

## Summary notes on the Roundtable Discussion entitled:

### “A Proposed Map for Improving Egypt’s Tourism Sector”

This RTD was Held on Monday, March 12, 2018 from 10:00 AM to 12:00 noon at ECES.

#### Speakers:

- Sahar Talaat Moustafa, President of the Egyptian Parliament’s Tourism and Civil Aviation Committee;
- Elhamy El Zayat, Chairman, Emco Travel; and
- Haitham Nassar, General Manager, Hilton Pyramids Golf Resort.

#### Moderator:

- Abla Abdel Latif, Executive Director and Director of Research, ECES

#### Main points addressed in this RTD:

- An ECES team presented a road map to promote the tourism sector. The methodology of the map is based on previous studies, a field survey of various tourist areas and on consultations with industry experts. The study relied on the following sources of data: Tourism Competitiveness Report, the Report of the World Travel and Tourism Council and the Ministry of Tourism. Study projections are based on actual 2016 figures as the 2017 data has not been released yet.
- The road map raises three questions:
  - Where do we stand? (Assessment of current situation - starting point)
  - Where do we want to be in 2020?
  - How can we get there?
- Where do we stand? The tourism sector's value chain is defined as:
  - marketing the tourism product through the Egyptian Tourism Authority, tourist companies and hotels
  - providing international transportation (air, land or sea)
  - Providing accommodation, whether fixed or floating hotels or restaurants
  - Organizing the tourism itinerary including tourist attractions
  - Providing internal transportation, whether by air or land
- Sectoral performance: A quick overview
  - The number of tourist arrivals in 2016 reached 5.4 million tourists compared to 14 million tourists in 2010. Tourism revenue reached \$2.7 billion in 2016 compared to \$12.5 billion in 2010.
  - In addition to tracking the cyclical change in the performance of the sector in Egypt, the study compares Egypt with three groups of countries (model countries, competitors and neighboring countries), following the thought of the Indian economist San Giallal.
  - According to the Travel and Tourism Competitiveness Index 2017, Egypt advanced 9 positions to the 74th place (out of 136 countries), but this position is still way behind.

- Although cultural tourism has declined in the world from 60 percent to 15 percent, due to Egypt's wealth of monuments, cultural tourism is a rising star that Egypt should increase its global share thereof.
- Where do we want to be in 2020?  
To answer this question, we should have a clear vision as to how Egypt can regain its leading position on the world map as a high quality tourist destination. The starting point is to address the weaknesses facing the sector and all promising activities with the purpose of attracting 16,695 tourists and generating \$15.7 billion in tourism revenue by 2020. The study identified sub-targets as a way of achieving the main objective. For example, the targeted tourist arrivals from different destinations to Egypt according to their spending per night and the targeted number of aircraft seats in all types of aviation.
- How can we get there?
  - This phase involves many interdependent and interrelated elements that must be addressed together, such as the institutional framework, performance monitoring and capacity-building. Regarding the institutional framework, the study suggests having a deputy prime minister to be responsible for coordinating between the Ministries of Tourism, Antiquities and Aviation, which suffer from overlapping. Such coordination will solve many problems. Also, an information unit reporting to the Deputy Prime Minister should be created to collect and analyze data and conduct market studies.
  - Egypt needs a convention bureau to handle all issues related to exhibitions, conferences and incentives tourism. Advisory committees should also have representative experts from the private sector in accordance with international standards.
  - Restructuring the Ministries of Tourism, Antiquities and Aviation and their affiliate authorities, bodies and companies in accordance with the vision of the Tourism Sector as a whole.
  - The tourist chambers should be independent from the Ministry of Tourism. The Ministry's monitoring thereof should be confined to the activities that receive financial support from the Ministry.
  - Follow-up performance: This requires reinforcing the role of Parliament and civil society to ensure quantitative and qualitative targets as well as State policies are achieved.
  - Implementation of the plan: There needs to be separation between policy formulation, implementation and performance monitoring, and there should be institutional development to implement this separation.

For more details, please see the map.

### **The main points addressed by the speakers:**

- Regulations for the chambers of tourist companies and the Federation have been put in place months ago. An item has been introduced to these regulations stating that the Director of the Federation may not not travel without the Minister's consent, even if the cost of travel is paid by private sources. Many have objected to this item.
- Attempts have been made to lay the groundwork for monitoring the performance of external offices, through which a digital assessment can be easily obtained. Although it has been completed, it has not yet been implemented.

- The need to establish a mechanism to measure and monitor rates of tourist satisfaction, and to put forth proposals for improvement. Egypt has long relied on monuments, beaches, and hotels; so, the question is: how can we develop that product?
- Updating quality standards at hotels "new norms". Some of the hotels we call 5 stars are rated 3 stars abroad.
- Training has been neglected since 2011. At the same time, the sector lost a large percentage of skilled labor (about 30 to 40 percent) to other competitor countries or to other types of work. Training needs more attention from the State and the private sector, which has proven to be able to develop the quality and skills of existing labor.
- Although capacity building has stopped over the past two years, training courses have been initiated since March 5, 2018 in Cairo, Hurgada and Sharm El Sheikh. Also, hotel managers and teachers will start receiving training starting mid-April, 2018 according to an agreement with TVET2. The Ministry of Tourism, in cooperation with the Ministry of Planning, has started making tourism an independent pillar in the strategy, and has started working on training, capacity development and marketing for each destination.
- Figures referring to increased income and numbers in the study were conservative because of some preconditions (the current military operations in Sinai, the price war as prices have fallen significantly over the past period). Some attendees suggested to replace Russia with China to increase tourist arrivals, but Egypt is not on the list of Chinese tourists and is distant from China (about an 11-hour flight compared to 3 or 4 hours from Russia)
- Transportation in Egypt: About 5000 new buses are needed in Egypt for the next year, while only 500 buses are available. Bus prices increased significantly, and hence there is a funding problem. The proposed solution is to approve the use of new buses of older models (two or three years old) instead of the current year model. If not addressed, this will be a big problem next year.
- Marketing differs from promotion: Promotion is another stage. The product offered by Egypt is unknown. We do not have a slogan or branding. It could be for certain areas, such as Luxor, and not necessarily for the country as a whole.
- Tourism is linked to many services, and requires coordination between several ministries. Besides the three mentioned ministries, the Ministries of Transport, Planning, Environment, Local Development and Finance should be included alongside the Central Bank of Egypt.
- The Parliament is trying to establish coordinating committees to bring together a group of ministries concerned with tourism and antiquities. The role of each ministry must be determined for monitoring purposes.
- The need to optimize the Grand Museum and the pyramid area. Publicity abroad should intensified for the inauguration of the Grand Museum.
- It is necessary to raise awareness about maintaining antiquities and treating tourists in schools. Thus, children would learn the importance of tourism and how to treat tourist in their early age.