

The Gulf War and the New Geography of Investment: What It Means for Africa's Tourism Sector

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The war in the Gulf has erupted at a moment when global investment flows were only beginning to stabilise. After years of pandemic-era contraction and monetary tightening, FDI had settled at roughly \$1.4–\$1.5 trillion. The world was not booming, but it had regained a measure of predictability. That fragile stability has now been shaken.

Before turning to the economic implications, it is important to acknowledge the profound human suffering unfolding in the region. Families have been displaced, lives have been lost, and communities are enduring trauma that will echo for generations. No analysis of investment trends can overlook the human cost of conflict. Our reflections must be grounded in empathy for those caught in the crossfire and a recognition that behind every statistic lies a story of pain, resilience and hope.

[A Conflict That Reshapes More Than Markets](#)

This war is not a routine geopolitical tremor. It strikes at the foundations of how investors assess risk, structure regional operations and allocate capital. Maritime disruption, rising insurance premiums, energy volatility and unreliable logistics are already reshaping boardroom calculations. But the deeper shift is psychological: investors are reassessing which regions can offer continuity, resilience and long-term certainty in an increasingly unpredictable world.

[Capital Will Not Retreat, It Will Redirect](#)

Corporate responses to geopolitical shocks tend to follow a familiar pattern:

- **Delay:** Projects in logistics, manufacturing, tourism and energy slow as firms pause to reassess risk.
- **Diversion:** Efficiency-seeking FDI, highly mobile and highly sensitive to instability, moves toward safer regional hubs.
- **Restructuring:** The war accelerates the shift away from hyper-globalised supply chains toward more regionalised, resilience-driven clusters.

As James Zhan of fDI Intelligence notes, conflict does not deter capital; it reallocates it. The question is where that capital will go next.

[Africa's Tourism Sector: Risk, Opportunity and Responsibility](#)

Tourism is among the earliest casualties of geopolitical instability. Higher transport costs, elevated insurance premiums and uncertainty around air corridors weaken the economics of new hospitality and leisure projects. For Gulf-adjacent destinations, this means delays and rising risk premiums.

Yet for Africa, the picture is more nuanced and potentially advantageous; provided the continent approaches this moment with both strategic clarity and moral responsibility.

1. Africa can position itself as a stability alternative

Investors seeking to rebalance portfolios away from conflict-exposed regions will look for destinations that offer political insulation, policy coherence and operational reliability. African countries that demonstrate these attributes can attract capital that might previously have flowed to the Gulf.

2. Diversification of source markets becomes a strategic asset

Destinations with diversified airlift, strong domestic tourism bases and resilient regional markets will be more attractive to investors seeking to hedge against volatility in long-haul corridors.

3. MICE and business tourism could shift southwards

With the Gulf's position as a global meetings hub under pressure, Africa has an opening especially for countries investing in modern convention infrastructure, streamlined visa regimes and professionalised destination management.

4. Energy volatility strengthens the case for sustainable tourism investment

As energy markets fluctuate, investors will favour destinations with credible green-energy strategies and efficient infrastructure. This aligns well with Africa's growing renewable energy footprint.

A Moment for Strategic Clarity and Human Solidarity

The Gulf war will depress global FDI flows in the short term. But its longer-term effect may be to redraw the map of investment opportunity. Africa can either be a passive observer of this shift or an active beneficiary.

However, any strategic positioning must be accompanied by compassion. Africa's opportunity does not arise from celebration of another region's hardship, but from a sober recognition that global shocks require global resilience. As we strengthen our investment environment, we must also stand in solidarity with those suffering the brutalities of war.

The countries that will emerge stronger are those that act decisively: strengthening governance, improving investor facilitation, professionalising destination management and signalling reliability in an uncertain world.

Tourism investment will not disappear. It will simply go where confidence, and humanity, are strongest. Africa has an opportunity to be that place, if it chooses to seize it with both clarity and conscience.