

# EGYPTIAN TOURISM RECOVERS FROM THE CRISIS



Economic crises hit Egypt pretty hard at the beginning of this year but the situation has improved during the rest of the year and in 2010 Egyptians expect to come back to positive growth.

The economic crisis hit the Egyptian tourism industry pretty hard at the beginning of this year. According to investment bank EFG-Hermes **Egyptian hotel occupancy rates were 40-45% in Egypt in January** and the decline resulted in redundancies.

According to the minister of tourism, Zoheir Garranah, Egypt tourism started the year down 17%. The situation has, nevertheless, improved during the rest of the year. This October the Ministry of Tourism announced there was a 6.4% drop in tourism revenue in the first nine months of 2009. The number of visitors dropped by 5.4% during the same period.

According to the data from this November, 10.9m tourists visited the country in 2009, which is 4.5% less than last year. It is still a decline but it is definitely better than it seemed at the beginning of this year. The lower occupancy levels at the beginning of the year could also be partially the consequence of additional 25,000 new hotel rooms on the market.

It is important to mention that Egypt has recorded a significant growth in its tourism industry during last few years. Revenues from the industry grew by 23% to \$11.6bn in 2008 which represents 11% of Egypt's GDP. **Numbers of tourists coming to the country also rose rapidly in 2008 and they have reached 12.8m visitors.**

Despite the current decline Egyptians believe the crisis is slowly going away, which means further development for the industry in the future. The goal of the Ministry of Tourism for 2011 is to lure 14m visitors to Egypt.

The government is well aware of the importance of the industry that employs approximately 10% of

the country's population. They have invested in advertising campaigns focusing mainly on their prime market, on Europe. Another important source market, Russia, is however currently in troubles because of the declining rouble. Positive news for the Egyptian tourism industry is that Arab and domestic tourism is also on the rise.

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