

Tourism Sector Overview

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Red Sea



South Sinai



Ain Sokhna



Northwest Coast

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The Tourism Development Authority (TDA), a government entity operating under the umbrella of the Ministry of Tourism, was established for the purpose of developing the tourism industry in new and remote areas, outside the cordon of core cities. Part of the TDA's mandate is to manage lands for the establishment of touristic regions as well as provide overall support for the development of tourism projects in areas under its control.

This report will provide in-depth examination of four areas under the control of the TDA, providing an indicator of the performance of the tourism sector in Egypt. Each of the four areas: Red Sea, South Siani, Ain Sokhna, and the Northwest Coast, offer a different scope of the industry beginning with older well established cities, moving to an upcoming area with significant potential, and ending with an area included in one of the countries latest mega projects.

Infrastructure

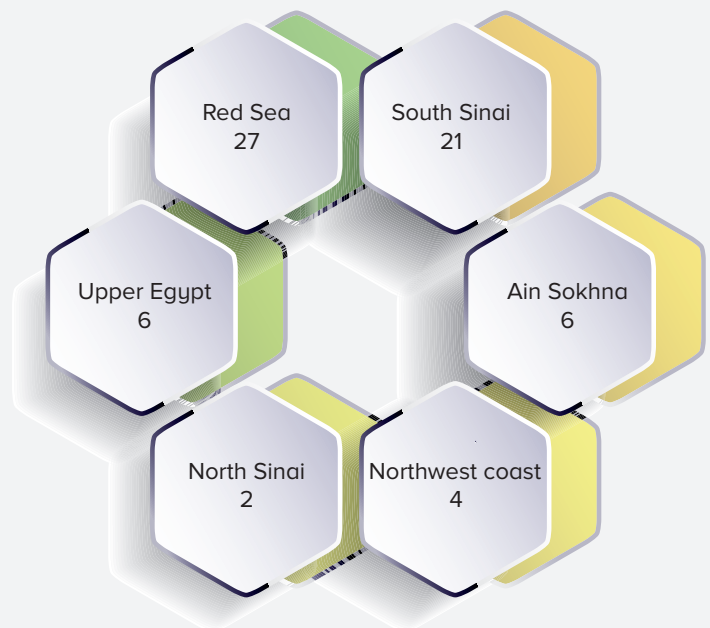
Other than location and economic potential, infrastructure is one of the main aspects developers, investors, as well as vacation home buyers look into when evaluating an area. Developers are usually a core part of infrastructure development in touristic areas; that is why the TDA has initiated the concept of touristic centers, which are entities that represent all real estate developers in a given area. These centers act as a liaison between the government and the developers in terms of infrastructure matters. The Red Sea governorate has the most touristic centers totaling 27, and is followed closely by South Sinai which has a total of 21 centers. Ain Sokhna and Upper Egypt both have six touristic centers each, while the newly launched Northwest Coast and North Sinai are represented by four and two touristic centers respectively. In terms of road networks, the Red Sea and South Sinai governorates enjoy a combined total of 478 kilometers of roads.

The Red Sea governorate has a total of 81 desalination plants, while South Sinai follows with 37 plants, Ain Sokhna has 9 plants and the Northwest coast has 4. All four areas produce a total of 169,705 cubic meters of water per day.

Sanitation treatment plants on the other hand totals to 169 between the four areas, with the Red Sea representing almost half at 44.3%.

Power generation is well established amongst the four areas. There are 93 power plants, 95% of which are present in the Red Sea Governorate. The Red Sea has 266 power generators and 234 adapters, while South Sinai enjoys 133 and 283 respectively.

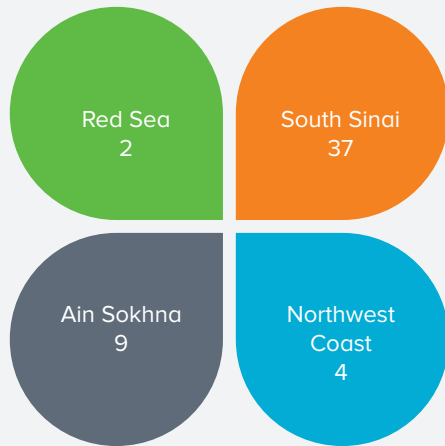
Touristic Centers in Egypt



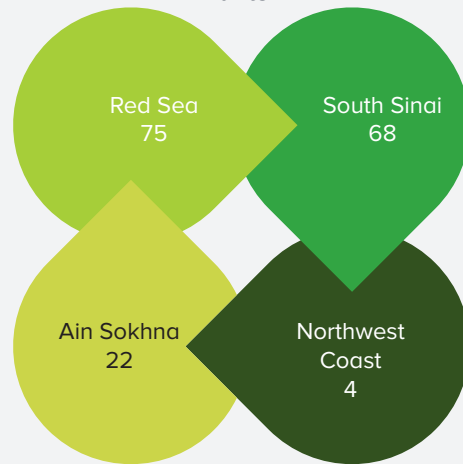
Ain Sokhna, due to its relatively smaller size has only 10 power generators and 14 power adapters. On the other hand the Northwest Coast, with 6 of each, has a long way to reach up to other areas in terms of power generation. However, it is important to note that the area is still under development and is part of a current mega project launched by the government.



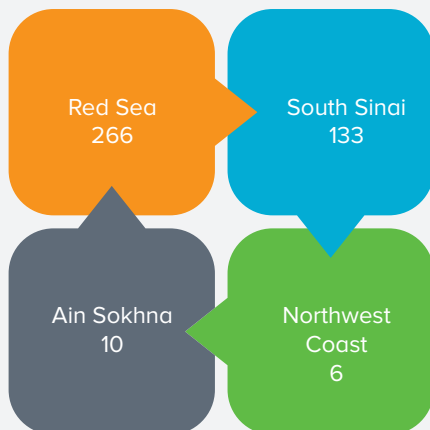
Number of Desalination Plants



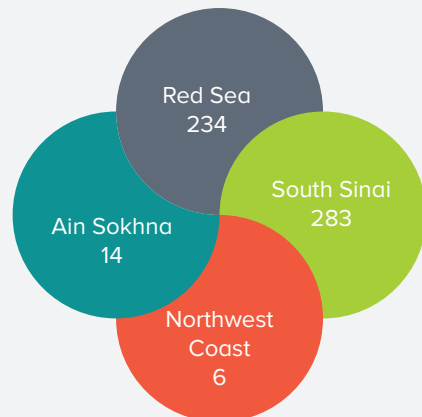
Number of Sanitation Treatment Plants



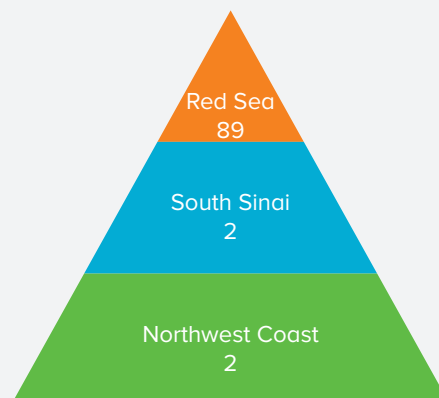
Number of Power Generators



Number of Power Adapters



Number of Power Plants



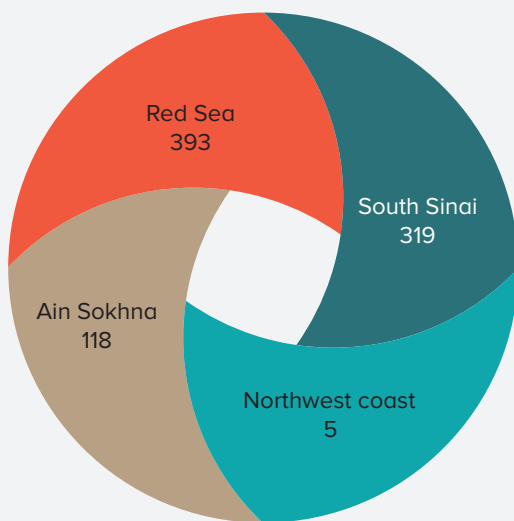
Projects

Projects in a given city are divided into touristic, residential, commercial, services and facilities. The total of tourism related projects in the Red Sea, South Sinai, Ain Sokhna, and Northwest Coast (not all finalized) is 835, with the Red Sea representing the lion's share of projects at 47 percent. Land area assigned to projects by the TDA in these areas amount to 290 million square meters, with the Red Sea and South Sinai Governorates representing 182 million square meters and 69 million square meters respectively, while Ain

Sokhna and Northwest Coast represent a combined total of 39 million square meters.

The four areas include a total of 270 resorts, with South Sinai representing the lion's share at 41 percent. Service projects, on the other hand, total to 123, and are fairly divided equally between the Red Sea at 44 projects, South Sinai which at 58 projects, and Ain Sokhna with 21 projects. There are no service projects to date in the Northwest Coast.

Tourism Related Projects



Land Assigned to Projects (million m2)



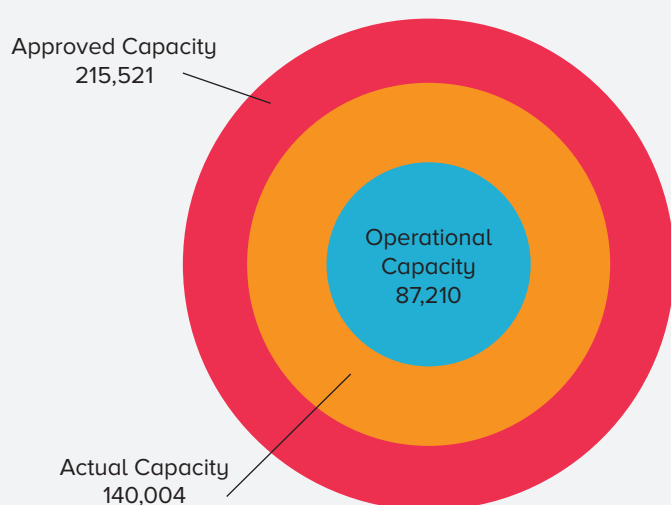
Hotels and Occupancy

The number of approved hotel rooms – executed, under construction, or planned– in the Red Sea governorate are 105,977 rooms. South Sinai governorate follows closely with 82,614 rooms, and Ain Sokhna has a total of 25,286 approved rooms. The Northwest Coast has to date the approval of 1,644 hotel rooms. The total Approved Capacity of all four areas amounts to 215,521 hotel rooms, while the Actual Capacity stands at a total of 140,004 hotel rooms. The Red Sea governorate has 77,720 constructed ho-

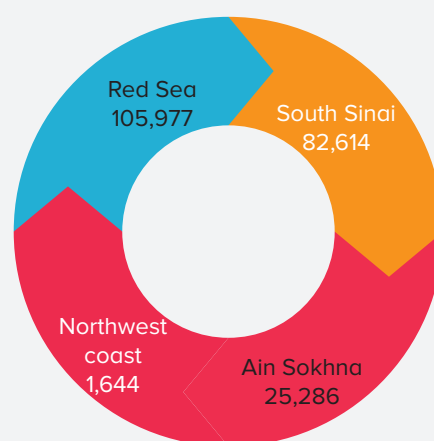
tel rooms; South Sinai governorate includes 50,464 constructed hotel rooms, while Ain Sokhna and the Northwest Coast have 10,194 and 1,626 existing hotel rooms respectively. In terms of Operational Capacity on the other hand, the total of the four areas amount to 87,210 hotel rooms.

Currently there are 47,936 hotel rooms under construction in all four areas, while 75,517 hotel rooms are planned to be executed.

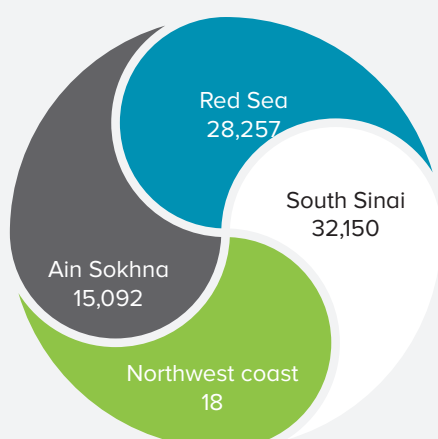
Hotel Capacities (Rooms)



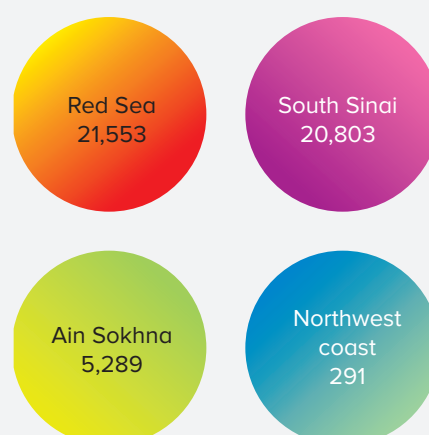
Approved Hotel Capacities (Rooms)



Approved Hotel Capacities (Rooms)



Approved Hotel Capacities (Rooms)



Vacation Residences

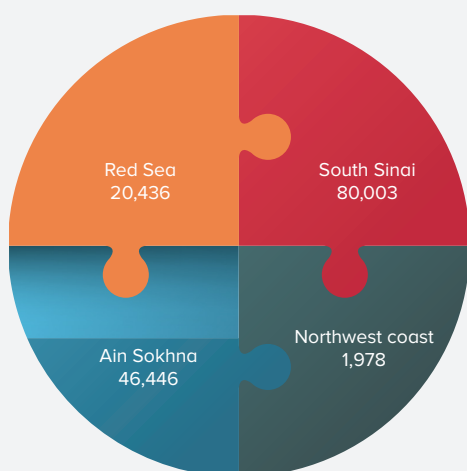
Whether resorts or compounds, coastal areas in Egypt offer a variety of options for locals to purchase vacation homes. The total Approved Capacity of the four areas amounts to 148,863 units, while the Actual Capacity totals to 60,276 units, with Ain Sokhna having the lion's share at 55.6 percent.

Currently a total of 19,647 units are under construction, where 3,625 units are being constructed in the Red Sea governorate, 9,093 in South Sinai, 6,593 in the Northwest Coast, and 336 units in Ain Sokhna.

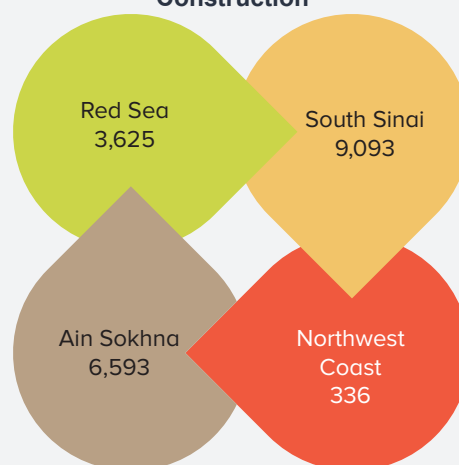
units in Ain Sokhna, and 336 units are being built in the Northwest Coast.

The total number of planned for execution vacation residence units is 63,737 units across the four areas, with South Sinai representing 80 percent of these plans.

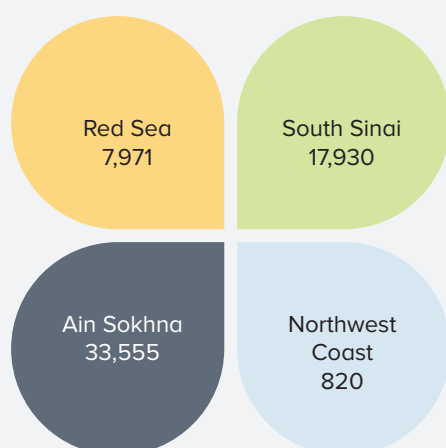
Approved Number of Vacation Residence Units



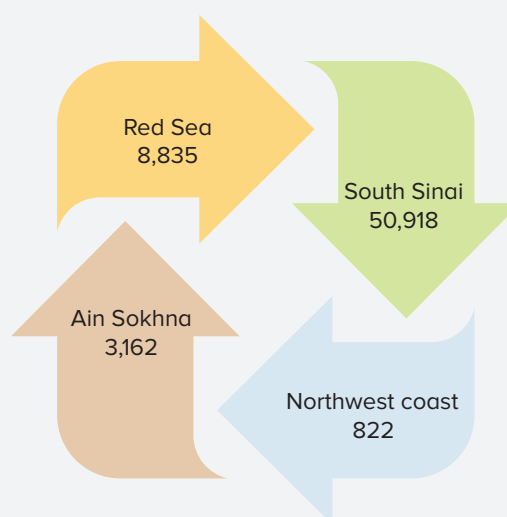
Vacation Residence Units Under Construction



Constructed Vacation Residence Units



Vacation Residence Units Planned for Construction



Summary of Services and Facilities

Red Sea

The Red Sea governorate is equipped with nine hospitals, four schools, and three higher educational institutions. In addition there are a total of 21 conference centers and 10 bank branches. For the retail sector and services, there are 538 shops and 17 shopping centers.

Red Sea also enjoys a variety of recreational centers and services. There are 49 theatres, 83 diving centers, 89 health centers, 131 bars, 141 restaurants, and 16 stables. In addition, there are 46 discotheques, one casino, and 35 water parks, 97 sports courts, and 90 beach cafes.

South Sinai

The famous government of South Sinai enjoys a total of two hospitals, four schools and 39 conference halls. For commercial services, there are 622 shops, 13 shopping malls, and 13 bank branches. In terms of recreational services the governorate has on horse

stable, 48 theaters, 49 diving centers, 58 health centers, 206 bars, 161 restaurants, 25 discotheques, and six casinos. In addition to 130 sports courts as well as 55 beach cafes.

Ain Sokhna

The coastal area of Ain Sokhna includes three conference centers, 58 shops, one shopping center and 5 bank branches. In addition the area enjoys one theater, three diving center, three health clubs, six bars, 22 restaurants, and 23 sports courts and 13 beach cafes.

The Northwest Coast

The Northwest coast is planned to have numerous services and facilities, part of which are constructed while the remainder is planned. Facilities for the upcoming area include one conference hall, 61 shopping centers, seven theatres, one diving centers, five health clubs, 14 bars, 13 restaurants, one discotheques, 18 courts for recreational purposes, and seven beach cafes.

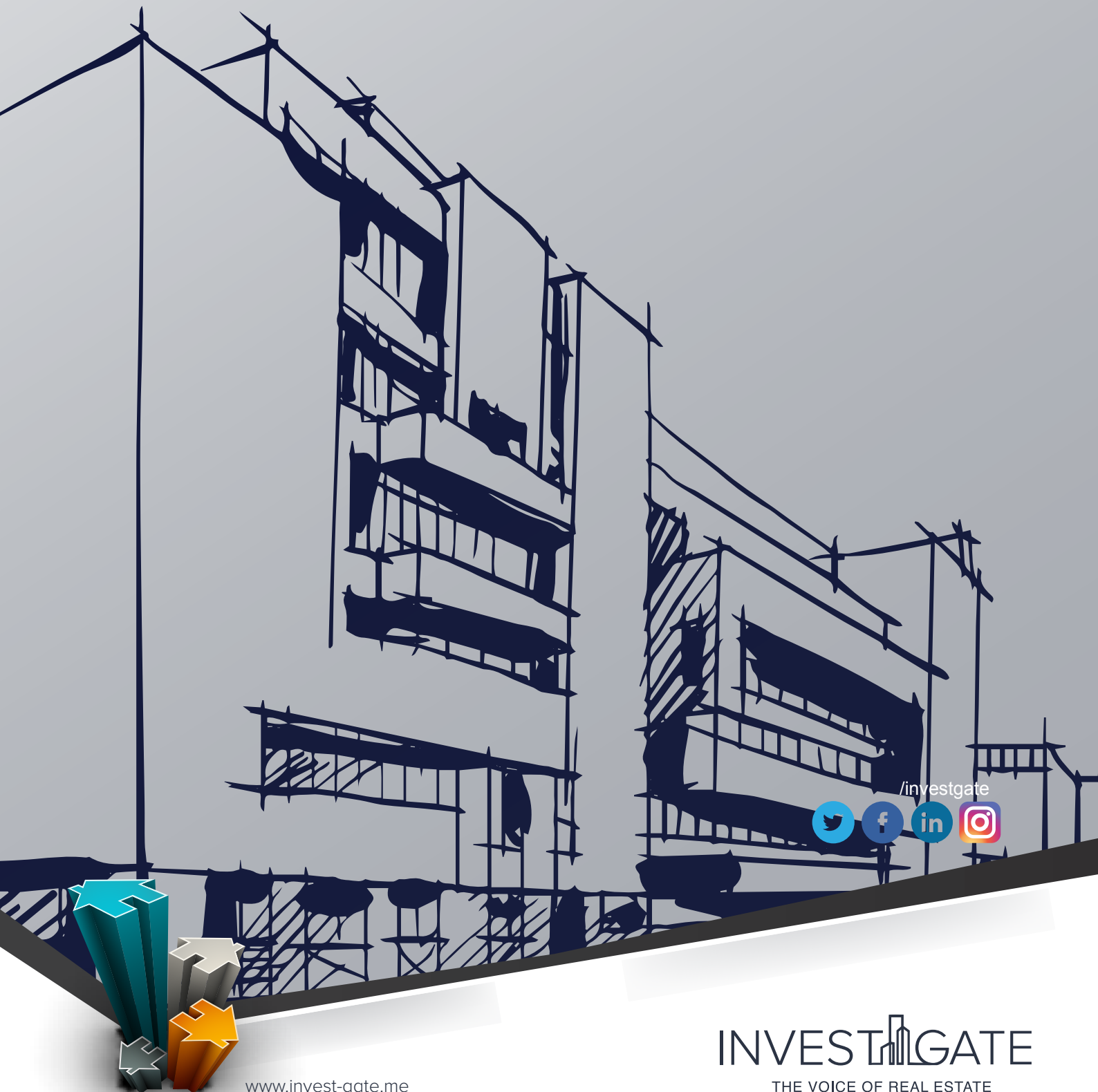
Ten Year Overview

The past decade has seen a steady increase in the number of hotel rooms, with the number of hotel rooms across the four areas increasing to reach 87,210 rooms, a 108 percent hike in comparison to that of 2005. However, it is important to note that the highest rate of increase was witnessed in 2008, prior to the political problems and challenges faced by the sector currently, where the four areas saw the addition of 9,128 hotel rooms. The pace of construction witnessed a significant drop between 2012 and 2013; however, construction levels began to show signs of recovery in 2014, where the year saw construction of 2,667 hotel rooms. Similarly in 2015, 2,806 hotel

rooms were constructed.

In terms of vacation residence units, the past five years have seen a 76.7 percent increase, reaching 60,276 units by the end of 2015 in comparison to 2005's 34,106 available units across the four areas. The year 2011 peaked with the number of newly opened residential units at 11,310 units, followed by a significant dip in the following year at only 650 units. In the subsequent years, the sector has gained more traction, and there were 3,326 units, 4,562, and 6,322 units added for the years from 2013-2015, respectively.





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