

Egypt

Tourism in the economy

International visitor arrivals to Egypt reached 9.9 million in 2014, generating a total of USD 7.2 billion in revenues. Travel receipts constituted the fifth largest provider of foreign currency. Tourism directly and indirectly contributed 11.3% to GDP in Egypt in the fiscal year 2013/14.

The total number of international tourist nights reached 97.3 million in 2014. About 83% of inbound tourists came from Europe, with 31% coming from Russia, followed by 30% from Western European countries and 12% from Eastern European countries. Tourists from Arab countries account for 17% of international arrivals.

Hotels and food and beverages services account for 1.3% of total investment in the fiscal year 2013/14, of which 73% came from the private sector. Tourism contributes 19% of the direct taxes on services and 4.5 % of the total direct sales tax to the national budget.

According to Egypt's Tourism Satellite Account, there are 1.7 million full-time workers serving the tourism industry directly, in addition to 2.2 million workers in other tourism related sectors. Tourism directly and indirectly supports 14.1% of total employment in the country in 2013.

Tourism governance and funding

The Ministry of Tourism is responsible for tourism policy and for establishing a coherent legal and regulatory framework for tourism development. Both the Egyptian Tourism Authority and the Tourism Development Authority fall under the jurisdiction of the Ministry.

The Tourism Development Authority works primarily on setting and implementing regulations for tourism projects and investments, by assisting with the provision of land and facilitating access to loans for developing infrastructure projects. The Egyptian Tourism Authority is responsible for promoting inbound and domestic tourism. It manages the development and diversification of the tourism product, both regionally and internationally.

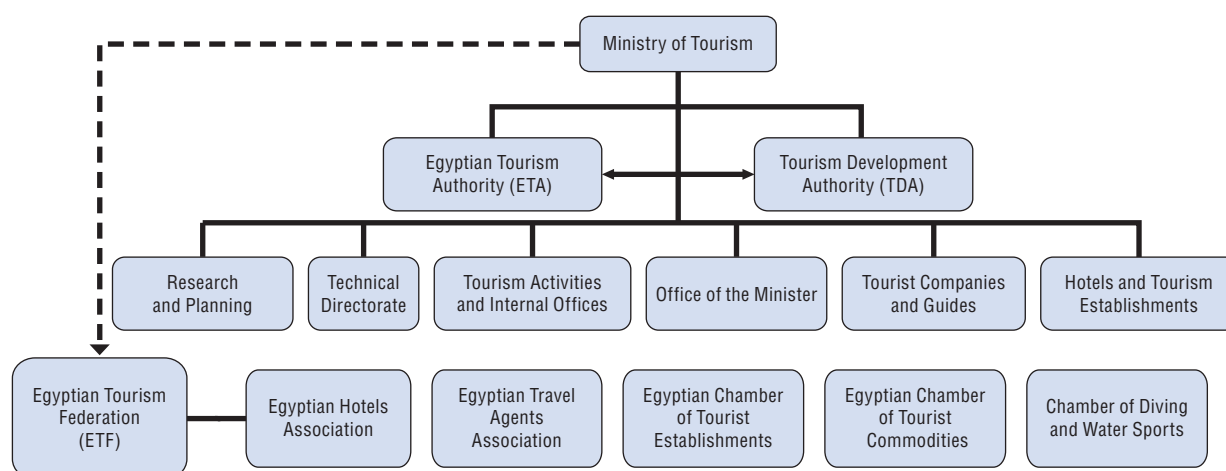
The Egyptian Tourism Federation is composed of five tourism industry business associations: the Egyptian Hotels Association, the Travel Agents' Association, the Chamber of Tourist Establishments, the Egyptian Chamber of Tourist Commodities and the Egyptian Chamber of Diving and Water sports. It works closely with the Ministry of Tourism in areas related to tourism planning, and for managing the Tourism Workforce Skills Development Project. By law, the Egyptian Tourism Federation's views are considered before any new legislative measures.

The Ministry recognises the need for an effective institutional framework to support horizontal co-ordination with other ministries and institutions for tourism policy

development. To achieve this, there are proposals to: improve management structures and enhance co-operation between public agencies, the private sector and civil society at different levels; decentralise responsibility for tourism to improve relations between the government and private sectors; clearly identify the role of the government and investment sectors; sustain private sector participation, represented by Egyptian Tourism Federation and its five chambers, and strengthen relations between the Ministry and other tourism clusters; and provide regular, accurate and transparent data.

The annual budget for tourism promotion and marketing is around USD 60 million for all promotional activities in 2015. In addition a new branding campaign was launched, costing USD 126 million over three years for global marketing and associated initiatives. These activities are managed by the Egyptian Tourism Authority (ETA) and financed by the Tourism Fund at the Ministry.

Egypt: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Tourism, 2016.

Tourism policies and programmes

Egypt faces a number of challenges within the tourism sector, including: suboptimal infrastructure, with restrictions on charter airlines at Cairo airports, overcrowded roads in Cairo and Alexandria and outdated railways; quality of service and workforce qualification gaps and the need for on the job training and basic technology skills as well as a lack of certified instructors and guides; a complex legislative and licensing framework, with a cumbersome project licensing process and a multiplicity of laws governing tourism investment and duplication in organisational responsibilities; safety and security and the need for enhanced marketing and promotion to deal with political and stability perceptions; environmental sustainability; and entry regulations and connectivity to Egypt.

Egypt's Sustainable Tourism Strategy 2020 considers tourism as an important national industry. It seeks to address these challenges and create a suitable environment to raise competitiveness and support inclusive growth.

The Strategy sets the target of welcoming 20 million international arrivals by 2020. By raising revenues to USD 26 billion and increasing average tourist expenditure by 50% to USD 120 per night, Egypt is aiming to increase the value of tourism at a faster rate than its volume with high and sustainable economic growth to alleviate poverty, reduce income

disparities, create productive jobs and increase gender equality. Other targets include increasing Egypt's share of world tourism to 1.5%, doubling Egypt's share of Arab tourism and attracting USD 10 billion of new foreign direct investment in tourism.

Specific initiatives include:

- Enhancing safety and security: Creating a hygiene unit to monitor food and beverage quality; using geographical information and global positioning systems to support speed limit compliance and rapid response to emergencies; applying the New Norms system of classification for hotels and resorts; introducing control cameras and advanced metal detectors in hotels; opening the road safety training centre; developing a tourism awareness campaign for locals; and the Egypt Now project which direct broadcasts images from cameras installed in tourist areas to reassure visitors of the stability of key destinations including Cairo, Luxor, Aswan, Hurghada and Sharm El Sheikh.
- Marketing and promotion: High impact public relations and advertising campaign, including the new cultural tourism “Live the magic” advert; branding Egypt in a more creative, innovative and people friendly way; and enhanced e-marketing including a social media campaign targeting China, India and Scandinavian countries.
- Improving service quality: Education and vocational training through the National Skill Standards Project; creating a culinary training centre; and applying accreditation and certification systems.
- Enhancing sustainability: Establishing a green tourism unit and green star hotel programme to monitor environmentally friendly and social responsible management of hotels; enhancing environmental awareness; pursuing energy efficiency; encouraging the use of solar and renewable energy sources; reducing water consumption; and maintaining the biodiversity and reducing solid/liquid waste and carbon emissions.
- Making institutional changes: Tourism Development Authority and Ministry of Tourism as a one-stop-shop for licences and permits; launching an intranet system linking five and four stars hotels with the Egyptian Hotels Association and Ministry; and gathering selected independent professionals to provide skills and experience.
- Providing visas on arrival for many source market countries and provide support for new or enhanced transport routes.

Statistical profile

Table 1. **Egypt: Domestic, inbound and outbound tourism**

	2010	2011	2012	2013	2014
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	18 190	16 481	16 725	19 549	..
Overnight visitors (tourists)	8 100	7 340	7 456	8 713	..
Same-day visitors (excursionists)	10 090	9 141	9 269	10 836	..
Nights in all types of accommodation	..	..	..	..	..
Hotels and similar establishments	..	..	..	..	..
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	14 700	9 800	11 500	9 500	9 900
Overnight visitors (tourists)	14 021	9 452	11 164	9 209	9 650
Same-day visitors (excursionists)	680	348	336	291	250
Top markets					
Russian Federation	2 856	1 832	2 518	2 394	3 139
United Kingdom	1 456	1 034	1 012	955	906
Germany	1 329	965	1 165	885	877
Italy	1 144	555	719	504	400
France	599	345	318	192	145
Nights in all types of accommodation	147 400	114 200	137 800	94 410	97 256
Hotels and similar establishments	..	..	..	..	..
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	..	..	..	..	..
Overnight visitors (tourists)	1 377	1 550	1 857	1 854	..
Same-day visitors (excursionists)	..	..	..	..	..
Top destinations					
..
..
..
..
..
TOURISM RECEIPTS AND EXPENDITURE, MILLION USD					
Inbound tourism					
Total international receipts	13 633	9 333	10 823	6 742	7 979
International travel receipts	12 528	8 707	9 940	6 042	7 208
International passenger transport receipts	1 105	626	883	700	771
Outbound tourism					
Total international expenditure	2 695	2 574	3 037	3 260	3 485
International travel expenditure	2 240	2 203	2 618	3 014	3 139
International passenger transport expenditure	456	372	419	247	346

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Source: OECD Tourism Statistics (Database).


StatLink  <http://dx.doi.org/10.1787/888933320857>


Table 2. **Egypt: Enterprises and employment in tourism**

	Number of establishments	Number of persons employed				
	2014	2010	2011	2012	2013	2014
Total	..	..	..	..	..	..
Tourism industries	21 325	..	..	1 706 700	1 699 000	..
Accommodation services for visitors	1 261	178 000	147 200	166 900	156 900	..
Hotels and similar establishments	..	..	..	..	..	..
Food and beverage serving industry	1 257	..	..	366 000	382 400	..
Passenger transport	..	928 000	1 017 000	1 026 500	1 022 700	..
Air passenger transport	..	..	..	34 500	28 600	..
Railways passenger transport	..	..	..	63 500	60 100	..
Road passenger transport	..	..	..	914 000	927 600	..
Water passenger transport	..	..	..	14 500	4 200	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	..	..	..	2 300	2 200	..
Travel agencies and other reservation services industry	16 487	..	..	70 100	58 200	..
Cultural industry	..	..	..	14 400	13 500	..
Sports and recreation industry	314	..	..	31 200	34 500	..
Retail trade of country-specific tourism characteristic goods	..	..	..	12 500	12 700	..
Other country-specific tourism industries	2 006	16 800	17 900	..
Other industries

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Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888933320864>Table 3. **Egypt: Internal tourism consumption**


Million EGP

	2013		
	Domestic tourism consumption	Inbound tourism consumption	Internal tourism consumption
Total	20 786	78 509	113 139
Consumption products	20 786	75 520	110 151
Tourism characteristic products	13 270	65 023	92 137
Accommodation services for visitors	2 122	9 265	23 173
Food and beverage serving services	3 708	20 361	24 072
Passenger transport services	6 113	15 555	23 468
Air passenger transport services	3 965	9 525	13 490
Railways passenger transport services	288	79	371
Road passenger transport services	1 766	4 781	6 549
Water passenger transport services	94	1 170	3 058
Passenger transport supporting services	..	..	..
Transport equipment rental services	0	299	299
Travel agencies and other reservation services industry	611	5 119	5 730
Cultural services	100	3 243	3 601
Sports and recreation services	518	5 309	5 828
Country-specific tourism characteristic goods	93	4 856	4 950
Country-specific tourism characteristic services	0	1 014	1 014
Other consumption products	7 516	10 497	18 013
Tourism connected products	..	..	..
Non-tourism related consumption products
Non-consumption products	0	2 988	2 988

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Source: OECD Tourism Statistics (Database).

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