

**Promoting Tourism as  
an Engine of Inclusive Growth  
and Sustainable Growth in Africa**

**Egyptian Minister of Tourism  
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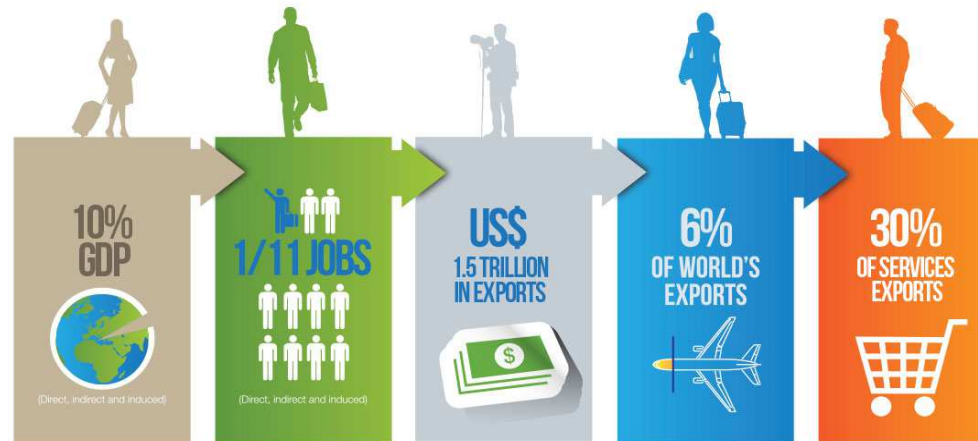
**JULY 21, 2016**

# International tourism highlights (2015):



**WORLD: 1,184 MILLION**

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**WHY TOURISM MATTERS**

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# Introduction:

- Tourism is one of the world's fastest growing industries and an important source of foreign exchange and employment for many countries.
- Tourism can be a positive force bringing economic, social, and environmental benefits to destinations around the world: increased revenue, job opportunities that help eradicate poverty, foreign investments, a positive contribution to trade balance, rural development, promotion of local culture and products, and protection of cultural heritage and conservation of natural habits .

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- The UN recently declared **2017** as **International Year of Sustainable Tourism** for Development.
  - Destinations have to deal with associated negative impacts of tourism: urbanization sprawl, loss of biodiversity, disruption of fragile ecosystems, pollution, climate change, depletion of water and other energy sources... **However**, economic and human activities including tourism can contribute to the desirable sustainable development.
  - Good and sound tourism is perfectly aligned with the “**Sustainable Development Goals**”.





## **Goal #1: End poverty in all its forms everywhere:**

Tourism can foster economic growth and development at all levels and provide income through job creation and promoting entrepreneurship and small businesses, thus, achieving poverty reduction goals.

## **Goal #2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture:**

Tourism can spur agricultural productivity by promoting the production, use and sale of local produce in tourist destinations and its full integration in the tourism value chain. In addition, agro-tourism can complement traditional agricultural activities and improve the livelihood of local communities.



### **Goal #3: Ensure healthy lives and promote well-being for all at all ages:**

Foreign earnings and tax income from tourism can be reinvested in health care and services to improve maternal health, reduce child mortality and prevent diseases.

### **Goal #4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all:**

The tourism sector can provide incentives to invest in education and vocational training addressing both genders and different types of people with the aim of skills enhancement, better incorporation and improved level of services.



## In Egypt:

The Ministry of Tourism, in collaboration with the concerned national and international authorities has adopted several development programmes addressing local communities such as:

- Establishment of Abu Quargass Hospitality Services Training Center in Al Minya (Upper Egypt),
- Capacity building programmes in Al Minya and Assiut in Upper Egypt, and Siwa Oasis in the Western Desert,
- “Dahshour World Heitage Programme” (employment opportunities, capacity building, promotion of public awareness, provision of forums for cross-cultural exchanges),
- Programmes addressing female breadwinners and handicrafts manufacturers.




## **Goal #5: Achieve gender equality and women empowerment:**

Through the provision of jobs and through income-generating opportunities in small and larger-scale tourism and hospitality related enterprises, females can be fully engaged in the different aspects of the society.

## **Goal #6: Ensure availability and sustainable management of water and sanitation :**

The efficient use and regulated consumption of water resources is essential in the tourism to ensure sustainable availability and maximize the return on investment.





**Goal #7: Ensure access to affordable, reliable, sustainable and modern energy:**

In order to ensure sustainability, maintain sound and long-term investments, and for cost reduction purposes, green tourism initiatives are adopted.

**Goal #8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work :**

Tourism provides (1) in (11) jobs worldwide, providing , thus, decent job opportunities for all people.




**Goal #9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation :**

Tourism development relies on good public and privately supplied infrastructure and an innovative environment. This incentives governments to upgrade their infrastructures covering all aspects, ***and resulting hence*** in the welfare and better living conditions for local communities, as well as the development of new suburban communities.

**Goal #10: Reduce inequality within and among countries :**

Tourism can contribute to urban renewal and rural development and reduce regional imbalances.



**Goal #11: Make cities and human settlements inclusive, safe, resilient and sustainable :**

Tourism entails enhancement of cities so as to provide the best conditions to attract tourists. Citizens benefit from improved living conditions and constant urban development.

**Goal #12: Ensure sustainable consumption and production patterns :**

Sustainable consumption patterns are “a must” for the tourism activity to continue. Adopting such practices results in better economic, social and environmental outcomes.



## **Goal #13: Take urgent action to combat climate change and its impacts:**

Tourism contributes to and is affected by climate change. It is, therefore, in the sector's own interest to play a leading role in lowering energy consumption and shifting to renewable energy sources.

## **Goal #14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development :**

Costal or beach tourism represents the greater segment in the tourism sector. Therefore, tourist destinations should adopt programmes / initiatives for their preservation.





**Goal #17: Strengthen the means of implementation and revitalize the global partnership for sustainable development:**

Tourism is a multi-faceted activity and of a cross-sectorial nature. Therefore, it has the ability to strengthen private/public partnerships and engage multiple stakeholders (international, national, regional and local) to work together and achieve the Sustainable Development Goals.

# Tourism in the African Continent



Victoria Falls



Mount Kilimanjaro



Table Mountain



Robben Island



Maasai Mara



Jemaa el-Fnaa



Garden Route



Serengeti National Park



Kirstenbosch National Botanical Garden



Great Pyramid of Giza



Diani Beach



Clifton, Cape Town



Atlas Mountains



Nairobi National Park



Fish River Canyon



Giraffe Centre



Tarangire National Park



Okavango Delta




Bou Inania Madrasa




Majorelle Garden



Bomas of Kenya

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- African countries pride themselves on possessing unrivalled tourist products which can serve as major contributors to people's prosperity and reshape the lives of individuals and communities. **Nevertheless**, with the exclusion of (2) countries, African countries are not listed among the Top (50) tourist destinations worldwide in terms of international tourist arrivals.
  - African countries should leverage on their tourist assets and strengthen their destinations brands.
  - Promoting intra-African tourism, ensuring the ease of access, developing the cross-border infrastructure and the intra-regional air transport will contribute to fostering tourism in the African region (fulfill GATTs commitments in tourism sector).
  - Exchanging knowledge and best practices in destination management as well as promoting investments are key development drivers in the African countries.



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- Joint marketing campaigns leveraging on a joint unique asset such as the “Nile River” can be used as a tool for achieving tourism growth in the African Region (Long Nile Cruises).
  - Expansion in niche products activities is required to lengthen the stay of tourists, consequently average spending per night.
  - Increasing cities attractiveness through introducing entertainment facilities and activities is essential. The more entertainment facilities the more job opportunities and less poverty rates.
  - Local products should be an essential component of the destination brand and should be incorporated in the marketing scheme.
  - Enhancing quality of services is a priority to maintain tourism sustainability and ensure repeat visits.





# **Overview on Tourism in Egypt**



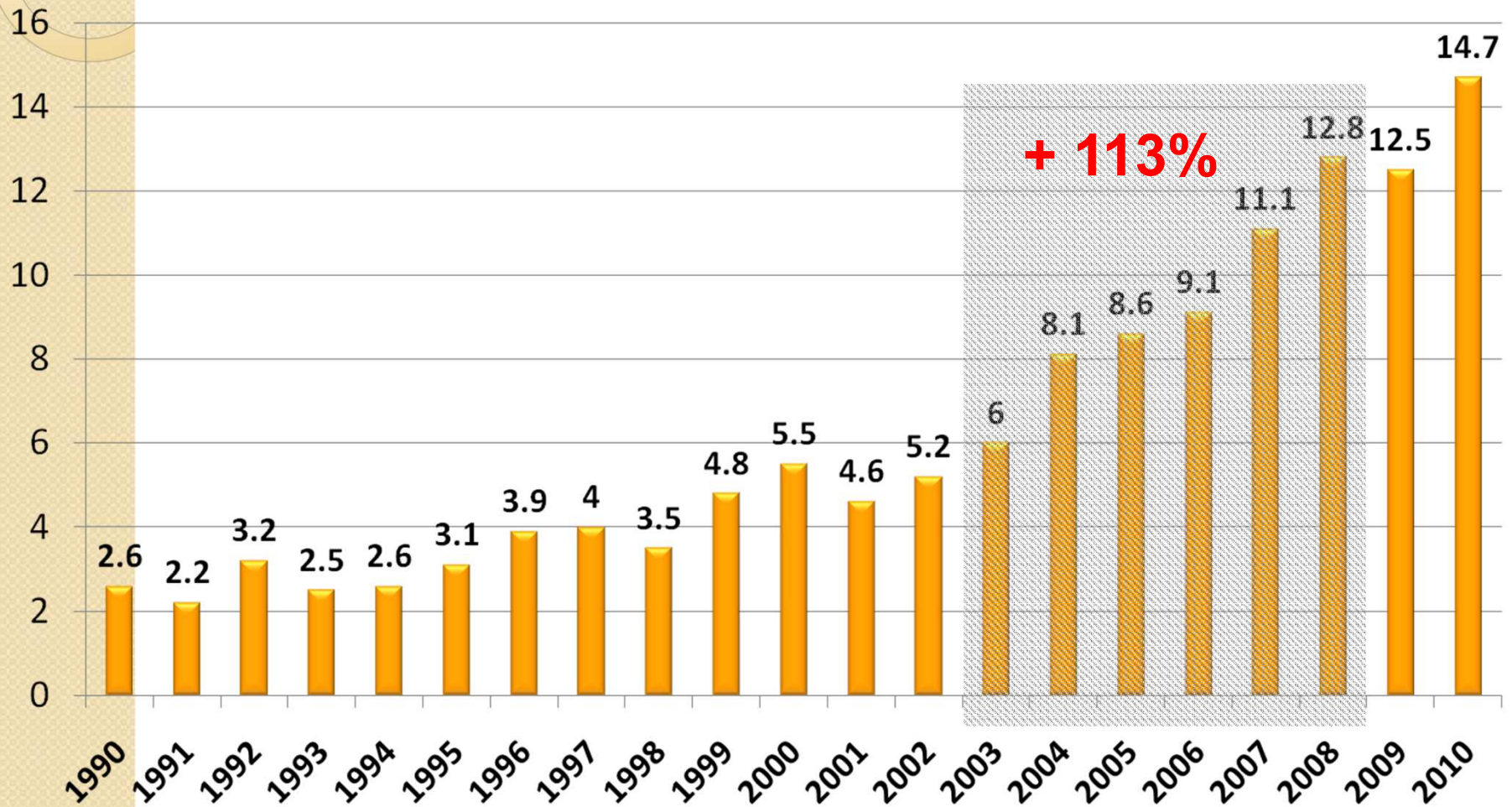
“We should never forget that Egypt is one of the world’s most remarkable tourism success stories. Over the last decade, the number of visitors to Egypt practically tripled and so did the exports generated by international tourism. Egypt is, and will continue to be, despite all challenges, a leading tourism destination.” \*

\* Dr. Taleb Refai, UNWTO Secretary General (February 2016)



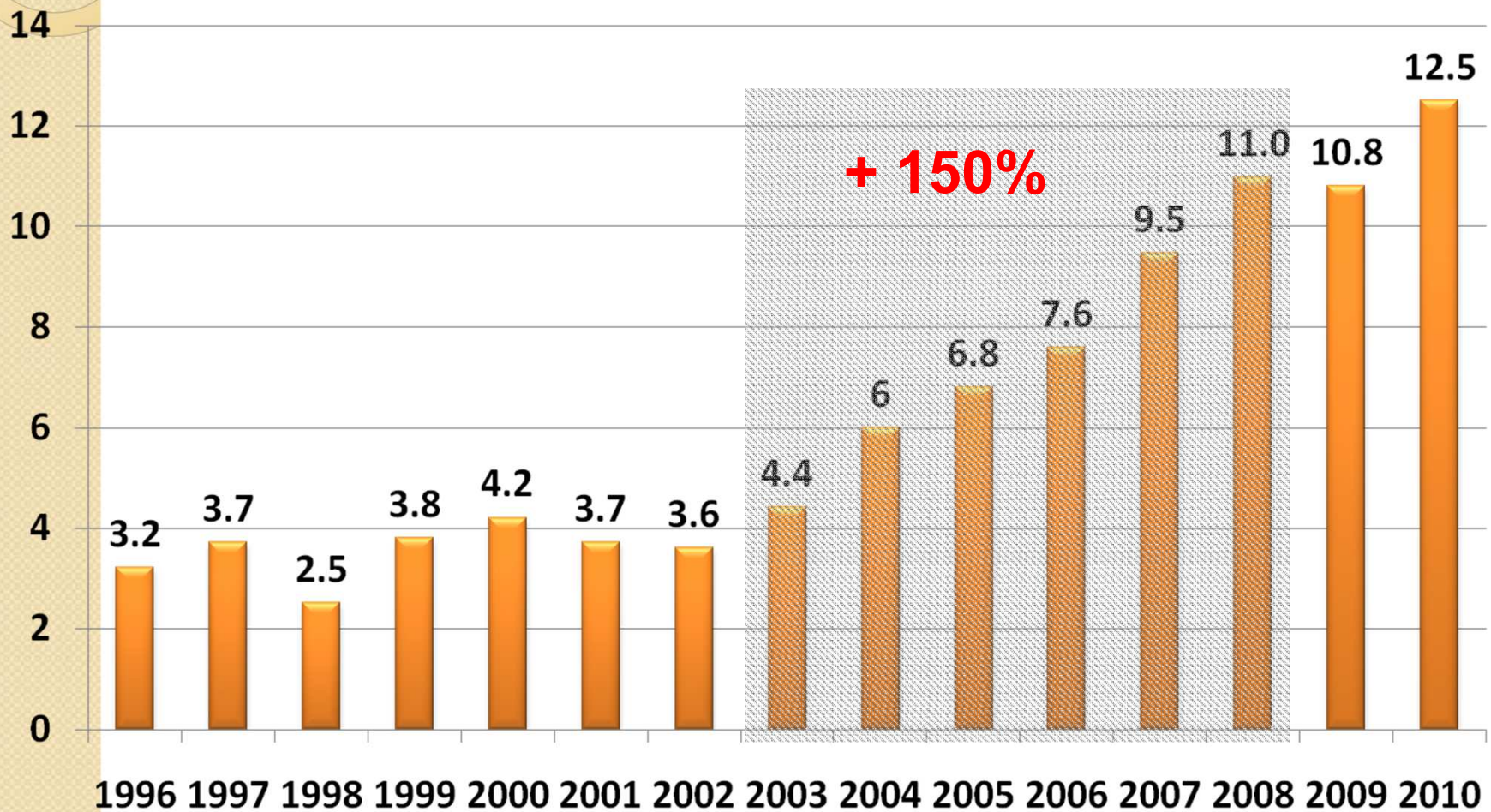
**Egypt has been a Success Story**

# International tourist arrivals by million (1990 – 2010):





# Tourism receipts (1996 / 2010 by billion US\$)



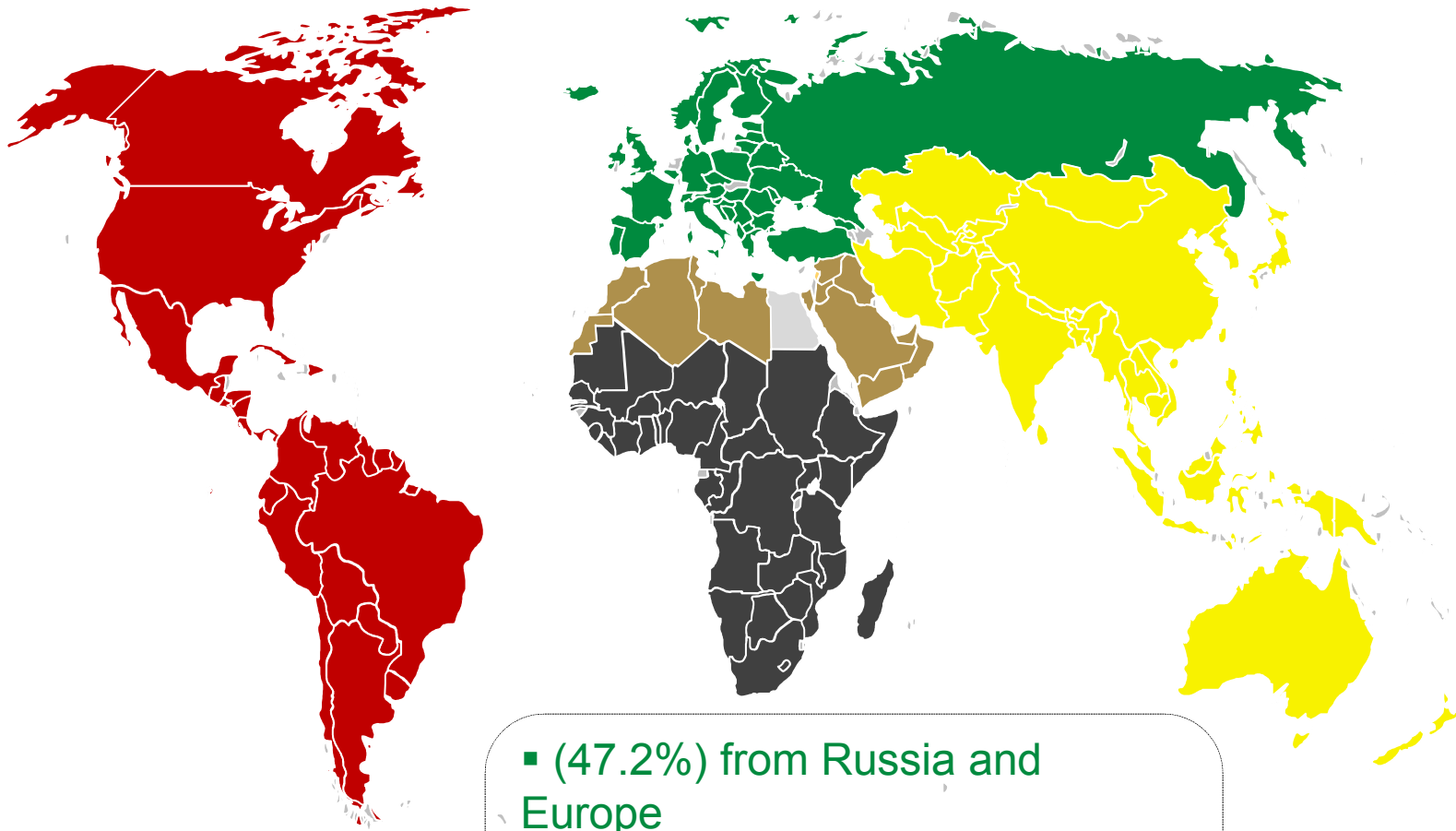
# Economic Importance of Tourism to Egypt:

	2015	2010
GDP	11.3%	11.3%
Service Exports	34%	49.2%
Foreign exchange	11.7%	20%
Labor force	12.6%	12.6%
Investments in services sector	5.5%	7.8%

2014/2015 *	
Remittances of Non-Resident Egyptians	21.9 bn\$
Petroleum Exports	8.7 bn\$
Tourism Receipts	7.4 bn\$
FDIs	6.4 bn\$
Suez Canal	5.4 bn\$
Other Exports	13.4 bn\$

\* Central Bank of Egypt 2015

## International tourist arrivals by source geographic region (Jan / June 2016):



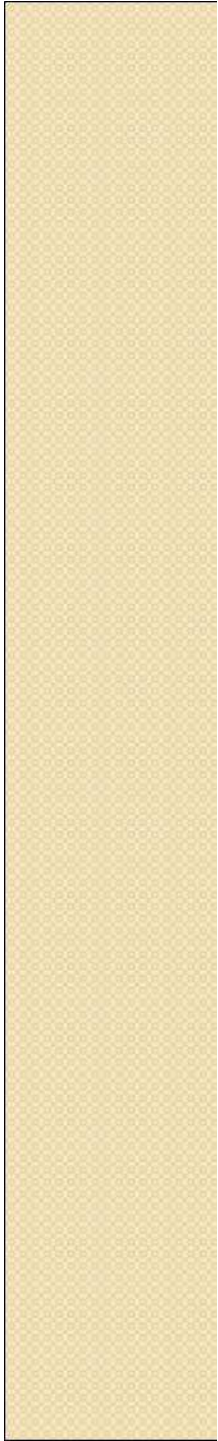
- (47.2%) from Russia and Europe
- (28%) from Arab Countries
- (10.3%) from Africa
- (8.7%) from Asia and the Pacific
- (5.6%) from the Americas



**Opportunities  
For Egypt**

- Emerging markets
- New airlines operating flights to Egypt
- E-bookings
- New Products (The Holy Family, spa & wellness, residential tourism...)
- Good investment opportunities.
- Transformation to the green economy







## Going Green:

- Greening Egypt's tourism industry is no longer an act of luxury but rather a '**Must-Do**' for tourism sustainability.
- Green transformation of the sector will offer solutions to many of its future challenges.
- The future vision is driven by 3 key objectives:
  - Making Egypt a sustainable destination
  - Combating energy and water rising costs
  - Reducing Egypt carbon footprint



## Field Initiatives:

- The Green Star Hotel (GSH) Program (76 certified hotels since 2013)
- Renewable Energy / Efficient Energy Co-Investment Initiative
- Green Destination



## Partners and Stakeholders:

- International Labor Organization: to identify means to promote the creation of green jobs.
- Membership in the “**Sustainable Tourism Certification Alliance Africa**”, an alliance that has over a dozen African countries hoping to develop a shared green vision for sustainable tourism.





## Cooperation with South Africa:

- Agreement with the members of the “African Alliance” to create a comprehensive marketing logo for Sustainable Tourism certification.
- Election of the Ministry of Tourism in Egypt to chair the Sub-Committee for Marketing and Finance at the “African Alliance” for Sustainable Tourism certificates.
- Cooperation with the Ministry of Tourism in South Africa and agreeing on the use of the slogan **"Cape 2 Cairo"** to build joint marketing efforts between the two countries.

FOREIGN  
DIRECT INVESTMENT



# Investment opportunities in Egypt:

(36) opportunities  
(Red Sea – Northern Coast – Fayoum):



- Down towns & entertainment services
- Marinas
- Commercial malls
- Conferences & Exhibitions Centers
- Spa & Wellness resorts



# Incentives:

- 27% of land price at allocation, and the rest is paid in installments for 7 years with an interest 5% on the delayed installments of the land due price.
- Three-year grace period: payment of 0.35% of the project estimated investment cost as approval and review expenses.





# Recommendation



- **Call for:**

The establishment of the African  
Tourism Organization

- **To be based in:**

Cairo, Egypt

- **By:**

2017



**Thank you!**