Egypt —— Tourism Reform Program

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Minister of Tourism
Introduction
Why Tourism Matters

- 10% of world’s GDP
- 1.4 trillion in exports
- 1/10 jobs
- 7% of world’s exports
- Economic growth
- Creating jobs
- Environment protection
- Cultural preservation
- Peace & security

Tourism is much more than you imagine.

Source: UNWTO, 2018

November 2018
Tourism has a great potential to accelerate progress across SDGs, Sustainable Developments Goals, SDGs 2030.

Through direct and/or indirect contribution, tourism is explicitly mentioned in SDGs 8, 12, and 14.

SDG “8” - Decent work and economic growth
SDG “12” - Responsible consumption and production
SDG “14” - Conserve and sustainably use the oceans, seas and marine resources

17 Goals and 169 Targets for Sustainable Development

Source: UNWTO, 2018
Direct, Indirect and Induced Effect of Tourism Spending

Source: WTTC Economic Impact 2017

How money travels?

Direct, indirect and induced effect of tourism spending

Source: WTTC Economic Impact 2017
## Contribution of Travel and Tourism

### Global GDP:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018*</th>
<th>2028*</th>
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<tbody>
<tr>
<td>Direct contribution to GDP (trillion USD)</td>
<td>2.6</td>
<td>2.7</td>
<td>3.9</td>
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<tr>
<td>Total contribution to GDP (trillion USD)</td>
<td>8.3</td>
<td>8.6</td>
<td>12.5</td>
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### Global Employment:

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<tr>
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<th>2017</th>
<th>2018*</th>
<th>2028*</th>
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<tbody>
<tr>
<td>Direct contribution to Employment (million)</td>
<td>118</td>
<td>121</td>
<td>150</td>
</tr>
<tr>
<td>Total contribution to Employment (million)</td>
<td>313</td>
<td>323</td>
<td>414</td>
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### Global Investment

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<th></th>
<th>2017</th>
<th>2018*</th>
<th>2028*</th>
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<tr>
<td>Contribution to Investment (billion USD)</td>
<td>882</td>
<td>925</td>
<td>1408</td>
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Source: WTTC Economic Impact 2018

* Expected value
Egypt—Tourism Reform Program

Launched from Parliament on November 27, 2018

Endorsed by the Government.

Published in both Arabic and English on the web site: http://www.egypt.travel/media/2338/egypt-tourism-reform-program.pdf
Achieving a sustainable tourism sector through implementing structural reforms that strengthen the sector’s competitiveness and are in line with international standards.
At least one Individual from each Egyptian Household works either directly or indirectly in the Tourism Sector.
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<th>Legislative Reforms</th>
<th>Promotion &amp; Marketing</th>
<th>Infrastructure &amp; Tourism Development</th>
<th>Global Tourism Trends</th>
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Pillars of Structural Reform

November 2018
Institutional Reforms
Modernizing the Ministry’s organizational structure; ensuring managerial vacancies are filled; empowering junior staff, consistent with the reforms envisioned for the sector.

Improving and elevate the skillset of the workforce; ensuring that the quantity and quality of workforce meets labor market needs; linking educational curricular to the needs of the labor market; including ‘Code of Ethics for Tourism’ in school curriculum.

Strengthening price competitiveness to increase inbound tourism in coordination with Ministry of Civil Aviation.

Redefining strategic partnership with international institutions to work towards achieving SDGs; enhancing local community development in collaboration with international donors; ensuring that existing international grants are utilized effectively to meet the Ministry’s vision.

Liaising and supervising the Haj and Omrah to ensure the successful completion of each season.

Measuring tourism’s contribution to the national economy, to create a database indicating tourism’s economic effect on other economic sectors, and to enable the Ministry’s formulation of tourism policies.

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November 2018
Administrative Restructuring
Administrative Restructuring

1. Modernize organizational structure to effectively implement the Ministry's vision.
2. Fill open managerial vacancies with qualified staff.
3. Enable junior staff to assume senior positions.
Administrative Restructuring

Goal

1. Modernize the organizational structure to effectively implement the Ministry’s vision.

Procedures

- Define, review and update job profiles for all departments.

- Establish new units (i.e. Management Unit; Internal Audit Unit) in accordance with the Prime Minister’s Decree No. 1146 / 2018.

- Update internal work flow chart process in accordance with Central Authority for Organization and Administration (CAOA).

- Comply with the e-government initiative by implementing the ‘Functional Census Project’ managed by CAOA.
2. Ensure open managerial vacancies are filled with qualified staff.

Procedures

Select most qualified staff to fill vacant managerial positions in accordance with CAOA instructions.

Conduct extensive capacity building workshops to improve technical and managerial skills of selected staff.
行政重构

目标
3. 激励初级人员担任高级职位，以有效执行该部的愿景。

程序
- 评估该部初级人员（25-40岁）的竞争力。
- 为该部初级人员开展培训研讨会（如：培训师培训、演示与沟通、商务礼仪）以增强其技能和资格，充分利用其潜力，同时为未来接班人做准备。
- 制定继任计划，利用该部内的高学历员工（如：MBA获得者、总统领导力项目毕业生）。
- 创建以学习为主导的文化，通过建立内部培训师基础，在该部定期举办研讨会，旨在提高技术和软技能。
Capacity Building

November 2018
Capacity Building

1. Improvement of skillset
   Improve and elevate the skillset of the workforce in the tourism sector.

2. Meet market needs
   Ensure that the quality and quantity of workforce in the tourism sector meets labor market needs.

3. Educational curricular
   Link educational curricular to the needs of the labor market.

4. Ethics of Tourism
   Cooperation with the Ministry of Education to incorporate UNWTO’s ‘Code of Ethics for Tourism’ into school curricula.

November 2018
1. Improve and elevate the skillset of the workforce in the tourism sector.

**Procedures**

- Cooperate with the private sector, ‘Technical and Vocational Education Training’ (TVET), donors and supporting civil society organizations to conduct training courses to improve the skill level of employees.
- Rehabilitate & restructure the Ministry’s training centers.
- Build a pool of accredited trainers and specialists in various tourism fields.
- Develop and update the training programs in line with international standards.
- Establish a unified accreditation system to ensure a streamlined standard of qualification for all workforce, issued by the Ministry.
Capacity Building

Goal

2. Ensure that the quantity (one family members in every Egyptian household) and quality of the workforce meets labor market needs.

Procedures

- Implement plan to raise qualification of graduates from Hotel & Tourism faculties to meet requirements of the tourism sector.
  Develop specialized technical training programs for graduates and job seekers in various tourism fields.

- Set criteria for job admission in cooperation with responsible chamber.
  Conduct comprehensive training needs assessment for the Ministry’s staff.

- Develop programs related to enhancing soft skills of the Ministry’s staff.
3. Link educational curricula to the labor market needs.

**Procedures**

- Review the curricula of all hospitality schools in cooperation with the Egyptian Tourism Federation (ETF) and its chambers.
- Improve the dual education system at technical tourism schools in cooperation with the Ministry of Education.
- Update admission requirements for students according to requirements of the private sector by including tourism experts in selection committees.
Capacity Building

Goal

4. Cooperation with the Ministry of Education to incorporate UNWTO’s Code of Ethics for Tourism into the school curricula.

Procedures

Coordinate with the Ministry of Education and Technical Education and the Ministry of Higher Education to modernize the curricular related to tourism and the criteria for acceptance in hotels.

Work towards finalizing a protocol with the Ministry of Education to introduce “Ethics of Tourism” in school curricular; promoting competitions; and announcing tourism awards.
Incentive Programs
Incentive Programs

Goal
Strengthen price competitiveness to increase inbound tourism in coordination with the Ministry of Civil Aviation.

Procedures
Launch 2018-2020 Aviation Incentive Program in cooperation with Ministry of Civil Aviation (Nov, 1 2018 – Apr, 29 2020).

- Introduction of an incremental growth incentive, granted every six months.
- Incentives vary by destination depending on the tourism flows to various tourism destinations.
- Streamlined and reduced administrative cycle for payments.
- Set deadlines for the submission of incentive requests and payments.
International Relations

1. International institutions
   Redefine partnership with international institutions to work towards achieving SDGs.

2. Local community development
   Integrate local community and enhance their development around touristic sites in collaboration with international donors.

3. International grants
   Ensure that existing international grants are utilized effectively to meet the Ministry’s vision.
1. Redefine partnership with intergovernmental organizations and foreign development agencies to work towards achieving the Sustainable Development Goals (SDGs).

Goal

Identify crosscutting areas regarding SDGs and Tourism.

Identify national partner ministries to collaborate in sustainable tourism projects.

Identify international partners to collaborate in sustainable tourism projects.

Establish a ‘Sustainable Tourism Unit’ within the Ministry.
International Relations

Goal

2. Integrate local community and enhance their development around Egyptian cultural heritage sites in collaboration with international donors.

Procedures

Implement USAID project on “Sustainable Investment in Tourism in Egypt” (SITE), aiming at linking cultural heritage assets to tourism development activities and improving the skills of worker in collaboration with the Ministry of Antiquities.

Build connections between cultural heritage sites and surrounding communities to provide incentives for local inhabitants to protect and preserve the sites.

Protect and restore cultural heritage sites from damage caused by ground water invasion, and producing sustainable site management plans for cultural heritage sites in collaboration with the Ministry of Antiquities.
3. Ensure that existing international grants are utilized effectively to meet the Ministry’s vision.

**Procedures**

- Monitor all grants provided to the Ministry by different donors and review all bilateral agreements to ensure its effective utilization.

- Explore cooperation with new donors to utilize foreign expertise.
Haj & Omrah
Goal

Liaise and supervise the Haj and Omrah to ensure the successful completion of each season.

Procedures

Empower the Higher Committee for Haj and Omrah with more authorities to allow flexible decision making, while ensuring adequate representation of various travel agents specialized in religious tourism.

Liaise with relevant stakeholders to provide automated procedures for Haj and Omrah.

Prepare technical reports on seasonal events in order to further enhance the process in the future.

Introduce digital tools and technology to facilitate the Haj and Omrah process.
Tourism Satellite Accounts (TSA)
Tourism Satellite Accounts (TSA)

**Goal**
Measure the contribution of tourism to the national economy; create a comprehensive database, indicating economic effect of tourism on other economic sectors, for better formulation of policies.

**Procedures**
- Collect data of inbound, domestic and outbound tourism surveys in collaboration with the Central Agency for Public Mobilization and Statistics (CAPMAS).
- Enhance the data collection of inbound tourism survey series that CAPMAS has implemented since 1990 to study the tourism expenditure of international tourists and Egyptians residing abroad.
- Conduct tourism survey to assess domestic tourism expenditure for Egyptians and foreign residents.
- Further collection of outbound tourism surveys which are not regularly collected.
- Collect and analyze data from other entities such as the Information and Decision Support Centre, Ministries Interior, Civil Aviation, Planning and International Cooperation, CBE.
Legislative Reform
Legislative Reforms

Tourism Federation & Chambers

Ensure that the private sector is elected.

Legislative framework governing tourism laws

Draft and adopt comprehensive and contemporary legal framework governing tourism.

November 2018
Tourism Federation and Chambers

**Goal**

Ensure transparent and adequate representation of the tourism private sector (Federation and Chambers) by means of elections to guarantee inclusive legislative reform process.

**Procedures**

- Simplify executive procedures to conduct elections of the Egyptian Tourism Federation (ETF) and its chambers.
- Issue Ministerial Decree No. 520 / 2018 to update the tourism chambers law regulations.
- Issue additional Ministerial Decree to conduct elections on October, 31 2018.
Tourism Law Reforms

Goal

Draft and adopt comprehensive and contemporary legal framework governing tourism.

Procedures

- Review outdated and dispatched legal framework regulating tourism activities (dated 1970) and draft new legal framework.
- Conduct inclusive round table discussion with all stakeholders, tourism experts, academics and parliamentarians to review draft legal framework.
- Submit draft legal framework to Parliament for adoption of new law.
Marketing & Promotion
Launch new promotion campaigns to showcase Egypt’s contemporary dimension; adopt modern, digital and competitive promotion approaches; diversify revenue streams and increase the sector’s resilience by tapping new source markets.

Modernize the modalities of marketing tools consistent with international trends.

Refine the Ministry’s presence at international travel exhibitions to fully exhaust its promotional potential, focusing on quality not quantity.
International Promotion Campaign
International Promotion Campaign

Goal

1. Launch new promotion campaigns to showcase Egypt’s contemporary dimension.

Procedures

Establish an Egyptian-international consortium to promote Egypt:
- International representation by IPG/MCN group, covering: advertising, media, PR, brand consulting, digital, data & insight, technology, sports and experience events, health and wellness, production
- National representation by ‘Synergy’, one of the leading advertising companies in the region.

Launch People to People “P2P” campaign, portraying Egypt not only as a prime tourism destination but also shedding light on the diversity of the Egyptian people. By showcasing Egyptians are pioneering various disciplines (art, sports, music, culinary activities), P2P intends to shift tourists’ perception on one hand, and encourages community engagement, on the other hand. Sustainable tourism is not just about places but about people in places.

Promote the opening of the Grand Egyptian Museum ‘GEM2020’, one of the largest museums in the world.

November 2018
2. Adopt modern, digital and competitive promotion approaches.

**Procedures**

- Branding by destination, creating an identity for each of Egypt’s tourism destinations. Utilizing the network of the Ministry’s regional and internal offices to promote the branding by destinations approach.

- Enhance efficiency of the Ministry’s regional offices by updating job profiles, conducting regular performance appraisals, ensuring the utilization of modern digital marketing tools.

- Create an annual event calendar, including international events and festivals.

- Promote Egypt during international events: The Ministry launched campaign during the World Cup in Russia, where Egypt was an Official Regional African Supporter of the 2018 FIFA World Cup.

- Conduct interviews with international media news outlets (i.e. CNN, BBC, Euro News) to promote Egypt.
3. Diversify revenue streams and increase the sector’s resilience by tapping new source markets.

**Goal**

**Procedures**

- Increase promotional efforts in new source markets, including Asia (particularly China), East Europe (particularly Ukraine), and Latin America.
- Organize workshops with Arab states (particularly countries of Gulf Cooperation Council) to determine the most effective promotion tools.
- Participate in national and international conferences to promote Egypt as an attractive all-year-long tourism destination.
Modern Marketing Tools

November 2018
Modern Marketing Tools

Goal

Modernize the modalities of marketing tools consistent with international trends.

Procedures

Use digital platforms and social media for promotion activities.

The Ministry launched the first specialized tourism IGTV (Instagram television) channel in the MENA region.

Invite international bloggers and influencers to visit Egypt.

Upgrade the Ministry’s official Facebook account; as well as the official website.
International Travel Exhibitions

Quality not quantity!

November 2018
International Travel Exhibition

Goal

Refine the Ministry’s presence at international travel exhibitions to exhaust its full promotional potential focusing on quality not quantity.

Procedures

Streamline Egypt’s message to be conveyed abroad with private sector and spread positive news on international media outlet.

Use state of the art interactive technology and digital platforms in designing Egyptian booth in line with international marketing trends.

Use promotional trademark of “GEM2020”, P2P and destinations branding in designing the Egyptian booth abroad.
Infrastructure & Tourism Development
Infrastructure & Tourism Development

Tourism Development

Complete tourism development projects to raise investment; implement a strategy for sustainable tourism development until 2030.

New Norms for Hotel classification

Update hotel classification criteria according to international standards in collaboration with UNWTO; improve international health and food safety standards of hotels.

Hotel Development Fund

Establish a private equity fund aimed at restructuring financially impaired hotels and other tourism establishments.
Tourism Development

November 2018
Tourism Development

Goal

1. Complete tourism development projects in 67 touristic areas.

Procedures

Expand Egypt’s current capacity of 89,993 hotel rooms to a total of 238,114 rooms by completing the ongoing construction of 55,121 rooms in touristic areas as well as fostering the construction of additional 183,000 rooms subject to the Ministry’s Tourism Development Authority (TDA).

Enhance the existing infrastructure in TDA’s touristic areas, including:
- 168 water desalination stations (capacity of 222,516 m³/day)
- 226 sewage treatment stations and
- 508 electric generators and stations (capacity of 380.2 megawatt)
- 478 kilometers of road network.

Provide technical and financial support for urban touristic destinations in governorates that are excluded from TDA’s jurisdiction in order to create new job opportunities.
Tourism Development

Goal

2. Implement a strategy for sustainable tourism development until 2030 aiming at diversifying Egypt’s tourism product; increasing the number of tourist nights; creating direct and indirect employment with community integration.

Procedures

In accordance with the Presidential Decree No. 62 / 2018 on the establishment of a Land Development Map, TDA prepares a development plan for touristic areas until 2030.

Prepare an integrated tourism development plan to attract investment focusing on the diversification of Egypt’s tourism product and accommodation types.

Finalize an investment implementation system (i.e. land allocation) within the integrated tourism development plan in accordance with Investment Law No. 72 / 2017 and its executive regulations.

Analyze the current service infrastructure and provide additional incentives for developers and investors to complete projects in a timely manner.
New Norms for Hotel Classification

- Quality Control
- Hotel Classification
- Service Automation
- Hotel’s Database

November 2018
New Norms (NNs) for Hotel Classification

Goal

Update the hotel classification criteria according to international standards.

Procedures

In collaboration with UNWTO and the Egyptian Hotel Association (EHA) update hotel classification criteria to meet current trends and demands for quality standards in the hotel sector.

Build a team of inspectors, from the Ministry’s and other government authorities, which will be trained and certified by a UNWTO expert.

Collaborate with other governmental entities to equip the team of inspectors with tablets to conduct digitalized inspections.

Conduct classification of all hotels in Egypt by team of trained inspectors under auspices of UNWTO expert according to newly adopted NNs.

Validate classification based on “mystery guest program” and “online guest review system”.

November 2018
Health and Food Safety Standards

Goal

Improve international health and food safety standards of hotels in collaboration with independent internationally accredited audit firms and the Ministry of Health.

Procedures

Coordinate with the Ministry of Health to align health and food safety standards with those applicable at the governorate level.

Conduct a comprehensive survey of all hotel employees working in food and beverages in the Red Sea and other governorates.
Hotels Development Fund
Hotels Development Fund

Goal
Establish a private equity fund aimed at restructuring financially impaired hotels and other tourism establishments.

Procedures
Establish a hotel development fund aiming at providing capital to financially impaired hotels to conduct necessary investments.

Coordinate with experts to manage the Hotel Development Fund.

Coordinate with Egyptian banks for debt restructuring of tourism sector establishments.
Global Tourism Trends
Global Tourism Trends

Green Tourism

Branding Egypt as a responsible destination with recognized environmental and social sensitivities to meet future demands on green tourism products.

Economic Empowerment of Women

Promote economic empowerment of women by increasing workforce of women in the tourism sector.

Innovation & Digitalization

Encourage innovative and digital solutions for the tourism sector to enhance its competitiveness.
Green Tourism

Goal

Branding Egypt as a responsible destination with recognized environmental and social sensitivities to meet future demand on green tourism products and services.

Procedures

Increase hotel sector’s green competitiveness through global recognition – the ‘Green Star Hotel’ certification led to approx. 10% of hotel capacity recognized by global industry stakeholders.

Link green tourism standards to the ‘New Norms’ currently being developed for hotel ratings.

Encourage Investments in Energy Efficiency and Renewable Energy technologies.

Develop Green performance Indicators to measure progress and support promotional efforts. Leverage available donors and development partners’ support and resources. Cooperate with Ministry of Environment to promote ‘Ecotourism’.
Economic Empowerment of Women

Goal

Promote economic empowerment of women by increasing female workforce in the tourism sector.

Procedures

- Cooperate with tourism faculties to address the low school-to-work transition.
- Improve the image of tourism as a profession through media campaigns including successful female role models.
- Collaborate with foreign development agencies to provide anti-harassment training at the workplace.
- Establish gender quotas for all capacity building workshops for Startups.

November 2018
Innovation and Digitalization

Goal

Encourage innovative and digital solutions for the tourism sector to enhance its competitiveness.

Procedures

- Collaborate with business innovation centers to create an enabling environment for innovative startups.
- Collaborate with UNWTO to conduct startup competition and hackathons to encourage entrepreneurs’ engagement in the tourism industry and thereby expand the entrepreneurship ecosystem.
- Collaborate with academic institutions to conduct joint startup competitions.
- Develop advanced technological communication program to be the link between public and private stakeholders in order to facilitate the transfer and exchange of knowledge on the models of the European Training Foundation (ETF).
- Collaborate with international institutions to enhance productive inter-linkages between MSMEs and large businesses in the tourism industry.
“I only desire reform so far as I am able and my success cannot be achieved without Allah”

Hud 88
Thank You