



Destination EGYPT

Invest in EGYPT



TOURISM

Sector Performance and Success Stories

LARGEST TOURISM CLUSTER IN NORTH AFRICA

Egypt's tourism cluster is considered to be one of the most historically renewed, diverse and vibrant globally. In 2013, Egypt's tourism cluster was ranked as the largest in North Africa.

Beyond Egypt's long and varied history, rich cultural heritage and unique geographic features, the country's pristine Mediterranean and Red Sea coastal lines and all year-round sunshine, make it a popular destination for tourists throughout the year.

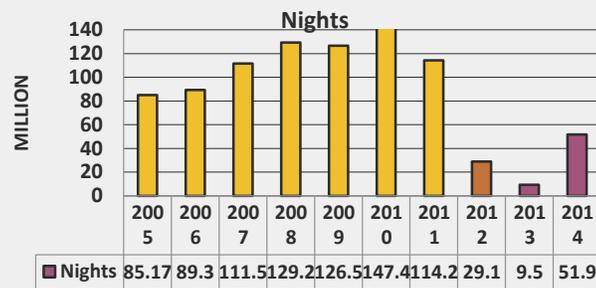
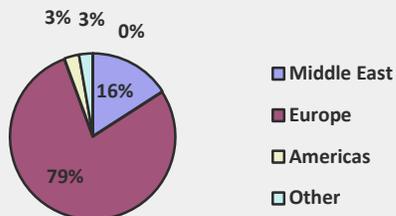
Among the highly promising niche areas for investment in Egypt's tourism cluster, is residential tourism, therapeutic tours, nature and desert safaris, eco-tourism, and adventures travel. While leisure tourism remains to be the largest market segment, business and conference tourism is prominently on the rise. Egypt is also a popular destination for religious tourism, to Christians and Muslims alike. Cairo is forcefully expanding its status as the leading healthcare-hub of the region, with a high rising influx of health-tourism from the Middle East and beyond.

While Egypt is well-served by global and local five-star hotel chains, there is considerable scope for investment in the three-to-four star hospitality segments to cater to the projected increase in the number of tourists visiting the country.

A UNIQUE REGIONAL DESTINATION

Europe is the primary tourist-exporting market for Egypt, accounting for 79% of tourists visiting the country, with Russian tourists accounting for the largest share of arrivals from a single country at 19.7%, followed by the United Kingdom and Germany at around 8.7%. Arab tourists from the Gulf region are also targeting Egypt as a key travel destination. Egypt's large and affluent middle-class positions a growing number of Egyptians, who are vacationing in the country each year. European countries including Germany, France and Spain have lifted their travel advisories to Egypt.

**Tourist Origin by Region
Dec. 2014**



Source: Central Agency for Public Mobilization and Statistics

INNOVATIVE MARKETING AND NEW LEADING DESTINATIONS

Key players on the Egyptian tourism scene are increasingly resorting to innovative marketing and promotion campaigns. In response, a positive vote of confidence has been made by the 9 million tourists who visited Egypt during 2014.

Egypt's tourism sector has been consistently targeting new Eastern European markets, with a good response from Eastern Europeans visiting Egypt. "Russia remains the largest source market for inbound arrivals in Egypt, with 1.7mn forecast to arrive from Russia in 2015. Furthermore, the Egyptian government cancelled visa costs for Russian tourists in order to encourage an increase in visitors from Russia, Western Europeans tourists such as Germany and UK is expected to increase with a forecast of 34% in inbound arrivals from the UK between 2015 and 2019, We further note increasing inbound travel from Poland, which will become a key source market over the next few years, reaching 551,330 in 2019 Polish Government has recently lifted a travel restriction to the South Sinai region. Several other European countries - including, France and Spain, have also lifted their travel advisories, which should boost tourism numbers as we move into 2015" (Business Monistro International, Q1, 2015).

Egypt is also continuing the efforts to attract a larger number of Arab tourists, whereby in 2014, the Ministry of Tourism launched the successful marketing campaign 'Wahashtona' (We Miss You). The campaign focused on potential Arab tourists from the United Arab Emirates, Kuwait and Saudi Arabia. Marketing effort has been backed with the release of special offers and competitively priced holiday packages targeting tourists from the Gulf Cooperation Council member states. The marketing push has been highly successful, as reported by Arab News.

Occupancy rates have increased rapidly over recent months, particularly during the holiday periods. In Alexandria, occupancy rates stood at 100% during the Eid al-Adha holiday, while the Red Sea and South Sinai registered occupancy rates in the 95- 100% range. Hotels in western Cairo (near to the Pyramids) have seen occupancy rates well over 70%, while Marsa Alam registered 90% (in October 2014).

While Cairo, Aswan and Alexandria have maintained their traditional supremacy as key touristic hubs, Sharm El Sheikh and Hurghada are emerging as two highly visible and attractive touristic destinations.

The Tourism sector in that 2015 can mark the start of a turnaround in the overall value of Egypt's hotel and restaurant industry. For 2015, we feel the industry's value will increase by 14.5% over 2014, to USD2.4bn, as tourists start to return to the country.

Egypt's In-bound tourism 2012-2019

Table: Inbound Tourism (Egypt 2012-2019)								
	2012	2013	2014e	2015f	2016f	2017f	2018f	2019f
Total arrivals, '000	11,531.86	9,464.35	9,085.78	9,358.35	9,639.10	10,121.05	10,627.11	11,378.11
Total arrivals, '000, % y-o-y	17.1	-17.9	-4.0	3.0	3.0	5.0	5.0	7.1
Arrivals by region, Africa, '000	364.82	425.03	270.36	292.43	305.63	324.24	347.22	381.80
Arrivals by region, Africa, '000, % y-o-y	5.0	16.5	-36.4	8.2	4.5	6.1	7.1	10.0
Arrivals by region, North America, '000	318.16	498.82	368.40	408.27	448.05	485.23	538.17	591.76
Arrivals by region, North America, % y-o-y	-11.9	56.8	-26.1	10.8	9.7	8.3	10.9	10.0
Arrivals by region, Asia Pacific, '000	428.55	469.97	307.02	328.06	338.81	359.57	384.08	422.36
Arrivals by region, Asia Pacific, % y-o-y	8.6	9.7	-34.7	6.9	3.3	6.1	6.8	10.0
Arrivals by region, Europe, '000	6,702.04	8,593.19	5,713.77	5,795.17	5,841.35	6,180.46	6,525.88	7,053.86
Arrivals by region, Europe, % y-o-y	-2.7	28.2	-33.5	1.4	0.8	5.8	5.6	8.1
Arrivals by region, Middle East, '000	2,727.72	3,502.40	2,373.14	2,477.34	2,644.63	2,704.33	2,757.41	2,844.09
Arrivals by region, Middle East, % y-o-y	32.4	28.4	-32.2	4.4	6.8	2.3	2.0	3.1

Source: Business Monitor International

JOIN THE LEAUGE OF VALUED INVESTORS

- In response to the increasingly positive sentiment towards Egypt as a regional tourism-hub, Starwood Hotels and Resorts opened the 349-room Le Méridien Cairo Airport in September 2014.
- Starwood Hotels and Resorts' corporate website refers to three new planned openings for Egypt over the coming years: the Westin Cairo Golf Resort & Spa (September 2015) the W Cairo (January 2016) and the 292 -room St Regis Cairo (June 2016).
- Marriott's President for the Middle East and Africa region, Alex Kyriakidis , stated that 'we see tremendous growth opportunities in Egypt'. Occupancy rates at Marriott's Egyptian properties have risen to the very 60 -75%, from 30 -45%'. At the present time, Marriott operates six hotels in Egypt and employs around 5,000 people. Marriott is reportedly looking into building some 40 -50 new hotels in Egypt to benefit from the projected pent-up demand in the tourism sector.
- In October 2014, Steigenberger Hotels announced that it would be taking over the management contracts for two properties in Egypt. The Cecil Hotel in Alexandria will be taken over immediately and rebranded as the 86 -room Steigenberger Cecil Hotel.
- From July 2016, the Hotel Tahrir Square will be rebranded as the Steigenberger Hotel Tahrir Square. This property will have 295 rooms, including 12 suites, as well as meeting rooms and conference facilities.
- In 2016, Swiss hotel chain Swissotel plans to open its first property in Egypt. The Swiss hotel City stars "Sharm el Sheikh" will have 400-guestrooms and suites, alongside shopping areas and 400 residences.

In August 2014, UAE-based Time Hotels Management secured a management contract for a five-star property in "Sahl Hasheesh" on Egypt's Red Sea coast to be opened by the end of 2014.

Success Stories

Orascom Hotels & Development

Orascom Development Holding AG (Orascom Development) is a leading developer of fully-integrated towns that offer hotels, private villas and apartments, leisure facilities and supporting infrastructure.

Currently, the Group manages six operating destinations: El Gouna, the flagship project on the Red Sea Coast in Egypt, Taba Heights in the Sinai Peninsula, Haram City, a budget housing town on the outskirts of Cairo

Furthermore the Group has eight destinations under development including Amoun Island, Fayoum, Makadi and Qena Gardens in Egypt

The group operates a total of 29 hotels with 6,654 rooms and controls a land bank of approximately 105.8 million m².

Travco Group

Egypt's leading travel and Tourism Empire - a success story thirty years in the making. Travco's monumental journey began three decades ago. Over the years, Travco has grown into a travel, tourism and hospitality empire offering a multitude of facilities and services across Egypt and the Middle East. The group's strong presence owes itself to a history of service excellence, a far-reaching network of partners, forward-thinking vision and a global business outlook.

Today, the group owns and operates the country's largest fleet of Nile cruise ships; an extensive collection of hotels and resorts; mega-real estate developments offering high-end summer residences and resort experiences; and a myriad of ground, sea and air transportation services.

Having reached the climax of success in the domestic travel market, Travco now looks towards the region and the world. The strategy for the years to come will continue to build around extending the reach of the group's network of products and services as well as establishing a strong presence in the world's travel, tourism and hospitality market. In short, the group's pioneer spirit of constantly developing new destinations and offering a diverse range of services will continue on well into the future.

Emeco

Established in 1976, is a premiere travel agency and destination management company operating travel services, cruises, transportation and airlines divisions. Emeco Travel is general sales agent for leading airlines including American Airlines, Air Malta, Korean Air, Malev Hungarian Airlines, South African Airways and TAP Portugal. Emeco also offers a diversified transportation group offering solutions ranging from 5-passenger vehicles to 50-person buses.

Emeco Travel is a leading travel company in Egypt, offering comprehensive travel services to individuals, groups, and corporations. In the 35 years since its inception, Emeco established itself as a pioneer in introducing incentive travel to the region. Since then it has expanded to become the premier travel organization and Destination Management Corporation in Egypt.

Emeco is revolutionizing the Egyptian travel and tourism industry, the company aims to provide world-class services and outstanding value for money, backed by the experienced staff and high-technology infrastructure.

Egyptian General Company for Tourism and Hotels (EGOTH)

Belongs to the Egyptian government through 100% ownership by the Holding Company for Tourism, Hotels & Cinemas (HOTAC). Among the company's hotel business are branded international establishments such as Marriott, Oberoi Hotels, Sofitel and Mercure. In Q311, EGOTH property included 14 hotels throughout the country (Luxor, Cairo, Giza, Alexandria and the Red Sea) and one Nile cruiser. The group's hotel capacity amounts to approximately 3,750 rooms. The company shares in 18 joint ventures operating in the fields of tourism, hotels and tourist development. EGOTH also owns plots of land at prime locations in Cairo, Luxor and Hurghada, allocated for hotel and tourism development projects.

Golden Pyramids Plaza (City Stars)

Established in 1991, Golden Pyramids Plaza SAE is an Egypt-based company engaged in the fields of entertainment and hospitality facilities management. The Company operates through managing CityStars Heliopolis Cairo entertainment complex, which is situated in Nasr City, and consists of three international hotels, namely InterContinental Cairo Citystars, Holiday Inn Cairo Citystars and Staybridge Hotel; shopping and entertainment centers; office buildings; residential towers, and a medical center.

Misr Travel

Established in 1934 by the great Egyptian economist Talaat Harb, to be first and oldest travel company in Egypt and the Middle East. Throughout that period Misr Travel has been managed by a long line of influential economists and politicians.

Misr Travel is recognized, world-wide, as the most important leading travel company in Egypt. Offering a full service Destination Management Company specialized in inbound to Egypt as well as Outbound to any worldwide destination. As well as assisting with any request, to ensure that both a comfortable and memorable stay is secured for all guests.

Incorporated in 1995, Remco for Tourism Villages Construction Company (RTVC) is the flagship of the Remco Group of Companies (REMCO). RTVC has been a publicly traded company on the Egyptian Stock Exchange since 1998 and its current paid-up capital exceeds LE 2.3 billion.

REMCO Group

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RTVC owns:

- 99.93% of Egyptian Tourism Village Construction (ECTV)
- 99.96% of Orient Tours for Hotels and Tourism Villages (OTHV)
- 99.94% of Tourism International Company (TIC)
- 98.70% of Remco for Real Estate Construction (RREC)
- 97.38% of Pharaonic Trading & Contracting Company (PTC)
- 97.38% of Empain Tourism Investments Company (ETIC)
- 98.70% of Scandinavian Tourism Development & Investment Company (STDIC)

The eight companies form Remco Group (REMCO) whose portfolio of projects is well diversified and includes resort complexes that usually comprise hotels, commercial areas and housing units as well as residential complexes. REMCO acquires plots of land, designs the development, sells individual units and retains ownership of public areas such as hotels, landscaped areas, beaches and communal swimming pools, roads, water and sewage treatment plants.

REMCO maintains and safeguards the development after delivery of the units to their owners. Its projects are located in the Greater Cairo area, on the North Coast of Egypt and on the Red Sea Coast.