

REAL ESTATE MARKET SNAPSHOT

Egyptian Tourism Sector Snapshot

Introduction

Egypt's tourism industry is still reeling, but hope is on the horizon. The country is one of the major destinations contributing to the Arab Peninsula's tourism industry as the destination is favored mainly by Europeans who enjoy the nearness of such a country with an endless activities to enjoy; however, the sub-region's average was weighed down by sharp decline in Egypt (-45% decline) following the security incidents in 2015 and 2016 and the negative travel advisories. Political upheaval, air crashes and fears over security at ancient sites have devastated the country's tourism industry – but the return of flights from the UK to Luxor is a welcome step towards recovery

Travel & Tourism Competitiveness Index ——Egypt ——MENA Business Environment



Sector Highlights

Hotels Breakdown, International Tourism Occupancy, and Room Rates



Tourists Nights

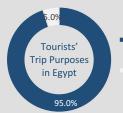


Other Sector Indicators

■ UAE







■ Leisure & Entertainment

Others

Others*

*Other purposes include culture, medical, conference, educational & training, etc.



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Tourism Sector Analysis **Market Analysis Sector Main Attractiveness Drivers** The most important of all factors; a country have to pass the safety tests first in order to enhance and utilize other factors to attract foreign flow, if not, The tourism market is a very then the remaining factors are nearly useless sensitive market easily affected by a number of 2 3 factors ranging from political, 4 economic, cultural etc. ... Safety Politcial Stability **Distance Competitivness** Affordability Activities Tourist Arrivals to Major Incidents (In Millions) 2007 2008 2009 2010 2011 2012 2013* 2014 2015 2016 Sinai insurgency In May 2013, following an abduction of Egyptian officers, violence in the Sinai surged once again Hezbollah plot In April 2009, Egypt said it **Russian Flight 9268** had uncovered a Hezbollah Safety ↓ Political ↓ On 31 October 2015, the flight nlot to attack tourist sites. in the Sinai, causing which was operated by a Russian tension with the Shia airline mysteriously dropped out **Impact** group from Lebanon of the sky over the Sina 14.7 Peninsula killing all 224 ... that if a slight turbulence in passengers on board. It was any of them, can have a huge discovered later that a bomb 12.9 was planted 12.5 effect on any country 11.5 especially countries that are nearly tourism based 9.8 9.4 Khan el-Khalili economies similar to the **Bombing** Egyptian market... Safety ↓ n February 2009, the Khan el-Khalili bombing killed a French schoolgirl on a class **Arab Spring** trip In January 2011, the EgyptAir Flight 804 Egyptian revolution 30 June occurred labeling the Safety ↓ country unsafe to travel Revolution The flight which was a regularly from Tripadvisor scheduled international passenger from Paris Charles de In June 2013, following the Gaulle Airport to Cairo revolution which resulted in International Airport operated the ousting of Mohamed by Egypt Air crashed into the Morsi, "unprecedented clashes" have occurred Mediterranean Sea killing all 66 passengers on board *Starting 2013 and following the June 30th revolution, violence in the Sinai surged once again continuing till this day Recommendations ... raising the flag for an Marketing **Enhancing Improving Providing Enhancing** immediate response to all Safety & Campaigns & **Service** Visas Sustainability those aspects in order to Security **Promotions** Quality on Arrival support tourism in the country.

The country lost around 50% of its tourist flow driven mainly by the crash of the Russian operated airline gaining the country zero flow of Russian tourists who represented around 20% of total tourists. Security measures are the main driver for the tourism sector given that the remaining factors are mainly convenience aspects that can be shaped as per a tourists interest