

# The Determinants Investment Climate In Sudan And Its Impact In Attracting Tourism Investments An Applied Study On The Ministry Of Tourism, Antiquities And Wildlife In Sudan (2016-2021)

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## **Abstract**

This research aimed to identify the determinants investment climate in Sudan and its impact in attracting tourism investments , an Applied Study on Ministry of Tourism, Antiquities and Wildlife in Sudan . The research problem is What are the primary determinants that must be met to create the investment climate in Sudan. In this respect, the research develops the following three hypotheses: There is a statistically significant relationship between the determinants of the investment climate in Sudan (political stability, economic policy, financial policy, monetary policy) and attracting tourism investments. There is a statistically significant relationship between the determinants of the investment climate in Sudan (the structural structure, the administrative framework, the legislative framework, the project guarantees) and the attraction of tourism investments. The research used the Statistical Package for the Social Sciences program (SPSS) to analyze the data and effect the field study. Based on said account, the research has reached the following findings: There is a causal relationship between the availability of the determinants of the investment climate already mentioned and others, and the amount of capital inflow of foreign direct investment in Sudan. The research, on the other hand, recommended Availability of natural resources with the stability and clarity of economic and financial policies and monetary under economic openness and competitiveness of the productive and service enterprises local help in creating the investment climate in Sudan.

**Keywords:** determinants investment climate, Attracting tourism investments.

## **First: General framework for the study:**

### **Introduction of the study:**

Sudan is the third largest Arab and African country in the in area, and Sudan is characterized by a distinguished geographical location in the heart of the African continent, and it neighbors seven countries, which makes it characterized by a multi-investment climate throughout the year.

Sudan has huge natural resources and potentials from vast lands Suitable for agriculture and a diversity of climate throughout the country from north to south Sudan has a huge mineral wealth that has not yet been exploited, including gold, silver and chromium lead, uranium, etc.

Sudan is located in the tropical region therefore varied climatic regions of the Sudanese desert climate to the tropical climate. We find the distribution follows the warm desert climate in the north of Sudan. A climate similar to the Mediterranean climate on the coast of the Red Sea, the semi-desert climate in the north central Sudan, savannah climate poor in the mid-south and then west Sudan savannah climate rich in Southern Sudan. (Tourism in Sudan, Wikipedia 2022).

The availability of these natural resources has had a significant impact on encouraging investment in tourism activity, and this in turn makes the state

strive to focus on investing in the tourism sector, as this sector can contribute not insignificant revenues that support the central treasury of the state.

### **Problem of the study:**

The problem of the study was to identify the investment climate in Sudan as a key indicator for attracting tourism investments by opening the financing of tourism investment projects or opening the door for investment to investors in this aspect that includes advantages, incentives and facilities, as well as (qualified), financial, service, and technological resources.

Accordingly, the paper raises the following questions:

- 1- Is there a relationship between the investment climate and the ability to attract foreign tourism investments?
- 2- Are there basic determinants that must be met to create an investment climate in Sudan?

### **Importance of the study:**

Was the importance of the study to address the subject of the investment climate in Sudan, one of the important issues related to the competitiveness in attracting tourism investments direct as the primary source for financing investments in

economic sectors of production and services in the light of the scarcity of local resources and consequently their direct impact on the absorption of unemployment and reduce the incidence of poverty in the community and raise the standard of living citizen and increase domestic production and thus an increase in the rate of economic growth.

### **Objectives of the study:**

The study aimed, as is evident from the title to know the investment climate in Sudan and its impact in attracting tourism investments that any study in the light of scientific hypothesis seeks to identify:

- 1- The most important determinants of the investment climate in Sudan in light of economic globalization, given that these determinants issued by research centers and institutes specialized scientific and applied to all countries of the world.
- 2- To identify the causal relationship between the competitiveness of the state and the size of foreign investment flows of tourism in the period under study.

### **Hypotheses of the study**

The study attempts to test the validity of the following assumptions:

- 1- There is a statistically significant relationship between the investment climate in Sudan and the attraction of tourism investments.
- 2- There is a statistically significant relationship between the determinants of the investment climate in Sudan and the attraction of tourism investments.

### **Methodology of the study**

The study uses deductive approach to determine the dimensions of the problem and descriptive analytical method to test the hypotheses of the study.

### **The limits of the study**

Spatial boundaries: Ministry of Higher Education and Scientific Research.

Time limits: the period from 2016 to 2021.

### **Tools and methods for collecting study date:**

- 1/ Secondary data: obtained from relevant books, periodicals and theses.
- 2/ Primary data: It was obtained from the questionnaires that were distributed to the members of the study population sample.

### **Previous studies:**

#### **1- Study of Raoul Bianchi (2018)**

The political economy of tourism development: A critical review.

This paper reviews varying theoretical approaches in political economy and their application to the analysis of tourism development. It examines the shifting focus of enquiry and traces the evolution of the political economy of tourism from an earlier generation of predominantly technical, empirically-driven analyses of tourism's contribution to economic development through to the various strands of development theory that have influenced and which continue to shape critical scholarship in the political economy of tourism. Particular emphasis is given to recent theoretical advances in which the application of cultural political economy and Marxian thinking herald a promising future for the political economy of tourism.(Raoul Bianchi,2018).

#### **2- Study of Abdelrahman Tahir Hag Adam (2020)**

The Insecure Investment Climate & It's Impact on Foreign Direct Investment Flows in SUDAN.

The changing international/external economic environment, which is characterized by rapid globalization, expansion of foreign direct investment (FDI), trade liberalization, and technological developments, is creating both opportunities for and risks in achieving development objectives in Sudan. Within that international context and having in mind the difficult Sudanese external economic situation characterized by debt, embargos, deterioration of oil revenues and foreign exchange reserves, and loss of exports, the issue of FDI, in particular, and flows of foreign resources to the country, in general, need to be kept at the center of attention. As explained in a World Bank report [9].(Abdelrahman Tahir Hag Adam, 2020).

#### **3- Study of Andi Hardianto, Marimin Marimin (2021)**

Sustainable Financing for Infrastructure Development to Support Tourism Connectivity: A Systematic Literature Review.

The tourism sector is the sector that has been most affected by the COVID-19 pandemic. This is due to travel restrictions to reduce the spread of Covid-19. One of the efforts for economic recovery in the tourism sector is to increase tourism competitiveness through infrastructure improvements. Indonesia

has many tourist destinations, but they have not been utilized optimally. This is due to the low accessibility and quality of infrastructure that supports tourism connectivity. This study aims to determine the development of research and various future research issues related to alternative infrastructure sustainable financing. The method used in this study is a Systematic Literature Review (SLR) of journals published from 2010-2020. Search articles that are considered relevant to the discussion keywords are entered into 2 (two) search citations, namely Scopus and Google Scholar. (Andi Hardianto, et al, 2021).

#### **4- Study of Citation, Alnafissa, Abdeen, Bashir, Alamri, Alagsam, Al-Duwais (2022)**

Agricultural foreign direct investment (AFDI) contributes to the long-term growth of developing countries. Sudan has rich agricultural resources with great potential for AFDI. However, so far, Sudan has not exploited this potential to attract investors from other countries, having less of a competitive advantage in agricultural production owing to local and international problems. In this study, we examined the effects of foreign investments of Gulf Cooperation Council (GCC) countries on agricultural exports in Sudan, in addition to other economic factors during 1990–2016 using the two-stage least squares (2SLS) model. The results showed that the investments of GCC countries in Sudan's agricultural sector boosted agricultural exports. The exchange rate was found to be a key determinant factor of GCC countries deciding to invest in Sudan. We recommend that the Central Bank of Sudan encourage policies to stabilize the exchange rate to attract more agricultural investment from GCC countries. (Citation, et al, 2022).

#### **Commenting on previous studies:**

The researcher agrees with most of the previous studies regarding the independent variable, which is investment in general. It differs with all previous studies in its handling of the determinants of the investment climate and its impact on attracting tourism investments, by applying to the Ministry of Investment, Antiquities and Wildlife.

#### **Second: Theoretical framework for the study**

#### **Foreword about the investment climate**

There is a minimum of conditions to be provided for the entry of investments to any country any that

economic decision-making is subject to ensure the safety of the project and to protect and maximize the profit under the alternative opportunities, It depends on many of the ingredients that must be met in the host country and perhaps the most important of which is the natural resources and political stability and security, and legal, economic, and monetary and financial concurrent with the availability of the financial statements and the regular sound and provides the physical infrastructure and qualified human resources as well as the capacity of the domestic market coupled with the purchasing power of the citizen. (Ahmed Maher, Abdul Salam Abo qahv 2019).

In light of the above, many of the social sciences represent an integrated structure affects and is affected relations link on each other, taking into account the fact that the causal relationship between them subject to the concept of relativity but economics more sensitivity and a link to all the social sciences, and natural resources in general and perhaps represents the common denominator between the various science. (Abo Hager, safe Ibrahim, 2017).

The competitiveness of any country in attracting foreign direct investment depends on the ingredients required, which together constitute the strength of a magnet for investment and which classifies the various countries of the world according to specific criteria and on the basis of which is the order of the ability of each country in the competition digitally compared to other countries, where it should be noted that there is a relationship direct correlation between the size of the order of competitiveness and investment flows.

#### **Concepts And Types Of Investment**

There were many definitions and concepts related to investment when a lot of writers and economists, however, these definitions include a lot of similarities.

Investing based on the sacrifice of satisfying the desire of private consumption and not merely postponed just as is the case for savings, and so in the hope of getting greater satisfaction in the future. (Executioner, Ahmed, 2015).

Consists of investment and macroeconomic point of view of the new custom material goods for use in achieving greater production and this definition includes equipment and new machines and new construction, and changes in inventories.

And generally can be defined as the investment that the portion deducted from the national income and named savings and directed to the formation of the productive capacities of existing, and renovated in order to cope with the increased demand, and as

long as the investor is willing to accept the principle of sacrificing his desire consumer present be prepared also to assume a certain degree of risk. (Hamid al-Tai, 2001).

### The Importance Of Investing

Investment is the main factor that controls the rate of economic growth on the one hand, and in quantity, and how this growth on the other hand. the required rate of growth depends on the ability to attract the cash flows required, and this depends on the ability to provide incentives and benefits and facilities that have an impact relative to the owners of capital in making decisions to invest in any country, and consequently influence the size of the investment required from internal and external sources .

In this context, we can see that there is continuous loops come to the conclusion that economic growth is a dynamic phenomenon in a quantitative change to a set of basic economic variables from one period to another. (Ruby,2019).

### Types Of Investment

There are various types of investment, according to the goal and the purpose and means, and yield, and the risks and types: (Charles, 2020):

A. Investment based on the nationality of the investor (National - Indigenous):

- National Investment: belongs to the country, which is held by the investment project, to be financed from internal sources and classified into:

- Investment in: be based upon the public sector, or the government or a public bodies or institutions with a view to the motives of public, such as increased public welfare, alleviate unemployment and economic stability, and increase the rate of growth.

- Private Investment: The by individuals and private projects and is governed by the motives of profit maximization and strengthen the competitive position of the project.

(B) foreign direct investment: It is a financial transfers received from abroad in the form of cash in order to establish a productive, marketing, management in the long term:

- Includes foreign direct investment:

- fixed investment (factories, machinery).

- Investment in inventories (materials Kham- final products).

- Real estate investments.

- Indirect foreign investment (investment in securities) which is in the form of loans (foreign) or buys government bonds or private purchase of

shares, and this kind of investment is looking for a return of capital.

(C) In terms of shape (corporeal - cash).

- Investment in kind is the use of goods and services in the formation of new capacity or to maintain the productive capacity of existing or renewed.

- Monetary investment: is the monetary equivalent of the investment in kind, expressed in local or foreign currency.

(D) In terms of the length of time and the age of the investment (Short-term- long-term).

(E) depending on the speed the emergence of return (A rapid return - A slow return).

(F) According to the nature of the investment (Financial - human).

(G) Investment Stimulus- investment catalyst.

- Automatic Investment: Investment is being done by the state without regard to the return generated from such government investment in infrastructure, and military industries.

Catalyst Investment: Investment is being done by individuals motivated by the expectation rewarding return.

### The Concept Of Tourism

Tourism in the language: means going into the ground to worship (and other things) has also been defined as "movement from country to country demand for hiking or reconnaissance and detection" (1). In the vocabulary: (Legrine, Ahmed Mohamed, 2020).

It was also the definition of tourism in the economy as the production of a new commodity contribute in building the national economy a goods service and sometimes physical, sometimes so named (industry, tourism) and contribute in a lot of countries in which there are infrastructure for the effects of history and nature of a large share in GDP The GNP. (Mohammed Al Shirawi, 2018).

Tourism is also from the perspective of social and cultural, It Movement dynamic aspects associated with cultural and civilizational to humans; sense that it is a message in a civilized and a bridge of communication between cultures and human knowledge of nations and peoples, and a natural outcome of the development of communities, tourism and high standard of living of the individual. It is worth mentioning that the level of environmental tourism is an attractive factor for tourists and satisfy their desires in terms of various natural places to visit and get to know the terrain and vegetation and wildlife, as well as visit local communities to learn about their customs and traditions. (Ruby, 2019).

## **Types Of Tourism And Objectives**

There are many types of tourism, which aims, according to each type of kinds. The following are the most important of these species: (Enough Mustafa Yusuf, 2016):

### **1 / Eco-Tourism:**

They travel in order to visit natural reserves Such as natural reserves. Available this when there is an environment of natural beauty and interesting terrain, and wild plant life and abundant fresh air and clean water, which helps to attract tourists.

### **2 / Medical Tourism And Hospital:**

They travel with the aim of treatment and recuperation at health resorts in different parts of the world, and include two types: (Marwan sugar ,2016).

A- Medical tourism:

Rely on the use of modern hospitals and centers, including the medical equipment and human cadres highly efficient in the treatment of contributing individuals who resort to these centers.

B- The therapeutic tourism:

Therapeutic tourism depends on natural elements in the treatment of patients and their recovery, such as mineral springs and sulfur, sand and sun for the purpose of hospitalization of some skin diseases and Rheumatic, and launches medical tourism on both types. As in the north of Sudan (Okasha pools on the Nile) and Jordan (Dead Sea and Main Falls), for example.

### **3 / Religious Tourism**

It is a type of tourism is concerned the spiritual side of man being a mixture of meditation religious and cultural, may be tourism in order to visit the holy places and enjoy to see it driven by instinct and faith and interest in history and preservation of its features and its effects, may be the motive behind this type of tourism is to call or do charity work, It can launch religious tourism to visit the House of God, and the Prophet's Mosque in Saudi Arabia.

### **4 / Leisure Tourism:**

And the leisure tourism for pleasure were self-one of the oldest types of tourism known to man, and characterized by Mediterranean countries to attract tourists to the possibility of this type of tourism.

## **5 / Tourism Conferences:**

It is associated with tourism activities to attend a global conference be different capitals around the world. I have been associated with this type of large developments in the economic and political relations and cultural and social relations between most countries of the world and found closely linked to tourism exhibitions.

## **6 / Tourism Races And Festivals:**

It applies to racing cars and bikes and film festivals. In addition to camel racing is a sport where a pure Bedouin experiencing tremendous turnout of participants and tourists as they relate carnivals wide fashion and popular arts Example: the global race for hybrids in the north and south of Egypt's Sinai, especially in the spring. (Enough Mustafa Yusuf, 2016)

### **Tourism Development:**

Gained tourism development increasing attention to the important role it plays in the growth of the economies of most countries of the world, being a main earner of the financial resources that help improve the balance of payments as one of the export task unforeseen, in addition to its role in the creation of new jobs, in addition to its role in the development of areas the cities that have tourism potential through the development of the infrastructure of the pillars of economic and social life in these countries. One study has concluded that the relevant subject of the importance of tourism in the Middle East countries that tourism will be the Arab world's oil in the future and estimated spending on tourism in the Middle East will double by 2012 to reach 180 billion dollars and perhaps create 3 million jobs during the mentioned period. (Emmanuel, Eddie Kadi, 2017).

### **Date Of Tourism In Sudan:**

Sudan is a country of vast and rich natural resources represented in the agricultural land, livestock and mineral, forestry and fisheries, where Sudan is located in the tropical region therefore varied climatic regions of the Sudanese desert climate to the tropical climate. We find the distribution follows the warm desert climate in the north of Sudan. A climate similar to the Mediterranean climate on the coast of the Red Sea, the semi-desert climate in the north central Sudan, savannah climate poor in the mid-south and then west Sudan savannah climate rich in Southern Sudan and the

far south of the tropical climate. (Tourism in Sudan, Wikipedia, 2022).

### **The Most Important Tourist Areas In Sudan:**

#### **1 / Karma Civilization:**

The Karma culture or Karma kingdom was an early civilization centered in Karma, Sudan. It flourished from around 2500 BC to 1500 BC in ancient Nubia. The Karma culture was based in the southern part of Nubia, or "Upper Nubia" (in parts of present-day northern and central Sudan), and later extended its reach northward into Lower Nubia and the border of Egypt. The polity seems to have been one of a number of Nile Valley states during the Middle Kingdom of Egypt. In the Kingdom of Karma's latest phase, lasting from about 1700 to 1500 BC, it absorbed the Sudanese kingdom of Sai and became a sizable, populous empire rivaling Egypt. Around 1500 BC, it was absorbed into the New Kingdom of Egypt, but rebellions continued for centuries. By the eleventh century BC, the more-Egyptianized Kingdom of Kush emerged, possibly from Karma, and regained the region's independence from Egypt.

#### **2 / Okasha Warm Baths:**

One of the most important tourist and therapeutic areas in the northern state is the famous Okasha bath, located south of Wadi Halfa on the western bank of the Nile. It is a spring that pumps warm, salty, natural sulfur underground water that descends towards the Nile from the western highlands and contributes to the treatment of moisture, rheumatism and skin diseases. (Ministry of Tourism and Antiquities wildlife, 05/18/2022).

#### **3/ Kasinger Islands:**

The Kasinger Islands, which are located in northern Sudan in the locality of Meroe, are characterized by beauty and tranquility. Originally, the islands are areas of cultivation and grazing. They have all the ingredients that make them a tourist destination. Islands, waterfalls, rocks and sand in the middle of the Nile River. The tourist season begins in October and ends in April. It is bordered on the east by huge attractive rocks and on the west by the Nile, and the area seems completely empty only. It is a green land and many flowing waterfalls in the islands, which amount to (75) islands, linked by waterways, some of which are habitable, while others have only birds, natural wildlife and traditional agriculture. and when the Nile recedes, after the fall, a number

of waterfalls and white sand appear, and their brilliance increases in the winter (Ministry of Tourism and Antiquities wildlife, 05/18/2022)

#### **4 / Pyramids of Meroe:**

Meroe is an ancient city in northern Sudan, located on the eastern bank of the Nile, about 6 km to the north-east direction from the Kabushiya station near the city of Shendi, and about 200 km from the Sudanese capital, Khartoum. Near the site there are a group of villages called Al-Bajrawiya. This city was the capital of the Kushite kingdom for several centuries, and the Kushites gave this name to the whole island or peninsula between the Atbara River in the north, the Blue Nile in the south and the Nile River in the east, and this area is geographically called a region inlay.

Meroe is located at the eastern edge of this region, which contains two important Kushite sites, Naqaa and Musawwarat al-Safra. The most prominent feature of the Meroe site is the presence of more than 200 pyramids in three groups, called the Kushite pyramids. (Ministry of Tourism and Antiquities wildlife, 05/18/2022)

#### **5 / Jebel Marra:**

Jebel Marra is a group of volcanic peaks, rising to 3,000 metres. It is located in the state of Central Darfur in the Darfur region of Sudan, and is inhabited by the Fur tribes, and the highest point in the mountain where the climate is mild, and rainwater and springs are almost permanently available.

It extends hundreds of miles from the city of Kass in the south to the outskirts of El Fasher in the north and covers an area of 12,800 km. It is the second highest peak in Sudan, with a height of 10,000 feet above sea level, and consists of a series of heights 240 km long and 80 km wide, interspersed with waterfalls and volcanic lakes. Jebel Marra enjoys a mild weather dominated by a Mediterranean climate, where rain falls almost in all seasons of the year, which provides the opportunity for the growth of many trees such as citrus, apples and forest trees. These heavy rains also provide a continuous water supply to the agricultural lands, making their soil suitable for cultivation of maize, millet, etc.

The mountain has many types of plants that are unique to it internationally, in addition to large groups of rare and domestic animals. Jebel Marra is characterized by being inhabited, and by the beautiful natural villages that spread to the top of the mountain. It is considered a tourist attraction for many visitors to enjoy the landscape, the mild

climate and the pure environment. (Tourism in Sudan, Wikipedia, 2022)

### **6 / Sabluga Waterfall:**

The Sabluga Falls, located on the course of the Nile River, in northern Sudan, is one of the Nile coastal areas, and the sixth waterfall in the Sabluga area is one of the largest waterfalls on the course of the Nile. The waterfall acquires importance as the narrowest Nile region and the only one that accounts for a variety of natural beauties, and it has a mountain range called Jebel Jari, which is one of the tourist areas in Sudan, It is considered a destination for Arab tourists in particular, foreigners and others, due to the nature of the mountainous area, as it provides ski tourism, swimming and Nile cruises. The waterfalls area is about 80 km from Khartoum, and enjoys a great diversity of plants and animals, in addition to its humid air. This waterfall is characterized by the narrowness of its stream, the flow of heavy water, and pours into the Nile River, and is also characterized by the diversity of its nature, and its richness in wild animals. (Tourism in Sudan, Wikipedia, 2022)

### **7/ Al Dindir Protected:**

Al Dindir Reserve is considered one of the most important nature reserves in Africa. It was opened in 1935 with the aim of protecting wildlife and attracting British tourists during the days of the British rule of the country (1899-1956).

It is a nature reserve on the border between Sudan and Ethiopia. The Sudanese city of Al Dindir is home to one of Africa's largest biodiversity reserves.

The reserve is distinguished by its beauty and the diversity of its environments because it is located near the Ethiopian plateau with abundant water and torrential rains that reach more than 600 millimeters.

The Al Dindir Reserve is one of ten world reserves classified as biosphere reserves because it contains the rarest breeds of animals and birds. The reserve includes 27 species of small mammals, nearly two hundred species of birds, 32 species of fish and other reptiles and other animal species.

### **8/ The Red Sea:**

The Red Sea is characterized by the purity and transparency of its waters, and it is the most attractive natural area in Sudan. It currently attracts a large part of the tourists who come to the country, especially lovers of the sea, snorkeling, and other

water sports. Pollution abounds with coral reefs, as well as Sanganeb Island, which is the only fully rounded island abounding with aquatic life. (Ministry of Tourism and Antiquities wildlife, 05/18/2022).

### **The underlying determinants that must be met to create the investment climate in Sudan:**

There are major determinants must be met to create the investment climate in Sudan, with the following reviews the most important of these determinants' researcher: (Investment Promotion Law, 2020).

- 1/ The economic and security situation.
- 2/ Infrastructure of the state.
- 3/ Political and security factors.
- 4/ Legal and legislative situations
- 5/ Administrative environment and procedural aspects.

### **The Causal Relationship Between The Investment Climate And The Ability To Attract Tourism Investments:**

Vary indicators global investment according to the issuers him, imported and used those indicators different criteria are classified by countries and arranged according to their competitiveness and the degree of attraction for foreign direct investment, and there are many institutions and institutes and forums specialized in the study of these indicators, which are similar in most of the components is the most important: (index of foreign investment, 2020-2021).

### **I / Country Risk Indicators:**

And issued by the Institute for Political Risk Services through its reports on various countries and are arranged according to the degree of risk which is measured by giving numerical values for a number of country risk, which fall under three groups: (political risk, economic, and financial) and represent a point of such risks Sub-indicator of the overall risk to the state.

Thus the investor can rely on these indicators before making his decision invested so choose less risky countries if other factors being equal.

### **2 / Indicators (Cove) For The Globalization Of 2006:**

Issued by the Institute (KOF) Swiss specialist studies dealing with the measurement of the economic indicators of globalization through three major dimensions of economic, social, political.

We would like to note that the development is in the internationalist perspective include aspects of economic, social, and political evidenced by indicators of countries' abilities to integrate and adapt to globalization.

Among the most important indicators identified by the (Cove) as follows:

(A) social and cultural climate:

This is a factor of the investment climate factors in all that affects the labor force, both in terms of quantity or efficiency and then it consists of the following points:

- The role of trade unions and their effectiveness.
- Educational policy and the appropriateness of its outputs with labor market needs.
- The growth rate of the population and the proportion of the labor force to the total population.
- Social structure and contents of ES or repulsion.
- Health and environmental awareness.
- The extent of the interaction of public opinion and the host welcomed foreign investment.

(B) legal and regulatory environment:

Means the concept of climate legal age encouraging laws or repellents FDI those laws which must be stable and not conflict with each other even attract investment, as well as the need for a just judiciary and arbitration system, which take care resolving disputes and which is one of the important elements in creating an investment climate, as that existing institutions to implement the laws played a major role in attracting foreign direct investment through the facilities and procedures to facilitate or expelled through the complexities and bureaucracy and lengthy procedures.

(C) The political climate:

Affect the political climate of the host countries in shaping the investment climate, where it leads the weakness of political stability to the low savings rate, and increasing rates of domestic capital flight ... etc.

And influenced by the political climate of the state by several factors, including the following:

- The political system and the extent of commitment to implement democracy.
- Seen civil society organizations and their enjoyment of democracy.
- The evolution of consciousness of the political parties and the degree of freedom enjoyed by.
- Peaceful transfer of power, and the degree of political stability and the survival of the ruling period in power.

(D) The economic climate:

This element interacts with elements emerge from the past and the investment climate in the host

country and the economic climate is composed of the following elements:

- Availability of natural resources.
  - Validity infrastructure.
  - Expansion of the internal market of the state in conjunction with purchasing power, which depends on the gross domestic product and population, and the equitable distribution of wealth among the people of the community.
  - The efficiency of economic policies (fiscal, monetary, trade) and the extent of their flexibility and utilization.
  - The degree of protection provided by the state for local products.
  - The availability of skilled labor and the level of wages prevailing in the State.
  - The ability of local institutions, productivity and the degree of competition between them.
- The development of the capital market in the legislative and regulatory framework.

### **3 / Indicators Global Competitiveness Global Competitiveness:**

The World Economic Forum in Davos, Switzerland, in collaboration with the 109 global institutions to measure the state's ability to grow and compete and have appeared this indicator in 1979 and consists of two sub-indices: (patterns of tourism in the world 0.2014).

A. Growth Competitiveness Index Global Competitiveness:

And reflects the ability of the state on economic growth for a period ranging between 5-8 years, and in turn, is divided into three metrics:

- The first measure: specialized measuring the relative importance of the technology sector, Internet connectivity, the number of computers used, the intensity of the use of mobile telephone lines, the number of fixed telephones per thousand people and gives 50% of the weight indicators.
- The second measure: Measure the performance of public institutions through the study of the legislative environment and the extent of the rule of law and order and the degree of corruption and bureaucracy and gives 25% of the indicators.
- Scale III and measures the performance of macroeconomic and consists of several variables are the real growth rate, the ratio of investment to GDP stability of exchange rates, the proportion of the budget to GDP, inflation rate ratio of the current account balance to GDP and gives weight to 25% of the indicators.

(B) Business Competitiveness Index Microeconomic competitiveness:



This index is based on the measurement of a catalyst of economic growth and is divided into two measures: (Foreign Investment Index, 2020-2021)

- Degree of development of the business sector.
- the investment climate.

This index is based on (8) factors, each of which gives equal weight and then measured the ability of the state according to a statistical model that is continuously updated and made up eight factors as follows:

- The degree of economic openness.
- The performance of the financial sector.
- Infrastructure.
- The institutional framework.
- IT environment.
- The extent of government intervention in economic activity.
- Indicators of human resources (workers).
- The development of management systems.

### Third: Applied Study:

#### Study Community

The study community is represented in the Ministry of Tourism, Antiquities and Wildlife, where it is possible to identify the characteristics of the study community by dropping the results extracted from the sample study and then generalizing the results of the study to the whole community.

#### The Study Sample:

A sample of 100 individuals was surveyed as a random sample, represented by directors of departments at the Ministry of Tourism, Antiquities and Wildlife, in addition to employees, in each of the following states of Sudan: (Khartoum - Northern - Red Sea - Blue Nile - West Darfur)

#### Applied Study Data Analysis Methods:

Adopted researcher in the study on the analytical method descriptive, to answer research questions, and test the hypotheses a number of descriptive and analytical statistics' methods were used. To effect this, the Statistical Package for the Social Sciences, (SPSS), program was employed, as hereinafter explained:

1. Multiple linear regression analysis to test the effect of independent variables on the dependent variable.

#### Research hypotheses testing:

### I- There is a statistically significant relationship between the investment climate in Sudan and the attraction of tourism investments.

**Table No (1)** Result of simple linear regression analysis to measure the correlation between investment climate in Sudan and attracting tourism investments.

Statement.	Regression coefficients	(T) test	Probability value.(Sig)	Interpretation
$\hat{B}_0$	1.8995	9.123	0.000	Significance.
$\hat{B}_1$	0.477	9.156	0.000	Significance.
Investment Climate in Sudan	0.426	6.426	0.000	Significance.
Attracting tourism investments	0.420	5.315	0.000	Significance.
Correlation Coefficient ) ( $R$ )	0.72			
Coefficient of determination ( $R^2$ )	0.49			
( $F$ ) test	89.571			Sample is Significant

The results of table No (1) show the following:

- The results of the estimation have shown the existence of a strong direct correlation between the investment climate in Sudan, as an independent variable ,and Attracting tourism investments, as a dependent variable, where, the value of the simple correlation coefficient has reached (0.72).
- The value of the coefficient of determination has reached ( $R^2$ ) (0.49). This value indicates that the compliance with between the investment climate in Sudan, as an independent variable, contributes (49%) in the Attracting tourism investments, (dependent variable).
- The simple regression sample is significant, where the value of (F) test is (89.571), which is at a significance level of (0.000).
- (1.8995): the average of the investment climate in Sudan in the Attracting tourism investments equals zero.
- (0.477): means: the the investment climate in Sudan, as one unit, in the Attracting tourism investments at49%.

Taking into account said facts, the research hypothesis, which provides for: ” **There is a statistically significant relationship between the investment climate in Sudan and the attraction of tourism investments,** has been proved.

## 2- There Is A Statistically Significant Relationship Between The Determinants Of The Investment Climate In Sudan And The Attraction Of Tourism Investments.

**Table No (2)** Results of simple linear regression analysis to measure the correlation between the determinants of the investment climate in Sudan and the attraction of tourism investments

Statement.	Regression coefficients.	(T) test.	Probability value.(Sig)	Interpretation
$(\hat{B}_0)$	1.7964	9.189	0.000	Significance.
$(\hat{B}_1)$	0.464	9.299	0.000	Significance.
Determinants of the investment climate in Sudan.	0.326	5.426	0.000	Significance.
Attracting tourism investments	0.320	4.315	0.000	Significance.
Correlation coefficient ) $(R)$	0.62			
coefficient of determination $(R^2)$ .	0.39			
(F) test.	86.571			Sample is Significant

The results of table No (2) show the following:

- The results of the determinants of the investment climate in Sudan as an independent variable, attraction of tourism investments, as a dependent variable, where, the value of the simple correlation coefficient has reached (0.62).
- The value of the coefficient of determination has reached  $(R^2)$  (0.39). This value indicates that, the determinants of the investment climate in Sudan as an independent variable contributes (39%) in the attraction of tourism investments, (dependent variable).
- The sample of the simple regression is significant, where, the value of (F) test is (86.571), which is at a significance level of(0.000).
- (1.7964): the average the determinants of the investment climate in Sudan in the attraction of tourism investments equals zero.
- (0.464): means: the raising of the determinants of the investment climate in Sudan, as one unit, attraction of tourism investments at39%.

Based on the referred to above results, it is obvious that, the research hypothesis, which provided for: ” **There is a statistically significant relationship between the determinants of the investment climate in Sudan and the attraction of tourism investments,,** has been proved.

## Fourth: Conclusion:

The aim of this paper is to identify the investment climate in Sudan and its impact in attracting tourism investments and through the display and analysis of data sheet was reached the following conclusions and recommendations:

### First, The Results:

- 1- Is a tourist innately human being is eager to change the venue to continue living.
- 2- The presence of monuments and historic monuments of ancient civilizations, which has in Sudan Such as Civilization Nubian and Jebel Mara and the Pyramids, which match the parameters and the effects of pharaonic Egyptian civilization, The biggest proof of the long history of tourism in Sudan.
- 3- Social and political stability have a clear impact on attracting tourism investments in Sudan.
- 4- Facilitate the procedures for the establishment and registration of investment projects and shorten the bureaucratic steps for everything related to economic activity.
- 5- Spots reduce corruption and provide accountability rules in light of apparent transparency.
- 6- Results of the study demonstrated that there is a causal relationship between the availability of the determinants of the investment climate already mentioned and others, and the amount of capital inflow of foreign direct investment in Sudan.
- 7- Results show that there is a direct causal relationship between the availability of the determinants of the investment climate and competitiveness of any country to attract foreign direct investment.

### Second: Recommendations:

- 1- Attention to infrastructure, which still requires great efforts, and is now considered one of the weakest elements of the investment climate.
- 2- Need to involve the private sector in the creation of some of the infrastructure, and this method may help to attract foreign investment.
- 3- Attention and hard work on strengthening political and economic stability being the most important determinants for attracting domestic and foreign investment.
- 4- Need to focus on improving the income of citizens because of its positive effects on local tourism.
- 5- Infrastructure development and the provision of recreational facilities for tourists in tourist attractions.

6- Interest in satisfaction of tourists to satisfy their curiosity millimeter.

7- To take advantage of the wealth of information through the establishment of centers for tourist information linked to a central database.

8- To create awareness and understanding among members of the community of the importance of tourism as a generator of income.

9- Privatization encourages tourism enterprises and encouraging foreign capital for direct investment in the tourism industry Sudanese as an effective means to achieve development and efficient performance.

10-availability of natural resources with the stability and clarity of economic and financial policies and cash in light of economic openness and competitiveness of the productive and service domestic help in creating the investment climate in Sudan.

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