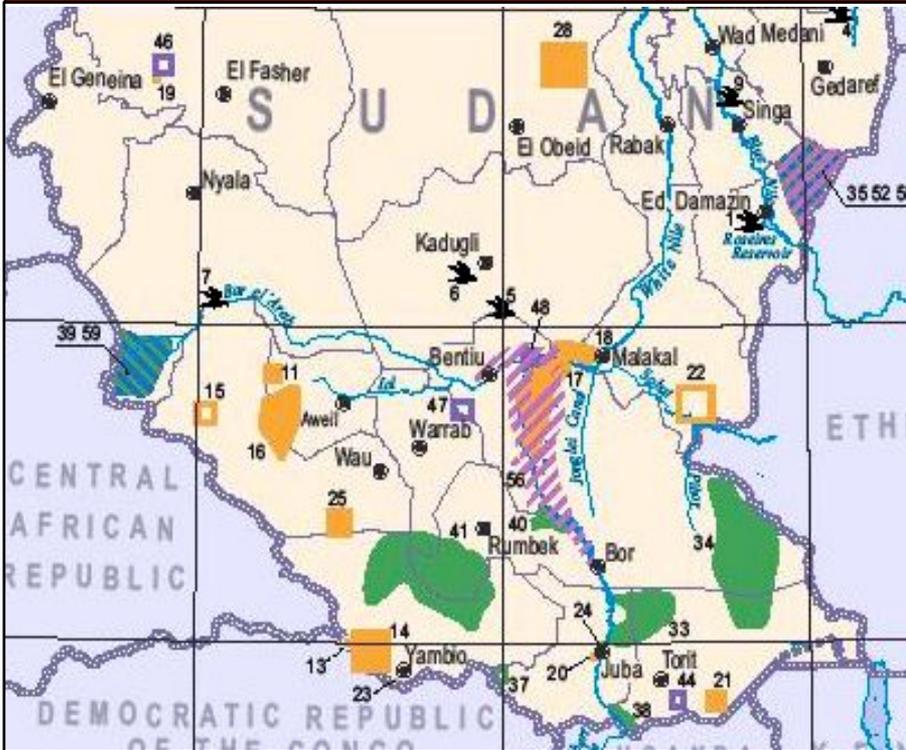
**Nile Riviera**

- Riverfront leisure and entertainment area
- Ideal for combined city-business hotel and weekend leisure resort

**In addition to Juba, there is demand for basic business hotels in major provincial towns: Wau, Malakal, etc.,**

# South Sudan also offers enormous potential for leisure tourism

## National Parks and Protected Areas

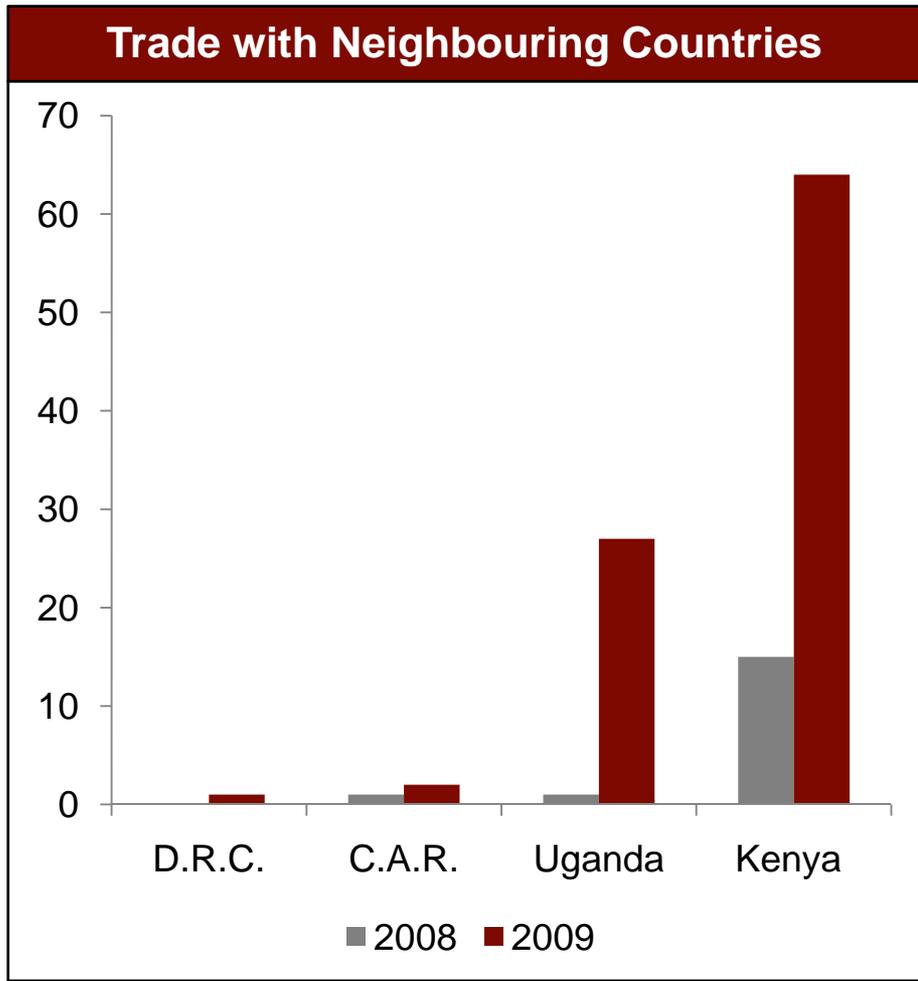


## Leisure Tourism Opportunities

- More than 22 national parks, game reserves, bird sanctuaries and other protected areas covering more than 1 million hectares
- 2010 census by Wildlife Conservation Society estimated total number of white-eared kob and other migratory animals at 1.3 million, approaching the scale of the Serengeti migration
- Excellent bird-watching potential in Sudd wetlands
- Excellent conditions for adventure tourism: ballooning, rafting, kayaking, rock-climbing, hiking, etc.
- Fascinating cultural traditions and historic sites

**The Ministry of Wildlife and Tourism is working on a national tourism development and lodge concession policy and is eager to attract safari lodge companies and tour operators**

# With increasing passenger and freight volumes, there are also good opportunities for providers of transportation and logistics services



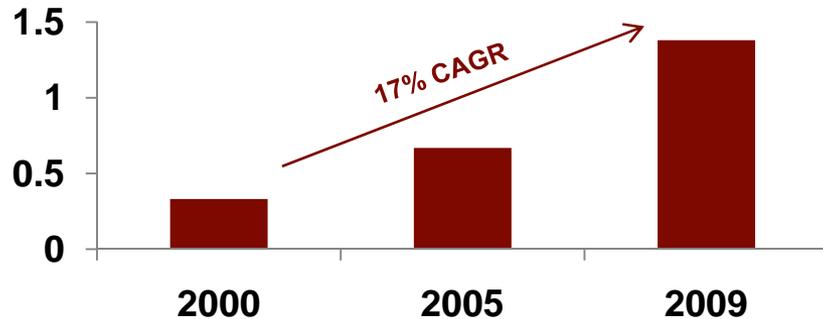
- ### Unmet demand for:
- International air services
  - Domestic air services (including charter services for oilfield and mines E&P operations)
  - Trucking/road haulage companies
  - Logistics and forwarding agents
  - River boat services
  - Passenger vehicle hire
  - Tour operators
  - Travel agents

Note: (1) Figures are for trade with Sudan, as a whole but all trade with Kenya, Uganda, CAR and DRC is assumed to be with South Sudan only,  
(2) Figures exclude \$240 mln aircraft order with Kenya

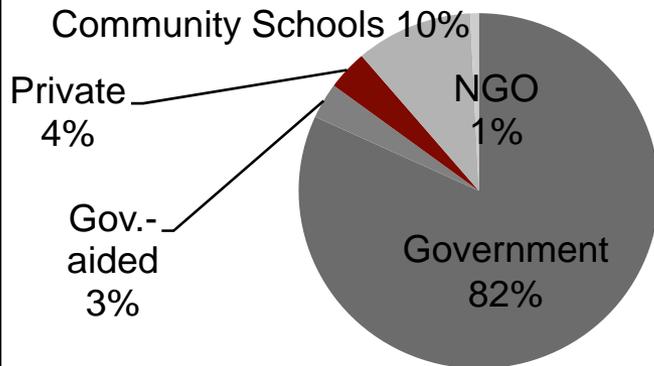
Source: Trade Map

**Demand for education is growing, but due to lack of options, most people, who can afford do so, send their children abroad for education**

### Primary School Enrolment (millions)



### Primary School ownership

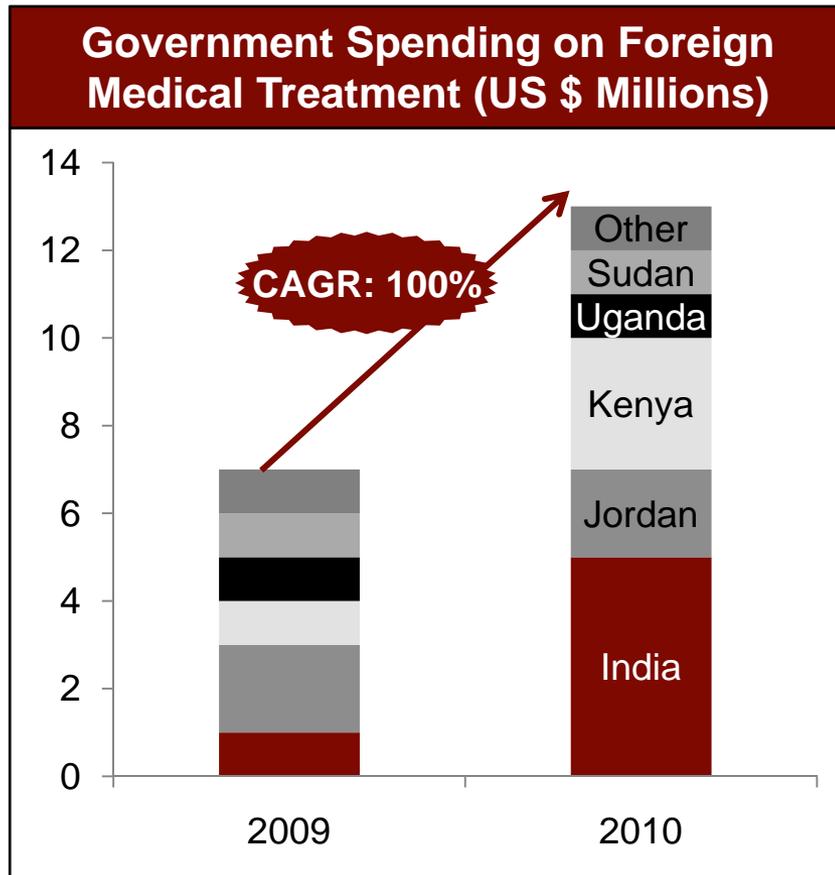


### Educational investment opportunities

- Demand for education is growing at all levels
- Unlike other major cities in the region, there are currently no international schools or colleges in Juba
- There is currently just one well-regarded private school in Juba with capacity for just a few dozen students
- As a result, it is estimated that more than 50,000 South Sudanese are sent to private schools and colleges in Kenya, Uganda and further afield every year

**The Government of South Sudan is keen to attract experienced operators to set up private schools, colleges and training institutes in the country**

## Similarly, there is unmet demand for international-quality medical facilities in South Sudan

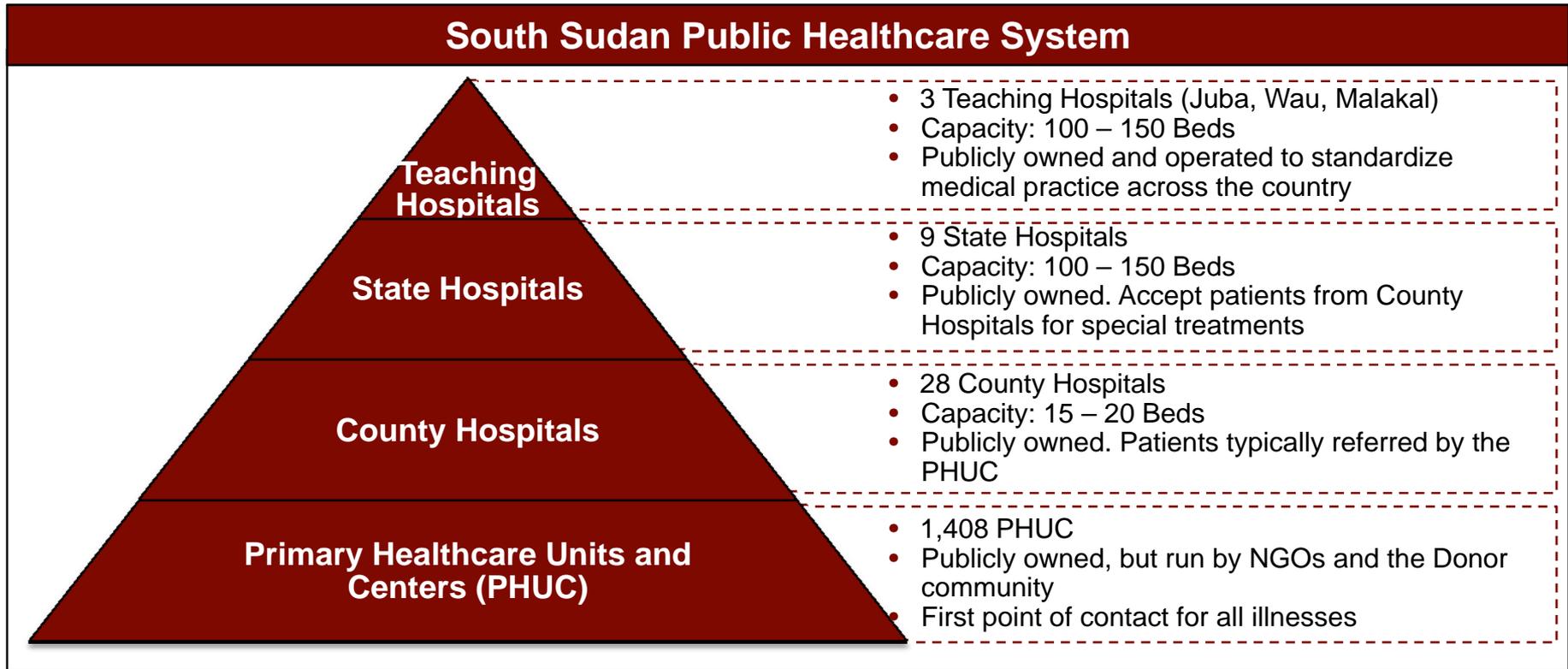


### Healthcare investment opportunities

- Currently, only 1 international medical clinic operates in Juba, the Juba Medical Complex (JMC): JMC currently has 40 beds and plans to expand to 100 beds; JMC has treated more than 5,200 patients in the 10 months since it opened
- The vast majority of government officials, middle class locals and expats fly abroad for medical treatment
- Government spending on overseas medical treatment for government officials reached \$13 million in 2010 and is doubling every year

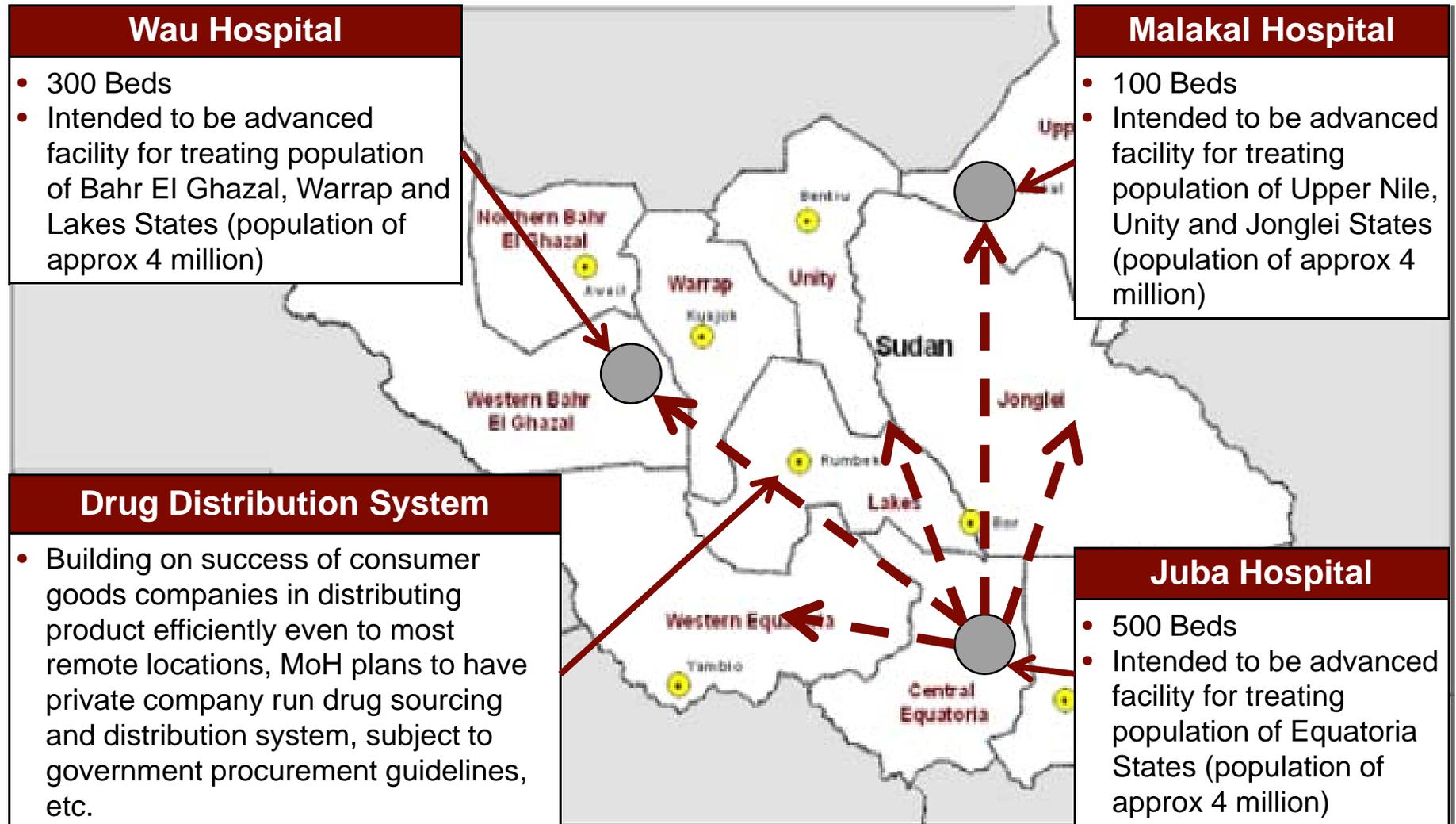
**The Government of South Sudan is interested in attracting experienced operators to set up private hospitals and clinics in the country**

**Over the longer term, the government wishes to attract private investors to rebuild and operate public medical facilities on a fee-for-service basis**



- The Ministry of Health recognises that it does not have the capacity to rebuild and run all the medical facilities required
- The Ministry therefore plans to bring in private contractors to run key elements of the medical system, specifically the drug procurement & distribution system, the 3 Teaching Hospitals and the 9 State Hospitals
- The Ministry is currently working on terms and conditions for these PPP concessions, based on a formula of guaranteed volumes, a government-defined fee schedule and a component of patient fee for services

# As a first priority, the government wishes to attract private investors to build and operate the drug distribution system and 3 teaching hospitals



# Welcome to South Sudan: The World's Newest Investment Destination!

- South Sudan, the world's newest investment destination, is Open for Investors in Tourism and Services – with a booming economy and a wealth of natural assets to support the growth of your business
- We see the most immediate opportunities for investors in tourism facilities, transportation services and private health & education. But we are eager to attract investors in all other sectors of commerce:
  - Financial Services: banking, insurance, housing finance, etc.
  - Professional services: legal, accounting, IT, engineering services, etc.
  - Retail and wholesale trade
- The Ministries of Wildlife Conservation & Tourism, Health and Education stand ready to assist with all aspects of business start-up and development
- We welcome you to South Sudan and urge you to visit other cities in South Sudan to see for yourselves. Please contact:

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