

Egypt

Tourism in the economy

The tourism industry, involving around 70 sub-sectors, has always been an important economic activity in Egypt. Travel receipts constituted the sixth largest source of foreign currency with international tourists generating a total of USD 2.6 billion in revenue. Tourism contributed (directly and indirectly) 11.3% of Egypt's GDP in 2015/2016. It accounts for 23% of total services exports.

International tourist arrivals to Egypt reached 5.4 million visitors in 2016 (32.7 million tourist nights). About 12% of inbound tourists are from Germany, 19% from other Western European countries, 15% from Eastern European countries and 36% from Arab countries.

According to Egypt's Tourism Satellite Account (TSA) for 2014, the labour force working in tourism stood at 1.8 million individuals, representing 6.3% of the total labour force and 7.2% of total employment in Egypt. Around 74% of employees in tourism are full-time with 26% working on a temporary basis or part-time.

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. Two tourism authorities fall under 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 (ETA) 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 (ETF) is composed of five tourism industry business associations – the Hotels Association, the Travel Agents' Association, the Chamber of Tourist Establishments, the Chamber of Tourist Commodities and the Chamber of Diving and Water Sports. It works closely with the Ministry of Tourism in areas related to tourism planning, and in managing the Tourism Workforce Skills Development Project. By law, the ETF's views are considered before any new legislative measures are taken.

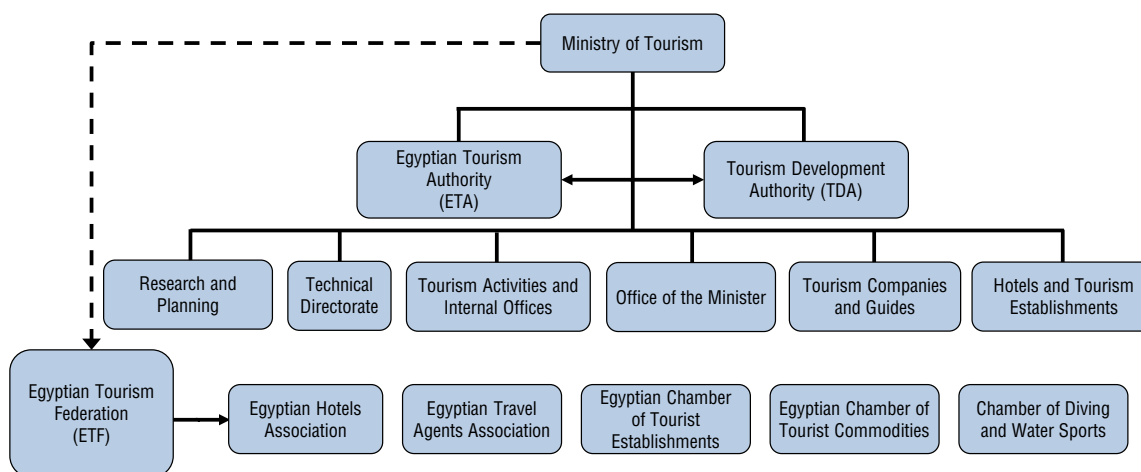
The Ministry recognises the need to support coordination with other ministries and institutions for effective tourism policy and is working to improve co-operation among all relevant stakeholders. To assist in this process, the Ministry has adopted a concept of decentralisation in tourism to ease communication between the government and the private sector, implemented effective structures for the management and development of tourism activity, adapted laws and regulations to attract investment, maintained the

stability of private sector participation (represented by the ETF and its five chambers) by strengthening relations with tourism clusters such as investor associations and tourism committees in the chambers of commerce, and sought to provide regular, accurate and transparent data.

The Supreme Council for Tourism helps to fast track progress by removing barriers. It involves eleven ministries and the ETF, and is chaired by the President.

The general budget for tourism promotion is around USD 67 million which is directed towards external activities including: launching a new branding campaign over the next three years for global marketing, setting up interactive advertising in touristic sites, enhancing public relations and optimising search engines. These activities are managed by the ETA and financed by the Tourism Fund Unit at the Ministry. The Accountability State Authority (ASA), an external government agency, monitors and evaluates the fund expenditure to ensure a transparent process.

Egypt: Organisational chart of tourism bodies



Source: OECD, adapted from Ministry of Tourism, 2018.

Tourism policies and programmes

Egypt's national strategy considers tourism as an important national industry and seeks to create a suitable environment to support tourism. Tourism faces many challenges and new policies have to be set to enhance a competitive, sustainable and inclusive tourism industry. Such challenges include:

- Infrastructure: restrictions on charter airlines, the railways etc.,
- Workforce: qualification gaps, the need for “on the job” training, technology skills and certified instructors, technical education and vocational training, and quality of service,
- Complex legislative and licensing frameworks: the new Tourism Law is yet to be implemented,
- Safety and security: hygiene, traffic safety, emergency systems, hotel standards, public security and tourism awareness,
- Marketing and promotion: branding and public relations,
- Sustainability issues: energy efficiency, the use of solar and renewable energy sources, water consumption, biodiversity, solid/liquid waste and carbon emissions.

The sustainable tourism strategy is currently being revised with new targets for 2030. The priorities are to increase value, to achieve high and sustainable economic growth, alleviate poverty, address income disparities, create productive jobs and increase gender equality. The strategic targets are to:

- Attract 20 million international arrivals,
- Raise the average tourist expenditure per night by 50%,
- Increase Egypt's share of world tourism to 1.5%,
- Double Egypt's share of Arab tourism,
- Raise tourism revenues to USD 20 billion,
- Attract USD 10 billion of new foreign direct investment in tourism.

The strategy seeks to address the challenges and achieve its targets through landmark reforms and investments. Initiatives include:

- Institutional change: Establishing the Tourism Development Authority and Ministry of Tourism as a one-stop-shop for licenses and permits, developing an intranet system linking hotels, chambers and the Ministry, and establishing an advisory committee of experts headed by the minister.
- Connectivity: Providing a new entry regime for many source markets with an E-visa system and support for the private sector when establishing new routes or enhancing frequency for travel.
- Marketing and promotion: Presenting products and services in strategic markets using innovative and smart techniques including, a new marketing website with 14 languages, an online campaign in traditional markets and China and India, better management of social media, working with bloggers, a new cultural tourism commercial, and promotion of the new VAT refund system. These activities will support traditional promotion and marketing tools.
- Investment: Developing and diversifying tourism products and services, responding to customer needs and trends, building high quality visitor experiences, developing a strong sense of place and style for Egypt and for the five internal destinations.
- Sustainability: Establishing eco-principles and a “green” tourism unit, heritage preservation, a “Green Star Hotel” programme monitoring the transformation of hotels to environmentally friendly management and efforts to enhance environmental awareness in the sector.
- Workforce: Promoting a National Skill Standards Project, a culinary training centre, enhanced capacities in tourism establishments, and an accreditation and certification system.

Egypt will apply the principles of social inclusion in its approach to tourism. It will target the citizens and communities of Egypt as primary beneficiaries by providing opportunities for employment and income generation, by positively contributing to government programs, by supporting quality of life and environmental excellence and by developing communities and society. Investments should cover skill development and training to enhance human resource development and capacity building across the sector.

Statistical profile

Table 1. Egypt: Domestic, inbound and outbound tourism

	2012	2013	2014	2015	2016
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	16 725	19 549	20 053	20 548	..
Overnight visitors (tourists)	7 456	8 713	8 928	9 148	..
Same-day visitors (excursionists)	9 269	10 836	11 125	11 400	..
Nights in all types of accommodation	..	..	..	..	..
Hotels and similar establishments	..	..	..	..	..
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	11 500	9 500	9 900	9 328	5 399
Overnight visitors (tourists)	11 164	9 209	9 650	8 984	5 168
Same-day visitors (excursionists)	336	291	250	189	141
Top markets					
Germany	1 165	885	877	1 011	654
United Kingdom	1 012	955	906	869	231
Italy	719	504	400	333	131
France	318	192	145	137	101
Russian Federation	2 518	2 394	3 139	2 390	54
Nights in all types of accommodation	137 800	94 410	97 256	84 128	32 712
Hotels and similar establishments	..	..	..	..	..
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	..	..	..	..	..
Overnight visitors (tourists)	1 857	1 854	2 181	2 134	..
Same-day visitors (excursionists)	..	..	..	..	..
Top destinations					
..
..
..
..
..
TOURISM RECEIPTS AND EXPENDITURE, MILLION USD					
Inbound tourism					
Total international receipts	10 823	6 747	7 978	6 897	2 645 e
International travel receipts	9 940	6 047	7 208	6 065	2 645 e
International passenger transport receipts	883	700	771	832	..
Outbound tourism					
Total international expenditure	3 037	3 260	3 485	3 636	4 110 e
International travel expenditure	2 618	3 014	3 140	3 442	4 110 e
International passenger transport expenditure	419	247	346	194	..

.. Not available; e Estimated value

Source: OECD Tourism Statistics (Database).



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

	Number of establishments	Number of persons employed				
	2016	2012	2013	2014	2015	2016
Total
Tourism industries	..	1 706 700	1 698 800	1 752 000	1 992 665	..
Accommodation services for visitors	1 239	166 900	156 900	156 100	188 740	..
Hotels and similar establishments
Food and beverage serving industry	1 300	366 000	382 400	408 600	488 240	..
Passenger transport	..	1 026 500	1 020 500	1 068 000	1 175 486	..
Air passenger transport	..	34 500	28 600	24 000	23 710	..
Railways passenger transport	..	63 500	60 100	66 000	55 970	..
Road passenger transport	..	914 000	927 600	968 000	1 078 428	..
Water passenger transport	..	14 500	4 200	10 000	17 378	..
Passenger transport supporting services
Transport equipment rental	..	2 300	2 200	1 000	4 151	..
Travel agencies and other reservation services industry	18 525	70 100	58 200	48 000	63 167	..
Cultural industry	..	14 400	13 500	12 700	18 251	..
Sports and recreation industry	..	31 200	34 500	26 000	31 290	..
Retail trade of country-specific tourism characteristic goods	..	12 500	12 700	13 000	22 897	..
Other country-specific tourism industries	..	16 800	17 900	18 600	481	..
Other industries

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888933641887>Table 3. **Egypt: Internal tourism consumption**

Million EGP

	2014		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	22 096	98 112	138 737
Consumption products	22 096	95 075	135 700
Tourism characteristic products	14 295	80 171	112 995
Accommodation services for visitors	2 177	12 791	29 567
Food and beverage serving services	3 807	26 399	30 578
Passenger transport services	6 575	17 388	27 167
Air passenger transport services	4 426	9 808	14 864
Railways passenger transport services	296	89	391
Road passenger transport services	1 839	6 233	8 736
Water passenger transport services	14	1 258	3 176
Passenger transport supporting services	..	..	..
Transport equipment rental services	..	297	297
Travel agencies and other reservation services industry	1 006	5 770	6 776
Cultural services	103	3 808	4 170
Sports and recreation services	532	7 398	8 026
Country-specific tourism characteristic goods	96	5 097	5 193
Country-specific tourism characteristic services	..	1 224	1 224
Other consumption products	7 801	14 904	22 705
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
Non-consumption products	..	3 037	3 037

.. Not available

Source: OECD Tourism Statistics (Database).

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