



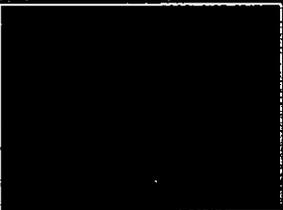
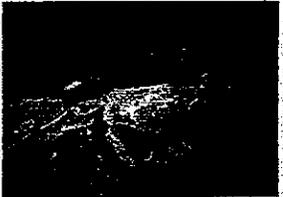
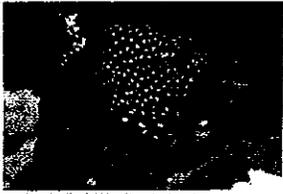
البرنامج المصري للسياسات البيئية

Egyptian Environmental Policy Program

**Willingness  
of Red Sea Tourists and  
Tourism Operators  
to Pay  
for Coral Reef  
Conservation**

Dr. Ibrahim Hegazy and Associates

April 2002



*Academy for Educational Development*

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**WILLINGNESS OF RED SEA TOURISTS AND  
TOURISM OPERATORS TO PAY FOR CORAL  
REEF CONSERVATION**

**REVIEW DRAFT**

**PREPARED FOR**

***Egyptian Environmental Policy Program***

**Academy for Educational Development**

**AND**

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**(International Resources Group, Ltd.)**

**BY**

**Dr. Ibrahim Hegazy and Associates**

**April, 2002**

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## i. ABOUT THE AUTHOR

**Dr. Ibrahim Hegazy** is an Associate Professor of marketing at the American University in Cairo (AUC). In 1999, Dr. Hegazy was elected as the Head of the Marketing Academic Division at the Management Department of AUC.

Since 1996, Dr. Hegazy has also been the Executive Director of the Institute of Management Development (IMD) at the American University in Cairo. The IMD is one of the leading training centers in Egypt that provides training programs and professional certificates and diplomas to both private and public sectors professionals and companies in Egypt and the Middle East.

Dr. Hegazy is currently the marketing, marketing communications, and sales consultant to a number of leading companies in the food, textile, information technology, hospitality, tourism, and real-estate development industries Egypt.

Since 1995, Dr. Hegazy has implemented more than 150 professional training programs in Egypt and around the World. The topics of these training programs are in the areas of marketing, marketing communications, sales, international marketing, and banking. Furthermore, Dr. Hegazy has been invited as a distinguished guest speaker in a number of International Conferences about marketing, privatization, tourism, international marketing, and marketing communications. Dr. Hegazy has published 15 articles in the areas of marketing and marketing communications. These articles appeared in both local and international publications. In 1998, Dr. Hegazy published a book about privatization where he developed his own model of Marketing the Privatization Process.

As a marketing communications professor, Dr. Ibrahim Hegazy has won three international academic awards from the International Advertising Association (IAA), which is viewed as one of the largest associations of advertisers and marketing communicators around the World. In 2001 Dr. Hegazy was awarded the IAA 2001 Faculty Award as the best marketing communication professor around the world.

In the area of public services, Dr. Hegazy serves as a member of the Economic Committee of the National Democratic Ruling Party. He also served as a member in a number of national Committees in Egypt. Dr. Hegazy served as a member in committees formed by the Egyptian authorities to develop the marketing strategies for Egypt's Specialized Satellite Channels (Nile TV Satellite channels), to price the Government of Egypt's database to the private sector, to expand the income stream of Egypt's Radio & television Authorities, and to set the marketing strategy for Egyptian Women Entrepreneurs. In 1999, Dr. Hegazy was selected as a member by the World Bank in the global committee in charge of improving the quality of training and education around the World.

Since 1990, Dr. Hegazy has been an active member of the American Marketing Association, the Academy of Marketing Science, the International Advertising Association, the American Chamber of Commerce in Egypt, and the Academy of International Business.

**PART I:**  
**INTRODUCTION and SUMMARY**

# 1. THE RESEARCH SCOPE OF WORK

## **THE RESEARCH PROJECT OBJECTIVES**

1. Identify potential sources of funding the operations of the EEAA Nature Conservation Sector's Red Sea protected areas in order to improve their sustainability.
2. More specifically, identify the degree of acceptance/willingness of tourists (both Egyptians and foreigners), tourism operators, and other environmentally-conscious visitors to the Red Sea to pay for environment-related services and/or products in order to help sustain the operations of the Red Sea marine protected areas.

## **THE PROJECT RESEARCH APPROACH**

The Objectives of this Research project will be achieved through the implementation of a 2-Step Research Study. The first step involves a qualitative component to explore the dimensions of the issue understudy. The second step involves a quantitative component seeking to reach a concrete conclusion in regard to the research objectives previously described.

The Qualitative component includes a set of 40 Personal In-depth interviews (23 in Hurghada, and 17 in Sharm El Sheikh) with a representative sample of the following Red Sea businesses; hotels and restaurants (13), diving centers (15), travel agencies and associations (12).

The Quantitative component includes a primary field survey in the Red Sea cities of Hurghada and Sharm El-Sheikh. The Field survey will be implemented on a 500 sample size with both Egyptian and foreign tourists.

## **THE SAMPLING TECHNIQUE APPLIED**

The sampling technique adopted in both steps is "Stratified Sampling". Stratified sampling is a 2-Step process in which the population under study is partitioned into sub-populations, or strata that reflect the actual breakdown of the population under study. Next, elements are selected from each stratum by a random procedure, usually simple random sampling (SRS) to guarantee objectivity and reliability of the research results.

## 2. EXECUTIVE SUMMARY

### Findings:

1. Most of the "Reef users" surveyed are frequent repeat visitors to natural areas either in Egypt or abroad.
2. The main purpose of visiting Sharm or Hurghada by most respondents (Egyptians or foreigners) is relaxation followed by diving and snorkeling.
3. The length of stay by foreigners is longer than that of Egyptians. The average foreigners' length of stay is from one to two weeks whereas that of Egyptians is up to one week.
4. Most of foreign tourists visiting Hurghada paid around \$ 500 (plus or minus) for their vacation package, whereas in Sharm ranges of packages were more diversified.(this can be a result of sampling restrictions in Hurghada as mentioned earlier)
5. Air transportation is the dominant transportation mean to all tourists. At least 50% of the respondents traveled to Hurghada or Sharm by plane. The other 50% of the respondents used either a private car or a tour bus.
6. Both Egyptians and foreign tourists spent additional money on food, recreational/entertainment events, and gifts buying. It has been stated that 61% of the respondents spent that additional money buying gifts.
7. Most of the foreign respondents spent additional money in further extra diving activities outside their vacation package.
8. The range of additional spending is between \$25 and \$200.
9. Less than 25% of the respondents believe that the "Access Fee" could be increased.
10. The major potential sources of funding nature conservation identified by the participants in the survey included "Government Subsidies" (66% - 72%), "Charging a User Fee for Using Natural Areas" (66% - 70%), "Selling Products Endorsed by nature conservation NGOs" (39%-70%), and "Donations" (28% - 40%).
11. Most Hurghada foreign "Reef users" (68%) claim they are willing to pay extra to fund nature conservation as compared to only 9% of the Egyptian "Reef users".
12. Close to 50% of the respondents claim their willingness to pay extra money to monitor the health of coral reefs.
13. There exists a great potential to sell products endorsed by nature conservation NGOs to fund nature conservation. The most frequently

cited products that could be used to fund nature conservation are Postcards, T-Shirts, Posters, Hats, Maps, and Calendars.

14. Divers are more willing to pay extra money to fund nature conservation than snorkelers.

### **Recommendations for future research and action:**

1. A critical factor to ensure self-sustainability of nature conservation activities and functions necessary to protect nature conservation is "Total Customer Satisfaction". Therefore, one of the most important recommendations is to measure the level of customer satisfaction for the Red Sea nature habitat.
2. It is highly recommended to establish a comprehensive "Customer Satisfaction Program" for visitors of nature-protected areas to ensure their satisfaction and in turn their loyalty.
3. Since "Charging a User Fee" and Increasing the "General Entrance Fee", were identified as potential sources of funding nature conservation, a critical research should be implemented to identify from visitors' perspectives the type of "User Fee" or "General Entrance Fee" they might be expecting and whether it should be an "All-Inclusive User Fee" or a "disaggregated set of partial fees". Regardless of the conclusion achieved, this research should identify the breakdown of the cost components involved.
4. Future Research should also explore the feasibility of charging "Entrance Fee" for other newly developed or protected natural areas that are/were not part of the small areas now charged. For instance, in Sharm El-Sheikh, Ras-Mohamed is the only area that charges an "Entrance Fee". Similarly, in Hurghada it is only the Giftun Island that charges an "Entrance Fee".
5. Since the majority of visitors of the Red Sea cities of Hurghada and Sharm indicated their willingness to purchase such products as postcards, posters, T-shirts, hats, and calendars, it is highly recommended that a research should be conducted to identify potential sponsors to finance the implementation of selling these products.
6. The idea of "Special Events Sponsorship" should be explored further as a potentially effective source of funding nature conservation that was mentioned by the respondents. Therefore, joint cooperation with the "Egyptian Underwater Sports Federation" in special events like its Annual Competition for Underwater Photography could be used to attract interested sponsors in funding nature conservation and creating more awareness about the importance of self-sustainability of nature conservation activities.
7. Donation Boxes and Posters explaining what protected areas Entrance Fees are used for could be located in each diving center and hotel.

**PART II: QUALITATIVE RESEARCH**

## **1. INTRODUCTION**

The objective of this qualitative research is to identify potential sources for funding the Environmental Protection Fund (EPF) in the Red Sea cities of Hurghada and Sharm El-Sheikh with the aim of maintaining EPF sustainability.

The scope of this research included researching the willingness of Red Sea businesses to help in funding the EPF. (Discussion guide attached)

This Qualitative research included a set of 40 Personal In-depth interviews (23 in Hurghada, and 17 in Sharm El Sheikh) with a representative sample of the following Red Sea businesses; hotels and restaurants (13), diving centers (15), travel agencies and associations (12). (List of Interviewees attached)

## **2. RESEARCH FINDINGS**

### **2.1 The Need for Environmental Protection**

When asked about the need for environmental protection, there was a consensus among the respondents, whether from hotels and restaurants, diving centers, or tourism companies that there is a great need for it and that it has a direct effect on their field of work. The importance of environmental protection is heightened by the fact of the lack of environmental awareness in Egypt on many levels. This lack of awareness could prove detrimental to the Red Sea Area which is primarily dependent on revenues from eco-tourism.

In addition to this, some of the respondents mentioned the fact that there is an international trend now supporting environmental awareness and protection. And since they have a lot of international customers especially Western European and American tourists; it is important to live up to the customers' standards.

### **2.2 Obstacles for Environmental Protection**

The respondents identified three main obstacles for environmental protection. The first on their list was the awareness problem. They talked about two problems in relation to awareness; first that environmental awareness may exist only on the level of the highly educated person and not the "regular" person, even within the tourism industry itself. Some

respondents mentioned that there are even some of the diving instructors who have no awareness of their effect on the reefs; others mentioned that there are shops selling shoes for standing on the reefs as if it was a sport, not really realizing that this can damage something that took maybe a 100 years to grow. The second problem, they mentioned, in relation to awareness was the gap between the local standard and the international standard of awareness.

The second obstacle mentioned by the respondents was the lack of infrastructure and tools. The main problem, as they see, is that the funds on the governorate level are not sufficient. In addition to this, the government has more urgent tasks and cannot provide the tools required. Some of the hotel managers mentioned the waste recycling tools that they were promised a long time ago by the government, but till now the promise did not materialize. Another problem that was mentioned by diving centers is the lack of mooring buoys especially in the distant islands, where they have to use primitive ways to anchor, and at the end even though it was not intended, they end up destroying the reefs.

The third obstacle, mentioned by the respondents, was the lack of legislation and the inconsistency in the enforcement of penalties. Most respondents feel that there is not enough legislation to protect the environment and in the case of its existence, there is no real enforcement. Some of the respondents mentioned the problem of "red sea zoning" specifically the issue of commercial fishing in the area which is very destructive and will undermine the future of this area as a tourist attraction. Two respondents mentioned that a law was indeed passed after considerable lobbying efforts, only to be cancelled later by another government agency.

### **2.3 Overcoming the Obstacles of Environmental Protection**

When asked about how to overcome these obstacles, in case of the awareness obstacle, the respondents recommended a national awareness campaign to raise the level of awareness of the regular person and explain the environmentally correct actions that he can follow such as the previous campaigns on bilharzias, and fertility.

As for the infrastructure and tools obstacle, the respondents believed that the government should channel back some of the money generated by tourism in this area to fund environmental infrastructure projects. Some of the respondents also mentioned that the private sector or individuals should also contribute in the form of donations to help in funding these

projects, especially since they will be benefiting from it. One of the respondents, a hotel manager, gave an example of what happened in Alexandria, where private entities helped the governor in the restructuring efforts. However, he also noted the fact that most private entities which helped in this case, are Alexandria businessmen who live there, as opposed to the fact that most of the investors in the Red Sea area whose origin is from other locations, thus they do not feel a sense of obligation or belonging to the area.

As for the ways of overcoming the third obstacle of legislation and enforcement, some of the respondents mentioned that this issue needs lobbying for it, and maybe getting a public figure interested to champion the cause of the environment, which will ensure enough coverage of the issue as well as interest in legislation and enforcement.

#### **2.4 Responsibility for Environmental Protection and Funding**

When asked about the responsible parties for protecting the environment, almost all respondents mentioned that environment protection is the responsibility of every individual or as someone has put it "all of us". However, they pointed out that this responsibility has to be within a system created by the government, with all individuals aware of what is to be expected of them, and provided with tools to achieve these expectations, and that the system has to be enforced strictly by the government to ensure consistency of behavior.

When asked about who should fund environmental protection, there was a variety of responses. All respondents agreed in the beginning to the idea that the government in addition to private entities and may be international organizations should fund environmental protection. However, most hotel managers and tourism agencies were quick to point that they are not ready for another tax with the tourism business slowing down. Diving centers were also quick to point that they are already paying a fee for every diver and snorkeler, which goes to the governorate (not EEAA). In addition to this, and for certain dive sites, they also pay an entrance fee, which goes to EEAA. They added that most diving centers are subcontracted by hotels i.e. they pay rent to hotels, while hotels do not pay for environmental protection. Some of the respondents from all sectors mentioned that users of the environment should pay for it, since as one of the respondents mentioned "it is not a game; to get money from something, you need to put money in to keep it; no more corals means no more money to make".

## 2.5 Means and Tools for Funding Environmental Protection

### 2.5.1 Unaided recall

When asked about the means of funding environmental protection that they were aware of, some of the respondents mentioned the government as the primary source of funds. In addition to this, respondents from diving centers and tourism companies mentioned the charges paid by visitors to the protectorates. While hotel managers mentioned the 2% locality taxes which they think, but are not sure, is used to fund environmental protection in their area. However, we think that this fee goes to the city for general public services.

As for their belief whether these means are well tolerated or not, respondents from diving centers mentioned that the client does not object to paying the fee as much as he/she criticizes that this fee does not show up in terms of services, i.e. permanent presence of rangers to protect the environment and enforce regulations. Some of the respondents pointed out the fact that boats are still anchoring on the reefs and some divers destroy the reefs and no one is there to stop them.

When asked about possible ways for funding environmental protection, respondents began by mentioning user fees from divers and snorkelers. Second to this came the idea of taxes on tourism, which was not highly endorsed by most respondents since as they point out tourism is really slow and revenues are dwindling. Still, a number of respondents talked about imposing a tax on tourists coming to the area whether local or foreigners, and that this can be either collected as an extra fee on airline tickets or an entrance fee for road travelers who can pay it at an entry gate to the area. Some respondents mentioned adding a small fee on top of the visa charge to Egypt, as one of the respondents mentioned "a small charge on all tourists would not be missed". This was followed by the idea of donations from investors in the Red Sea area or other private entities. Some also mentioned the idea of having donation boxes everywhere in airports, hotels and restaurants, diving centers for tourists who would like to donate. One of the respondents from a tourism agency proposed the idea of selling products in shops at protectorates such as flashcards or picture books for the Red Sea area marine life or badges for environmentally friendly people. He also talked about providing services in these areas, which can be used to fund environmental protection such as El-Mahmeya in the Giftun islands. None of the respondents mentioned events as a source of funding.

### 2.5.2 Aided recall

Respondents were presented a list of means of funding environmental protection and then asked to discuss the pros and cons of each of these means. The list included access/user fees for nature-based activities, government subsidies, donations, selling products endorsed by nature conservation, special events and services.

The respondents were quick to point out that user fees are a logical choice guaranteeing a steady source of income as well as limiting the number of users of natural areas to increase the reefs' life span, but they added that people should see some kind of service for this fee as mentioned earlier.

As for government subsidies, they were not highly optimistic about the government committing large funds to this cause with the economic burden it is facing at the moment. However, as they mentioned earlier, they thought that the money generated in the name of environmental protection from the Red Sea area, could at least be used here for the benefit of the area.

In the case of donations, selling products endorsed by nature conservation agencies, and special events, most respondents thought that this is a good option but warned about the fact that these could not be used as the only source of funding. Donations are not a must and its revenues can be highly volatile. The same goes for the sale of products, revenues might not be high or steady.

While, in the case of "Special Events", they are more of a seasonal thing and not a continuous effort. They also, as some of the respondents pointed out, can be environmentally unfriendly. A respondent pointed out to one of the desert rallies organized earlier to promote the area, and mentioned that when the minister of environmental affairs (Nadia Makram Ebeid) came to the opening, she was highly upset and wanted to cancel it because they were destroying the environment with the pollution they were creating.

## **2.6 Willingness to help**

Respondents from the various businesses were asked about the possibility of a mutually beneficial scenario where their businesses can help raise funds for environmental protection. Their input is presented by business type in the following section.

### **2.6.1 Hotels and Restaurants**

Respondents from hotels and restaurants had several proposals or scenarios. The first proposal was helping through having donation boxes at their premises and flyers to raise awareness of environmental protection as well as encourage tourists to donate to this cause.

The second proposal is through being sponsors of a multilingual guide to the Red Sea area and its marine life which can be designed and created by the EPF, and which could be sold to generate revenue for environmental protection.

Hotels and restaurants third proposal or scenario consisted of their readiness to sponsor special events in the Red Sea area, where they can provide the premises for the event in addition to providing manpower, and the revenue from such events would go to the environment protection fund.

### **2.6.2 Diving Centers**

Respondents from diving centers had also several proposals. The first proposal was also helping through having donation boxes at their premises and flyers to raise awareness of environmental protection as well as encourage divers, who are the main users of the marine life, to donate to this cause.

The second proposal is through being sponsors of a multilingual guide to the Red Sea area and its marine life which can be designed and created by the EPF, and which could be sold to generate revenue for environmental protection.

As for the third proposal made by the diving centers, they expressed their willingness to help with manpower and boats in providing seminars and actual trips to raise the awareness of Red Sea marine life, and revenues from such activities would also go back to the Environment protection Fund.

### 2.6.3 Tourism Agencies

Respondents from tourism agencies had two main proposals. The first proposal was also helping through having donation boxes at their premises and flyers to raise awareness of environmental protection as well as encourage tourists to donate to this cause.

The second proposal, which is similar to that of the other groups as well, is through being sponsors of a multilingual guide to the Red Sea area and its marine life which can be designed and created by the EPF, and which could be sold to generate revenue for environmental protection.

## Nature Conservation Sector (NCS) / Discussion Guide

### Background

- i) Do you feel that there is a need for environmental protection?
- ii) Will environmental protection have direct or indirect effect on your field of work? What effects? Positive? Negative?
- iii) What could be the probable obstacles for environmental protection in Egypt? How to minimize such obstacles?
- iv) Whose responsibility do you think to protect the environment?

### Funding environmental protection

- i) Where do you think funds for environmental protection come from?
- ii) Who do you think should fund environment protection? Why?
- iii) What ways and means should be used to fund environmental protection in Egypt? (why did you choose these and not other means?)

### Means for Funding Environmental Protection

- i) What means of funding environmental protection are you aware of? How does it work i.e. how money is collected? Are they in your opinion well tolerated or not?
- ii) From your experience and based on your field of work, what are the possible ways of funding environmental protection?
- iii) Possible sources of funding environmental protection include access/user fees for nature-based activities, government subsidies, donations, selling products endorsed by nature conservation, special events and services, etc. (In addition to whichever means were mentioned by respondent earlier)
  - a. From your experience and based on your field of work, what ways or means are best suited for raising funds in Egypt? Why?
  - b. What are the pros and cons of each one?

### Willingness to Help

- i) Can you envision a mutually beneficial scenario where you can help us raise funds for environmental protection?
- ii) What obstacles do you anticipate in raising funds for environmental protection?
- iii) Complete the following statements
  - a) Funding environmental protection is the responsibility of .....
  - b) Best way to fund environment protection is through .....
  - c) The role of NGOs in protecting the environment is .....
  - d) Government role should be.....
  - e) What hinders environmental funding in Egypt is .....

### Other comments

Do you have any other comments or suggestions regarding the issue of environmental protection and how to pay for it?

## **List of Interviewees in Hurghada**

### HURGHADA

#### I. Diving Centers

- 1- Mr. Tamer Riad, Pirates Club, Beach Al Batros
- 2- Accounting Officer, Pirates Club, Beach Al Batros
- 3- Mr. Marcus, Euro Divers, Grand Hotel
- 4- Mr. Zoheir, Aquarius, Mariott
- 5- Ms. Caroline, Emperor Divers, Hilton
- 6- Diving instructor, Emperor Divers, Hilton
- 7- Mr. Karim Helal, Divers Lodge, Intercontinental
- 8- Ms. Bianca, Jasmine Village Diving Center
- 9- Ms. Monica , Jasmine Village Diving Center

#### II. Hotels/Restaurants/Entertainment Centers

- 1- Mr. Mohamed Shamroukh, Beach Al Batros
- 2- General Manager, Mariott
- 3- Mr. Mohamed Anis, Sofitel
- 4- Mr. Sherif Fahmy, Holidays Inn
- 5- Mr. Alaa Ibrahim, Intercontinental
- 6- Mr. Osama Eteiba, El Mahmya, El Giftun
- 7- Mr. Yasser Zohdy, El Mahmya, El Giftun

#### III. Travel agencies/ Associations

- 1- Mr. Ashraf Talaat, Salco
- 2- Mrs. Doreen, Salco
- 3- Mr. Amr Aly, Hepeca
- 4- Ms. Caroline, Ex Hepeca
- 5- Undisclosed name, Ex Hepeca
- 6- Mr. Karim Helal, Red Sea Diving Association
- 7- Dr. Ahmed, Technical Divers International

# **List of Interviewees in Sharm El-Sheikh**

## **Sharm El Sheikh**

### **I. Diving Centers**

- 1- Mr. Tim Salter, Ocean College Diving Center
- 2- Mr. Hisham Gabr, Camel Diving Center
- 3- Undisclosed name, Red Sea Diving School
- 4- Ms. Maria, Emperor Divers, Rosetta Hotel
- 5- Ms. Barbara, Emperor Divers, Rosetta Hotel
- 6- Mr. Terry Johnson, Ocean lodge Diving Center

### **II. Hotels/Restaurants/Entertainment Centers**

- 1- Mr. Hatem Ezzat, Movenpick Golf
- 2- Mr. Maher Esmat, Movenpick Golf
- 3- Mr. Hisham Gabr, Camel Hotel
- 4- Mr. Ayman Makhoulf, Grand Hotel
- 5- Mr. Yasser, Mexicana Hotel
- 6- Mr. Ibrahim, El Fishawy

### **III. Travel agencies/ Associations**

- 1- Mr. Sherif Riad, Snob Regina
- 2- Mr. Mohamed, Elegant Voyage
- 3- Mrs. Sally Shawkat, Queen Tours
- 4- Ms. Rania, Queen tours
- 5- Undisclosed name, Ex South Sinai Diving Association

**PART II: QUANTITATIVE RESEARCH**

## **1. INTRODUCTION**

### **1.1 BACKGROUND TO THE PROBLEM**

In May 1999, The Arab Republic of Egypt, acting principally through the Egyptian Environmental Affairs Agency (EEAA), the Tourism Development Authority (TDA), and the Organization for Energy Planning (OEP), together with the Government of the United States, acting through the U.S. Agency for International Development (USAID), initiated the Egyptian Environmental Policy Program (EEPP). Under this agreement, Egypt is implementing a series of environmental policy objectives and measures, drawing upon technical support and other assistance provided by USAID.

The EEPP is a multi-year activity to support policy, institutional, and regulatory reforms in the environmental, and regulatory reforms in the environmental sector, focusing on economic and institutional constraints, cleaner and more efficient energy use, reduced air pollution, improved waste management, and natural resources managed for environmental sustainability

One of the main tasks of EEPP is conservation (of fragile ecosystems, areas of outstanding natural beauty, and the general environment). This is achieved by multi-layered efforts. Regulations and enforcement play a leading role, as does education and behavior modification. The private sector affected by laws and regulations needs to be convinced of the value of their additional burden; the public sector needs to provide structure and incentives, as well as be cognizant of and comply with government conservation policies and procedures.

The Egyptian Environmental Affairs Agency (EEAA) has limited resources to fund conservation activities, and receives considerable support from various international donors, including the U.S. Agency for International Development (USAID). In the Red Sea region, USAID since 1997 has provided financial assistance to fund most of the capital and operating expenses of nature protection rangers assigned by the Nature Conservation Sector (NCS) of EEAAA. Other USAID-funded support includes installation and maintenance of nearly 500 mooring Buoys for the diving industry to use.

Together, EEAA and the USAID-funded Egyptian Environmental Policy Program (EEPP) via the Program Support Unit (PSU), are working to plan NCS activities in the Red Sea over the 5-year period 2001-2006, assess funding needs, and evaluate possible funding sources to cover these costs that are not from the government's central budget or international donors. NCS activities include patrolling declared protected areas, monitoring high conservation-value ecosystems and protected species, evaluating potential environmental impacts of the extensive developments proposed in the region, and educating the public about environmental awareness.

One existing EEAA-initiated revenue-generating mechanism is an entrance fee for divers and snorkelers visiting the protected area around Giftun Islands, off Hurghada. While this system has generated revenues, an unintended consequence has been to shift impacts of high diving visitation to adjacent area reefs where no fees are currently charged.

EEPP-PSU is currently assessing other possible revenue-generating mechanisms besides the diving/snorkeling fee system. Possibilities include concession leases in protected areas, mooring buoy user fees, and souvenirs such as calendars, posters, CD-ROMs, and videotapes. PSU is also evaluating means of ensuring that a significant portion of collected revenue are transparently funneled back to nature protection activities in the Red Sea region.

## **1.2 THE RESEARCH OBJECTIVES**

The main objectives of this research are twofold. The First objective is to assess willingness of visitors of the Red Sea Protected Areas to incur a marginal additional expense as another alternative to achieve self-sustainability of the Red Sea Protected Areas. The second main objective is to identify the different products and or services that could be used as a revenue generation mechanism for the Red Sea Protected Areas.

## **2. THE RESEARCH DESIGN**

### **2.1 THE RESEARCH METHODOLOGY**

A Quantitative Research Approach was used in this research. A primary survey was conducted utilizing Face-to-Face interviews with tourists; both foreign and local, visiting the Red Sea cities of Hurghada and Sharm El-Sheikh.

Structured questionnaires have been distributed to tourists visiting the Red Sea cities mentioned above. A total of 505 structured questionnaires were filled by face-to-face interviews.

### **2.2 THE SAMPLING TECHNIQUE**

The sampling technique applied is "Stratified Sampling". This is a 2-step process in which the population under study is partitioned into sub populations, or strata. Next, elements are selected from each stratum by a random procedure, usually Simple Random Sampling (SRS) in guarantee objectivity and reliability of the research results.

### **2.3 THE SAMPLING VENUE & THE SAMPLE SIZE**

The Sampling Venue was the Red Sea Cities of Hurghada & Sharm El-Sheikh. The total sample size was 505 tourists from Egypt and Abroad. The sample was divided into three groups. The first group included those tourists who headed for the Red Sea to dive. The second group included those who traveled to the Red Sea to snorkel. The third group included those who came to the Red Sea cities of Hurghada and Sharm.

### **2.4 THE TIME FRAME OF RESEARCH IMPLEMENTATION**

The field research was executed during the months of December 2001 and January 2002. The rationale of conducting the primary field research during these two months was to overcome the low volume of inbound tourism to the Red Sea cities of Sharm El-Sheikh and Hurghada due to the September 11 tragic events. December 2001 and January 2002 witnessed a number of holidays in Egypt starting from Western Christmas followed by the New Year Celebration, then Eastern Christmas followed lastly by the Eid Holidays.

## 2.5 DATA ANALYSIS

The basic data analysis has been conducted. This data analysis included frequency distribution and cross tabulation. The process of "Data Analysis" began by obtaining a frequency distribution and descriptive statistics for each variable. The information provided a good feel of the data and insights into how specific variables should be treated in subsequent analyses.

The frequency distribution provided a count of the number of responses associated with the different variables. The relative occurrence, or frequency, of different values of the variable is expressed in percentages. A frequency distribution for a variable produced a table of frequency counts, percentages, and cumulative percentages for all the values associated with that variable.

The frequency distribution was used to construct a "Histogram", or a vertical bar chart in which the values of the variable are portrayed along the X axis and the absolute or relative frequencies of the values are placed along the Y axis. The histograms constructed examined whether the observed distribution is consistent with an expected or assumed distribution. The Frequency distribution tables for the researches implemented in the cities of Hurghada & Sharm El-Sheikh are attached.

### **3. HURGHADA RESEARCH FINDINGS**

#### **3.1 The Sample size & The Sample Demographics**

The research was conducted with a sample size of 250 respondents in Hurghada. The sample demographic profile was 65% male between the ages of 16-45. 83% of the respondents are married or engaged. In terms of education, 54% hold a bachelor degree while 29% possess a post-graduate degree. As far as occupation is concerned, 42% of the respondents work as a private sector employee while 35% are government employees, 25% are business owners and 13% are in the academic field.

In regards to nationality, the sample was composed of 80% foreign tourists (200 respondents) and 20% Egyptians (50 respondents). Among the countries represented in the sample, the United Kingdom topped the list, followed by Germany, Holland. Other Western European countries, Russia, USA, and Libya were represented in small numbers.

The reason for the sample being less diversified than that of Sharm El-Sheikh is that field researchers were restricted to survey only at specific locations (diving centers and hotels) that were willing to cooperate on this project.

In general terms, "Reef users" constituted 56.4% of the sample. The "Reef users" population could be subdivided into three groups, namely Divers, Snorkelers, and "Non Reef Users". 65% of the foreigners (130 respondents) in the sample practiced a "Sea-related activity" compared to only 22% of the Egyptians (11 respondents).

Furthermore, 80% of the foreign respondents are divers compared to only 27% of the Egyptians. The rest of the respondents were only snorkelers. It is important to state that the percentages of "Reef users" versus "Non Reef users" in the research sample are not reflective of the population under study since the sample was stratified to emphasize "Reef users" more. However, within the "Reef users" strata, the breakdown of divers and snorkelers is a true representative of total population of "Reef users" understudy whether Egyptians or foreigners.

### 3.2 The Frequency of Visiting Natural Areas

Respondents were asked the following questions:

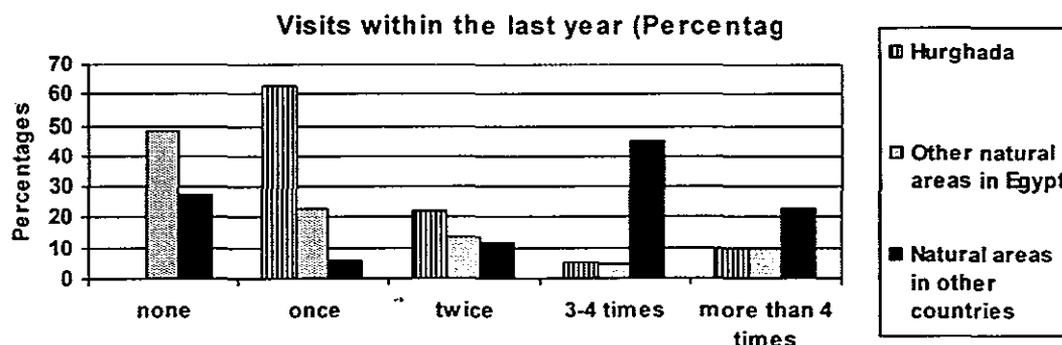
- *During the past year, how many times did you visit this location?*
- *How many times did you visit other natural areas in Egypt?*
- *How many times did you visit other natural areas in other countries?*

*They were provided with the following close ended ranges; once, twice, three to four times, and more than 4 times.*

In regards to the “**Frequency of Visits to Hurghada during Last Year**”, more than a third of the respondents cited this visit as a repeat one. 60% of those repeat visitors stated that this visit is their second one. Half of the respondents indicated also that they have visited other tourist locations in Egypt. 55% out of these respondents indicated they have visited other locations more than once.

Close to ¾ of the respondents indicated that they have visited natural areas in other countries within the last year. More than half of these respondents cited their visits to be more than 4 times during the last year. Figure 1 depicts the above findings.

**Figure 1: Frequency of Visits to Hurghada Natural Areas & Other Destinations**



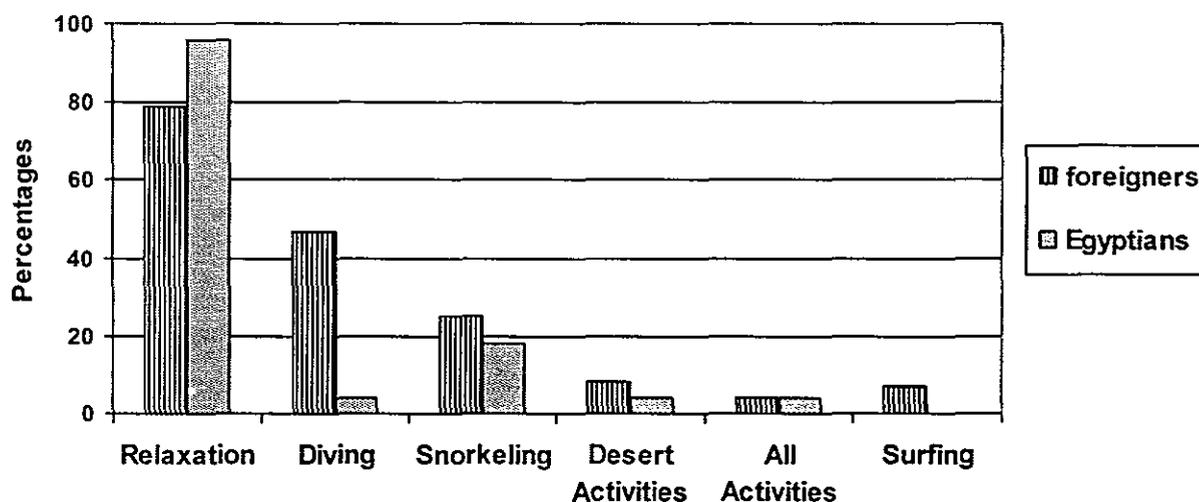
### 3.3 The Visit Main Purpose

Respondents were asked the following question;

- *What is the main purpose of your natural areas vacation? (Choose all applicable)*
  1. Diving
  2. Snorkeling.
  3. Desert Activities
  4. Relaxation
  5. All of the above.
  6. Other .....

When asked about the “**The Visit Main Purpose**”, relaxation topped the list among more than three quarters of the respondents, whether Egyptians or foreigners. However, as shown in Figure 2, a higher percentage of foreigners cited diving, snorkeling, and desert activities. A negligible number of foreigners cited surfing, business, and attending cultural events as the main purpose of their visit.

Figure 2: Main Purpose of Visits to Natural areas



### 3.4 The Vacation Package Details

Respondents were asked the following questions;

- 1- *What was the duration of your visits on the average?*
  1. *Less than a wk*
  2. *One wk*
  3. *1 -2 wks*
  4. *more than 2wks*
  
- 2- *Was your vacation package all inclusive (i.e. package including accommodation, food, transportation, and recreational activities)?*
  1. *Yes, covered everything.*
  2. *Partial: i.e., accommodation, recreation, some or all food but transportation NOT included*
  3. *Accommodation/some or all food only*
  
- 3- *Can you estimate the total price range of your entire vacation (including transportation, lodging, recreation, food)?*
  1. *425 - 1300 L.E.(\$100-300)*
  2. *1301 - 2125 L.E. (\$301-500)*
  3. *2126-3200 L.E (\$500-750)*
  4. *3201-4250 LE (\$751-1000)*
  5. *4251-6375 LE (\$1001-1500)*
  6. *More than 6375 LE (>\$1500)*

In regards to the “**Visit Duration**”, major differences between Egyptian and foreign respondents exist. 94% of the Egyptian respondents stayed a maximum of one week as opposed to 91% of foreign respondents staying up to two weeks. This finding is consistent with that of Sharm.

As for the “**Type of Vacation Package**”, more than 2/3 of both foreign and Egyptian respondents had an “All Inclusive Vacation Package”. This finding is also consistent with that of Sharm research.

Within the “All-Inclusive Vacation Package”, more than 3/4 of foreign tourists paid more than \$500 (75% of divers, 85% of snorkelers, and 81% of “Non Reef users”).

On the other hand, most of the Egyptians, divers, snorkelers, and “Non Reef users”, paid between \$100-300 for their vacation packages. In general, foreigners paid higher amounts than Egyptians. This difference could be related to the differences between Egyptians and foreigners in terms of the hotel rates quoted to them, or to differences in their length of stay, or to differences in the cost of the transportation mean they used.

However, in general, Hurghada is a cheaper location compared to Sharm whether for Foreigners or Egyptians. In addition, it should be noted that differences in prices, between “Reef users” and “Non Reef users”, is minimal. This could be related to the fact that most of the diving centers in Hurghada do not really offer hotel services that can raise prices similar to those levels prevailing in Sharm. It should also be noted that Egyptian “Non Reef users” in Hurghada did not have the same entertainment options like the ones in Sharm during the research duration.

### **3.5 The Prices of Vacation Package (excluding transportation)**

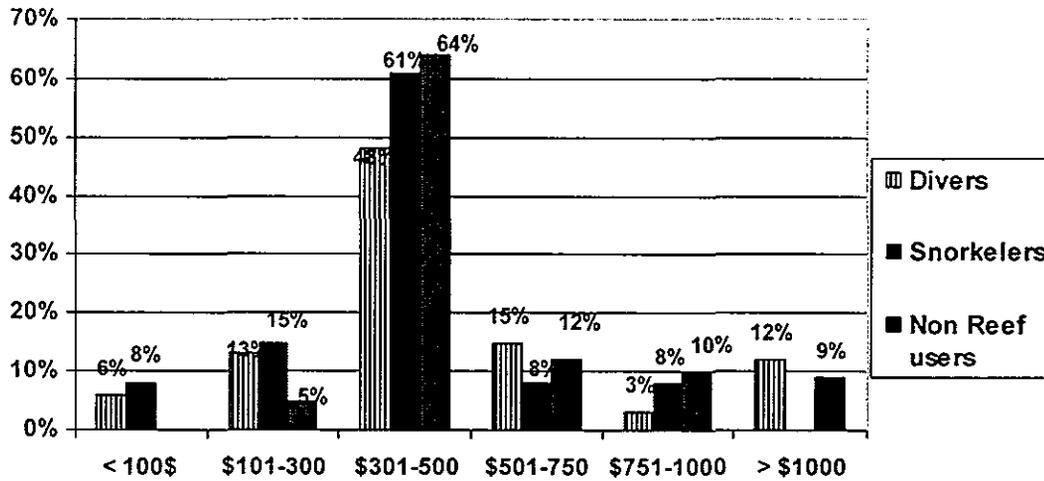
Respondents were asked the following question;

*- Can you estimate the price range of your vacation NOT including transportation?*

- |  |  |
|--|--|
| <i>1. Less than 425 L.E. (&lt;\$100)</i> | <i>2. 425 - 1300 L.E. (\$100-300)</i>    |
| <i>3. 1301 - 2125 L.E. (\$301-500)</i>   | <i>4. 2126-3200 L.E (\$501-750)</i>      |
| <i>5. 3201-4250 LE (\$751-1000)</i>      | <i>6. More than 4250 LE (&gt;\$1000)</i> |

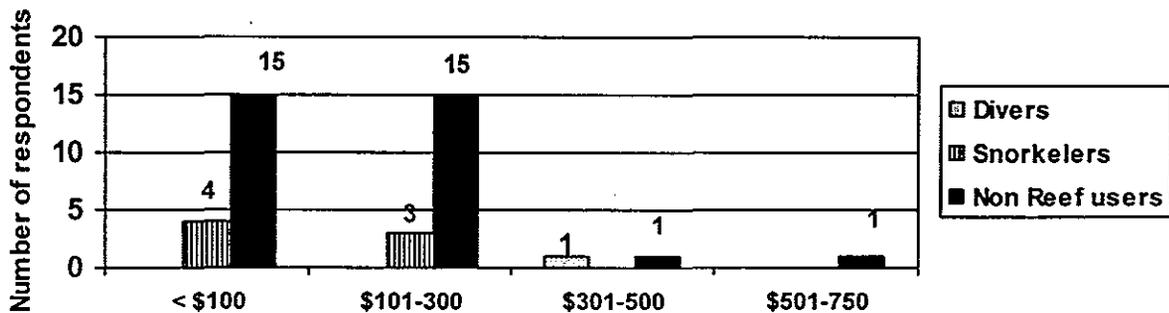
In the case of foreign respondents, three quarter of the respondents paid above \$300. Close to half of the foreign divers paid \$301-500 while 2/3 of snorkelers and “Non Reef users” paid the same. Divers seem to be paying less for their vacation package than their “Non Reef users” counterparts. Yet, this could be explained by the fact that “Reef users” in Hurghada spent a lot more on recreational activities separate from their packages. Figure 3 illustrates the Vacation Package Prices.

**Figure 3: Foreigners' Vacation Package Prices**



On the other hand, Egyptians, snorkelers and non reef users, were mainly divided between those who paid less than a \$100 and \$100-300. Figure 4 illustrates the Vacation Package Prices.

**Figure 4: Egyptians' Vacation Package Prices<sup>1</sup>**



### 3.6 The Transportation Mean and The Transportation Cost

Respondents were asked the following questions;

1- *What transportation means did you use to reach this location?*

- 1. *Tour bus*                      2. *Plane*                      3. *Private car*
- 4. *Public bus*                    5. *Other .....*

2- *What was the cost of your transportation to this location?*

- 1. *Less than 215 (<\$50)*                      2. *215 - 425 L.E.(\$50-100)*
- 3. *426 - 1300 L.E. (\$101-300)*                      4. *1301 - 2125 L.E. (\$301-500)*
- 5. *More than 2125 L.E (>\$500)*

<sup>1</sup> Raw numbers are used here instead of percentages in order to avoid misrepresentation of the findings since the Egyptian sample consisted of only 50 respondents.

In regard to the “**Mean of Transportation Used**”, more than three quarters of the respondents used air transportation to reach Hurghada. The remaining one quarter of the respondents used tour buses.

In regard to the “**Transportation Cost**”, foreigners had a higher transportation cost than Egyptians. While the transportation cost for most Egyptians was below \$100, more than three quarters of the foreign respondents paid more than \$100. Most European respondents paid between \$100-300.

### **3.7 Additional Expenditures**

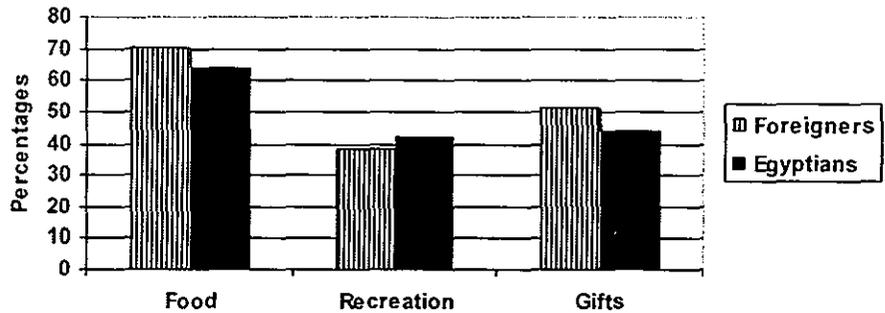
Respondents were asked the following questions;

- 1- *How much did you spend on food (outside your package if applicable)?*
  1. *Less 110 L.E. (<\$25)*
  2. *110 - 340 L.E.(\$25-80)*
  3. *341 - 850 L.E. (\$81-200)*
  4. *More than 850 L.E.(>\$200).*
  5. *Nothing (offer was all inclusive)*
  
- 2- *How much did you spend in total on recreational activities (outside your package if applicable)?*
  1. *Less than 425 L.E. (\$100)*
  2. *425 - 1300 L.E.(\$101-300)*
  3. *1301 - 2125 L.E. (\$301-500)*
  4. *More than 2125 L.E (>500\$)*
  5. *Nothing (offer was all inclusive)*
  
- 3- *How much did you spend on purchase of gifts, souvenirs or memorabilia products on average per visit?*
  1. *110 L.E. or less (\$25)*
  2. *110 - 340 L.E.(\$26-80)*
  3. *341 - 850 L.E. (\$81-200)*
  4. *More than 850 L.E (>200\$)*
  5. *Nothing*

In terms of “**Additional Expenditures**”, food was on top of the list with 69% of the respondents purchasing food over their packages. Gifts had also a big share in terms of additional expenditure (49%), followed by recreation (40%).

It should be noted that a small difference exists in the number of Egyptian and foreign respondents paying additional expenditures. On the other hand, major differences exist between Egyptian and foreign respondents in their level of expenditure. More foreign respondents spent more on food and gifts, while more Egyptians spent more on recreation. This is shown in the figure 5 presented below.

**Figure 5: Additional Expenditures over Package**



Furthermore, foreign and Egyptian respondents had different patterns in their food expenditure. While 40% of both groups had an expenditure of less than \$25, 26% of foreigners spent more than \$80 when compared to only 6% of the Egyptians.

As for recreational activities, foreign “Reef users” had significantly higher expenditure on recreational activities than their “Non Reef users” counterparts. More than 2/3 of both divers and snorkelers had an expenditure of more than a \$100, as opposed to only 22% of “Non Reef users” spending the same amount. Most Egyptians (95%), whether divers, snorkelers or “Non Reef users” spent less than \$100. This finding could be attributed to the lack of recreational facilities in Hurghada. Furthermore, a larger percentage of the Egyptian respondents practiced snorkeling; which is considered a less expensive sport than diving.

In regard to the “**Level of Expenditure**” on gifts or souvenirs, foreigners also spent more than Egyptians. While all Egyptians, who bought gifts, spent less than \$25, 40% of foreigners spent more than \$25.

### 3.8 The Natural Sites Visited

Respondents were asked the following question;

- *Which sites did you visit?*

1. Ras- Mohammed
2. Giftun Islands
3. Straits of Tiran
4. Thistlegorm wreck
5. Brothers' Islands.
6. Other (pls. specify).....

In terms of the “**Natural Sites Visited**” by “Reef users”, Giftun Island topped the list (75%), followed by Ras-Mohamed (30%), Thistlegorm wreck (22%), Brothers Islands (16%), and the Straits of Tiran (14%). A small percentage of the respondents stated using Hotel Premises for snorkeling (18%). A very few number visited Safaga, Turtle Bay, Umm Gammar, Abu Nahas, and Abu Hashish.

### 3.9 The Access Fees

Respondents were asked the following questions;

- 1- *Do you think you were charged an access fee for entrance to this natural area?*  
1. Yes                      2. No
- 2- *How much do you think is a fair fee for entrance per day?*  
1. Less than 5 L.E. (\$1)      2. 5-10 L.E. (1-2\$)      3. 13-22 L.E. (\$3-5)  
4. 23- 40 (\$6-9)              5. more than 40 L.E. (9\$)
- 3- *Are you willing to pay a one-time fee for a longer period (seasonal pass)?*  
1. No      2. Yes (pls. state how long) ..... (And \$ willing to pay) .....

When asked about payment of "Access Fee", three quarters of the respondents mentioned paying access fees for the "Giftun" and/or "Brothers Islands".

In terms of the amount that they believe is fair as an "Entrance Fee" to such locations, 37% of the foreign respondents designated the currently charged \$2 for Giftun as a fair fee, while 20% cited it should be more. The rest of the "Reef users" (43%) thought that a fair "Entrance Fee" for Giftun should be lower. This may indicate that "Reef users" believe that higher fees should be reflecting quality services, which seem lacking in Hurghada at the moment. 42% of Egyptian "Reef users" also designated less than \$1 to be the fair fee. This recommended fee is lower than the \$ 1 currently paid by Egyptians. Another 42% thought that a fair fee would lie between \$1 and \$2.

Similarly, although one third of "Reef users" stated that they are not willing to pay for a longer pass period, more than half of those who were willing to pay opted for the "One-Week" Pass Option. As a matter of fact, visitors of the Brothers Islands are currently paying a One Week Pass at a packaged price of \$35 (7daysx\$5).

### 3.10 The Hyperbaric Chamber Insurance

Respondents were asked the following questions;

- 1- *Did you pay hyperbaric chamber insurance per day?*  
1. Yes.                      2. No (go to Q 24)      3. Don't know (go to Q 24)
- 2- *How much did you pay?*  
1. Less than 5 L.E.(\$1)                      2. 5 L.E.(\$1)  
3. 10 L.E. (\$2)                                  4. More than 10 L.E.(\$2)
- 3- *How much would you be willing to pay for it per day?*  
1. Less than 5 L.E.(\$1)                      2. 5 L.E.(\$1)  
3. 10 L.E.(\$2)                                  4. More than 10 L.E.(\$2)

In regard to payment for Hyperbaric Chamber insurance, slightly more than a quarter of the divers reported paying it while more than a half were

not sure whether they paid for it or not. Moreover, only a quarter of those who paid the insurance fee recalled paying \$1. The rest of the respondents were guessing the amount they paid.

### 3.11 The Additional "Reef-Related" Expenditure

Respondents were asked the following question:

*- How much did you spend on diving, snorkeling, or other sea based activities (outside your package if applicable)?*

1. *Less than 425 L.E. (\$100)*
2. *425 - 1300 L.E.(\$101-300)*
3. *1301 - 2125 L.E. (\$301-500)*
4. *More than 2125 L.E.(>500\$).*
5. *Nothing (offer was all inclusive)*

As an "Additional Reef-related Expenditure" slightly more than half of the "Reef users" paid extra for some of their diving and snorkeling activities separate from their vacation package. More than 72% of foreigners spent more than \$100 over their vacation package to snorkel and dive in comparison to Egyptian snorkelers who spent less than \$100 over their vacation package.

### 3.12 Sources of Funding Nature Conservation

Respondents were asked the following question:

*"If this Natural Habitat Location needs more revenue for nature conservation, how should this be financed?" (More than one choice could be selected)*

1. *Fees charged for nature-based recreational activities.*
2. *Government Subsidies and Funding.*
3. *Donations.*
4. *Selling Products Endorsed by nature conservation NGOs.*
5. *Others; please specify \_\_\_\_\_"*

When asked about the "Sources Suitable for Funding Nature Conservation", "Charging a User Fee for Using Nature Areas" topped the list, followed by "Products Endorsed by Nature Conservation NGOs", and "Government Subsidies". "Donations" came next with a lower percentage compared to the Sharm research findings. 8% of respondents mentioned "Imposing Taxes on Sea Front Hotels and Diving Centers". 3% of respondents added "Special Events". Table 1 provides details of the recommended sources of funding Nature Conservation.

**Table 1: Recommended Sources of Funding**

<i>Source of Funding</i>	<i>Respondents %</i>
<b>Charging a User Fee for Using Nature Areas</b>	70%
<b>Selling Products Endorsed by Nature Conservation Groups</b>	70%
<b>Government Subsidies</b>	66%
<b>Donations</b>	28%
<b>Imposing Taxes on Sea Front Hotels and Diving Centers with Direct Sea View Access</b>	8%
<b>Special Events</b>	3%

From Table 1, we can conclude that “Selling Products Endorsed by Nature Conservation Groups” is a viable source of funding outside the realm of relying on “Government Subsidies” and “Charging a User Fee”. Donations can also be a useful source of funding.

### **3.13 Products suitable to Fund Nature Conservatism & Respondents Willingness to Purchase**

Respondents were asked the following questions:

- 1- *Which kind of products, in your opinion, is better suited as a source of funding for nature conservation? (You can state more than one)*
- 2- *Among some of the options for raising funds for nature conservation are the following. Which of these products are you willing to pay for, and how much are you willing to pay? (you can select one or more)*
  1. Calendars
  2. Postcards.
  3. Maps
  4. T-shirts
  5. Hats.
  6. Wildlife posters

When asked about what type of products that could be endorsed by nature conservation NGOs and used as an option to fund nature conservation, respondents chose T-shirts, Hats, Maps, Calendars, and Posters.

When respondents were asked about the products they are willing to pay for and how much they would be willing to pay, some respondents were either not familiar with the prevailing prices or they were reluctant to assign a price for the products without seeing a specimen to inspect. Hence, field surveyors opted for asking them what they would be willing to pay on top of the prevailing retail price for funding nature conservation.

Table 2 illustrates the percentage of respondents who are willing to pay to buy the different products that could be used as a mean of funding nature conservation.

**Table 2: Potential Products for Funding**

<i>Product</i>	<i>Respondents % *</i>
Postcards	59%
T-shirts	38%
Maps	34%
Posters	24%
Hats	24%
Calendars	19%

\* Percentages are out of the total sample size

Most respondents who were willing to buy these products indicated their willingness to pay additional \$1-2 if such products will be used to fund nature conservation. Moreover, "Reef users", who constituted a large percentage of the sample, were willing to pay more money for "User Fees" or "Donations" and "Purchase of Products" as potential sources of funding.

### **3.14 Products That Need Improvements**

Respondents were asked the following question:

- *Which of the following products would you like to see improvement on?*

1. Calendars
2. Postcards.
3. Maps
4. T-shirts
5. Hats
6. Wildlife posters.
7. other (specify).....

When asked about which of the following products they like to see improvement on, 45% of the respondents agreed that T-shirts need improvement while 28% saw an improvement is needed in Postcards. Table 3 provides a listing of those products that need improvements.

**Table 3: Products in need of Improvement**

<i>Product</i>	<i>Respondents %</i>
T-Shirts	45%
Postcards	28%
Maps	24%
Posters	19%
Hats	10%
Calendars	8%

Table 3 indicates that there is a marketing opportunity for providing a specific design of "T-Shirts" for funding nature conservation.

### 3.15 Services Suitable to Fund Nature Conservation

Respondents were asked the following questions:

- 1- *In your opinion, which of the services you mentioned could be used to generate funds for nature conservation? (You can state more than one)*
- 2- *Among some of the options for raising funds for nature conservation are the following. Which of these services are you willing to pay for, and how much are you willing to pay? (You can select one or more)*
  1. General entrance
  2. Snorkeling
  3. Diving
  4. boat mooring use
  5. Patrols by park rangers
  6. Monitoring health of coral reefs

When asked about the services suitable for funding nature conservation, more than half of the respondents stated that all services could be used to fund nature conservation.

It should be noticed that one quarter of the respondents specifically mentioned the use of "Entertainment Events" as a possible source of funding nature conservation. 12% of respondents mentioned "charging A User Fee for Sea-related Activities", while 4% of respondents mentioned "Guided Tours" and "Aquarium or Natural History Museum Development".

When "Reef users" were asked about those services and/or activities that they are willing to pay extra money for them if they are used as a potential source of funding nature conservation and how much they are willing to pay for them, 63% and 58% of the respondents mentioned snorkeling and diving activities respectively. The results are provided in tables 4 and 5 stated below.

**Table 4: % of Respondents Willing to Pay Extra**

<i>Service Type</i>	<i>Respondents Percentage Willing to Pay Extra to Fund Nature Conservation</i>
<b>Snorkeling</b>	63%*
<b>Diving</b>	58%**
<b>"General Entrance Fee" Foreign "Reef users"<sup>2</sup></b>	68%
<b>"General Entrance Fee" Egyptian "Reef users"<sup>3</sup></b>	9%

\* Percentages are out of total Snorkelers.

\*\* Percentages are out of total Divers.

Table 4 shows that more than half of both divers and snorkelers are willing to pay extra for nature conservation. Table 4 also demonstrates

<sup>2</sup> Natural area was not specified, however, assumptions here are based on a 2\$ fee for Giftun.

<sup>3</sup> Natural area was not specified, however, assumptions here are based on a 1\$ fee for Giftun.

that 68% of foreign “Reef users” are willing to pay additional money in the form of “General Entrance Fee” than their Egyptian counterparts (9%) to raise funds of nature conservation.

**Table 5: Possible Services for Additional Fee Charging**

<i>Type of Service</i>	<i>Respondents Percentage Willing to Pay Extra to Fund Nature Conservation</i>
<b>Monitoring Health of Coral Reefs</b>	48%*
<b>Patrols by Park Rangers</b>	37%*
<b>Boat Mooring Use</b>	37%*

\* Percentages are out of total Reef Users.

Meanwhile, Table 5 indicates that close to half of “Reef users” are willing to pay extra for “Monitoring the Health of Coral Reefs”.

The table also indicates that 37% of “Reef users” are willing to pay extra money for the Patrolling service by Park Rangers. Similarly, 37% of the respondents were willing to pay extra money for Boat Mooring Usage. Thus, one may argue that respondents from Hurghada seemed willing to pay more for a number of “Sea-related Services” than in Sharm. One possible explanation could be attributed to the differences in the demographic profiles of respondents in the cities researched. Respondents in the Hurghada sample were more highly educated in comparison to the Sharm sample.

## **4. SHARM EL-SHEIKH RESEARCH FINDINGS**

### **4.1 The Sample size & The Sample Demographics**

The research was conducted with a sample size of 255 respondents in Sharm El Sheikh. The sample demographic profile was 70% male, in the age bracket 16-45 (90%). 50% of the respondents are married while the other 50% were either engaged or singles. In Education terms, 54% of the respondents hold a bachelor degree while 26% hold a post-graduate degree. In terms of Occupation, 44% of the respondents are employees in the private sector while 28% are business owners.

In regards to Nationality, 36% of the respondents were Egyptians (93 respondents) and 67% were foreign nationals (162 respondents). Among the countries represented in the sample; the United Kingdom, Germany, Russia, Holland, Italy, USA, Australia, and Canada. Other Western and Eastern European countries in addition to some Arab countries were identified but in negligible numbers. (Please refer to the Tabulations Document for more details).

In general terms, "Reef users" constituted 66% of the sample (168 respondents). 82% of the foreign tourists (128 respondents) practiced a "Sea-related" activity while only 43% of Egyptians (40 respondents) did so.

In regards to the nature of the "Sea-Activity" practiced, 80% of the foreign respondents are divers, as opposed to only 40% of the Egyptians. The rest of the respondents practiced snorkeling.

### **4.2 The "Frequency of Visits to Natural Areas"**

Respondents were asked the following questions:

- *During the past year, how many times did you visit this location?*
- *How many times did you visit other natural areas in Egypt?*
- *How many times did you visit other natural areas in other countries?*

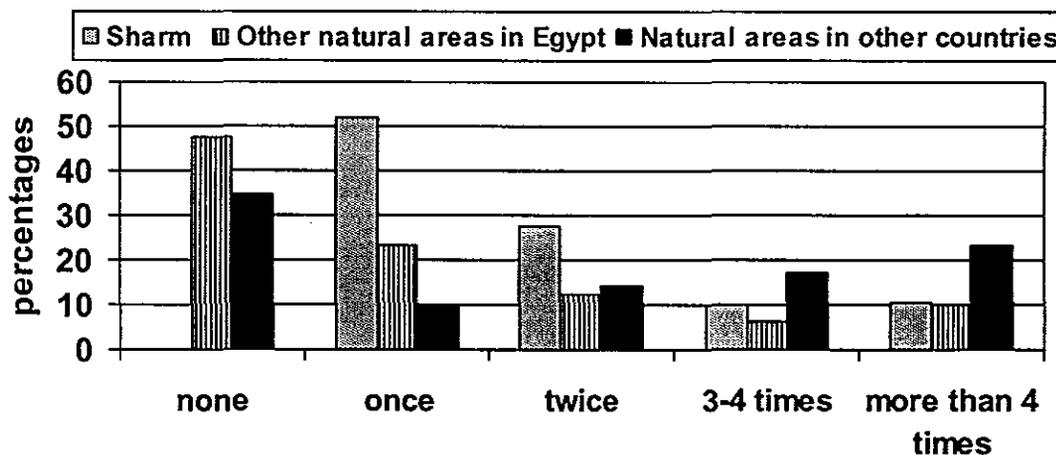
*They were provided with the following close ended ranges; once, twice, three to four times, and more than 4 times.*

In regards to the "Frequency of Visiting Sharm during Last Year", close to half of the respondents cited this visit as a repeat visit. 40% of those repeat respondents (20% of the whole sample) cited visiting Sharm more than twice.

It is worth mentioning that 50% of the respondents indicated that they have visited other locations in Egypt and 55% of those respondents indicated they have visited other locations more than once.

Close to 2/3 of the respondents indicated that they have visited natural areas in other countries within the last year. More than half of those respondents cited their visits to be more than 3 times during the last year. Figure 6 illustrates the above findings.

**Figure 6: Frequency of Visits to Natural Areas in Sharm and Other destinations.**



#### 4.3 The “Visit Main Purpose”

Respondents were asked the following question;

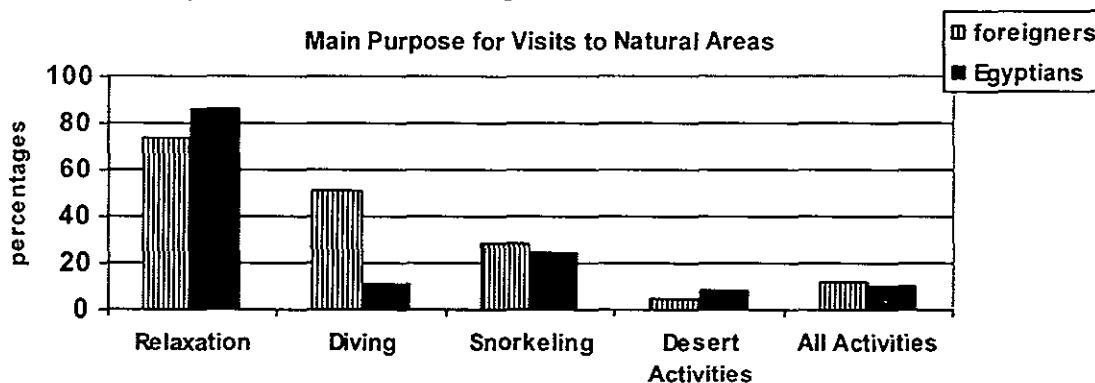
*- What is the main purpose of your natural areas vacation? (choose all applicable)*

1. Diving
2. Snorkeling.
3. Desert Activities
4. Relaxation
5. All of the above.
6. Other .....

When asked about the “Visit Main Purpose”, relaxation was mentioned as the main purpose among two third of the respondents (both Egyptians and Foreigners). However, as shown in Figure 7 below, a higher percentage of foreigners cited diving, while Egyptians cited desert activities. As for snorkeling, a minor difference between both groups was noticed. Few foreign respondents cited walking and golf as the main purpose of their visit.

Figure 7 illustrates the findings for the main “Purpose of the Visit”.

Figure 7: Main Purpose of Visits to Natural areas



#### 4.4 The Vacation Packages Details

Respondents were asked the following questions;

- 1- *What was the duration of your visits on the average?*
  1. *Less than a wk*
  2. *One wk*
  3. *1 -2 wks*
  4. *more than 2wks*
  
- 2- *Was your vacation package all inclusive (i.e. package including accommodation, food, transportation, and recreational activities)?*
  1. *Yes, covered everything*
  2. *Partial: i.e., accommodation, recreation, some or all food but transportation NOT included*
  3. *Accommodation/some or all food only*
  
- 3- *Can you estimate the total price range of your entire vacation (including transportation, lodging, recreation, food)?*
  1. *425 - 1300 L.E.(\$100-300)*
  2. *1301 - 2125 L.E. (\$301-500)*
  3. *2126-3200 L.E (\$500-750)*
  4. *3201-4250 LE (\$751-1000)*
  5. *4251-6375 LE (\$1001-1500)*
  6. *More than 6375 LE (>\$1500)*

In regards to the “**Visit Duration**”, there were major difference between Egyptian and foreign respondents. 90% of the Egyptian respondents stayed a maximum of one week as opposed to 90% of foreign respondents staying between one week and two weeks.

As for the “**Type of Vacation Package**”, 2/3 of the foreign respondents had an “All-Inclusive Vacation Package” in comparison to only 1/3 of the Egyptian respondents. It should also be noticed that 50% of the Egyptian tourists reported purchasing packages that included accommodation and food only.

Among Foreigners, 86% of divers, paid above \$750 as opposed to 72% of “Non Reef users”, while only 33% of snorkelers paid the same amounts. The small difference between divers and non reef users may be attributed to the fact that divers may have opted to stay at diving centers hotels.

These hotels are considered cheaper, offering good packages to divers. The big difference, however, between divers and snorkelers is due to the fact that snorkelers do not pay as much as divers for their reef related activities, while they can enjoy the cheap accommodation of diving centers like divers.

Among the Egyptian respondents, only 25% of divers paid more than \$500 as opposed to 54% of "Non Reef users", and 33% of snorkelers. This difference might be attributed to the recreational activities available for "Non Reef users". These recreational activities include parties which were organized daily during the Eid Holidays. The difference, however, between snorkelers and divers can be explained by the fact that Egyptian snorkelers may have also attended some of the recreational events held since unlike divers they are not following tight schedules for diving and are free to attend events.

In general, Foreigners paid higher amounts than Egyptians. This finding could be attributed to differences between Egyptian and foreign tourists in the hotel rates quoted or to differences in the length of stay, or the type of currency used or to differences in the cost of the transportation mean used.

Some respondents reported having packages that included accommodation, food, transportation but no recreational activities. However, prices for their packages were similar and sometimes even higher than those reported by the former group. Taking into account that this group should have been paying less since they are not paying for recreational activities, this can only indicate that "Non Reef users" generally opt for luxurious hotels to indulge themselves and relax.

#### **4.5 The Prices of Package (excluding transportation)**

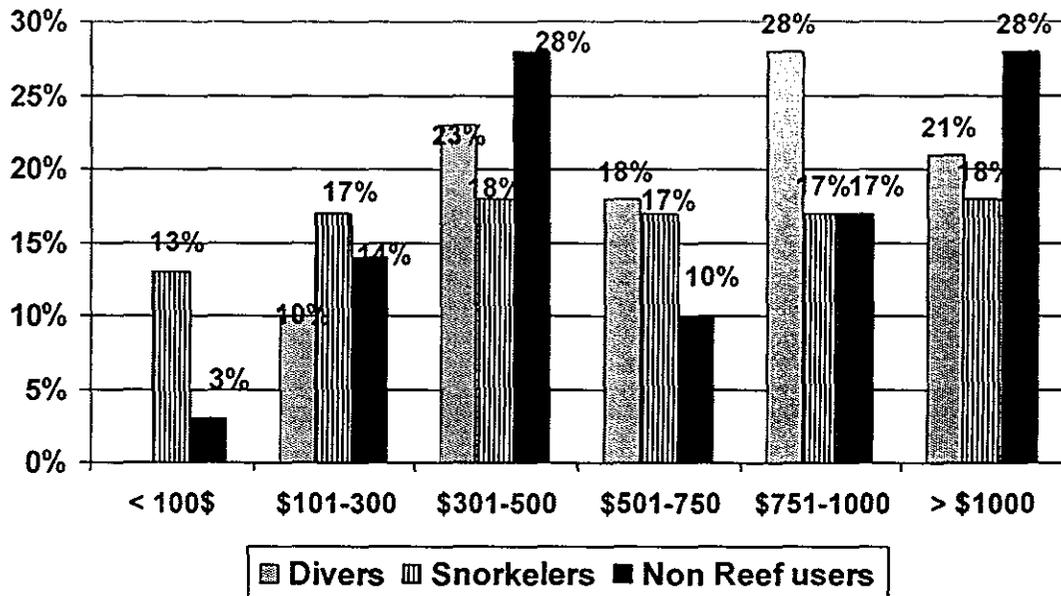
Respondents were asked the following question;

*- Can you estimate the price range of your vacation NOT including transportation?*

- |                                 |                                |
|---------------------------------|--------------------------------|
| 1. Less than 425 L.E. (<\$100)  | 2. 425 - 1300 L.E.(\$100-300)  |
| 3. 1301 - 2125 L.E. (\$301-500) | 4. 2126-3200 L.E (\$501-750)   |
| 5. 3201-4250 LE (\$751-1000)    | 6. More than 4250 LE (>\$1000) |

More than 50% of foreign respondents paid above \$500. There were some differences between foreign divers (67%), snorkelers (53%) and "Non Reef users" (55%). Figure 8 illustrates the Vacation Package Prices.

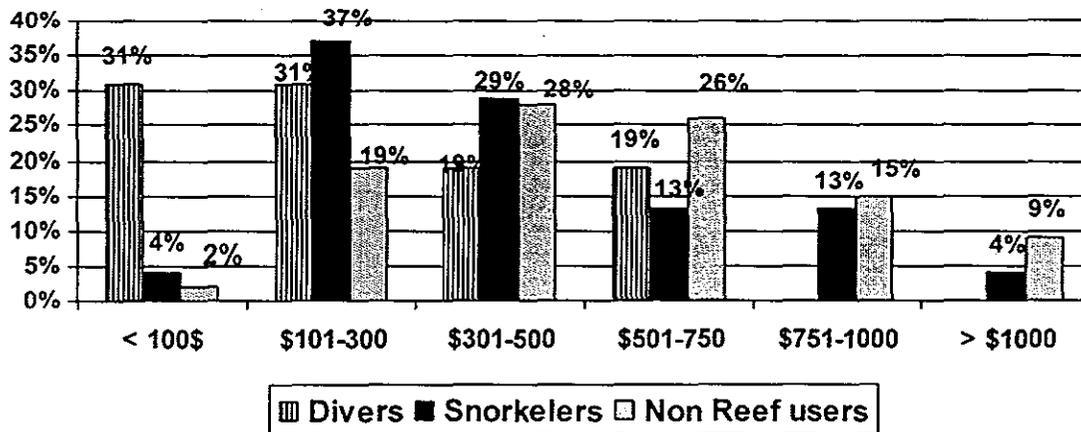
**Figure 8: Foreigners' Vacation Package Prices**



On the other hand, Egyptian "Non Reef users" paid more than their "Reef users" counterparts. This is mainly due to the attendance by Egyptians of special entertainment events and other recreational activities (51% for "Non Reef users", 37% for divers, and 29% for snorkelers).

Figure 9 illustrates the Egyptians' Vacation Package Prices.

**Figure 9: Egyptians' Vacation Package Prices**



#### 4.6 The Transportation Mean and The Transportation Cost

Respondents were asked the following questions;

1- *What transportation means did you use to reach this location?*

- |                      |                       |                       |
|----------------------|-----------------------|-----------------------|
| 1. <i>Tour bus</i>   | 2. <i>Plane</i>       | 3. <i>Private car</i> |
| 4. <i>Public bus</i> | 5. <i>Other .....</i> |                       |

2- *What was the cost of your transportation to this location?*

- |  |  |
|--|--|
| 1. <i>Less than 215 (&lt;\$50)</i>       | 2. <i>215 - 425 L.E.(\$50-100)</i>     |
| 3. <i>426 - 1300 L.E. (\$101-300)</i>    | 4. <i>1301 - 2125 L.E. (\$301-500)</i> |
| 5. <i>More than 2125 L.E (&gt;\$500)</i> |  |

In regard to the “**Transportation Mean**” used, half of the respondents came to Sharm by plane. Similarly, a quarter of the respondents came by private car while the remaining quarter used tour buses, public buses, or private taxis.

In regard to the “**Transportation Cost**”, foreigners incurred a higher transportation cost than Egyptians. While Egyptian transportation cost was mainly below \$100, more than ½ of the foreign respondents paid over \$100. Those who paid less than a \$100 were mainly residing in Egypt and other neighboring Arab countries.

European and Russian tourists were equally divided between those who paid between \$101-300 and those who paid between \$ 301-500. Most of those coming from the UK and Russia were in the lower paying category as opposed to those coming from other European countries.

#### 4.7 Additional Expenditures

Respondents were asked the following questions;

1- *How much did you spend on food (outside your package if applicable)?*

- |   |  |
|---|--|
| 1. <i>Less 110 L.E. (&lt;\$25)</i>          | 2. <i>110 - 340 L.E.(\$25-80)</i>        |
| 3. <i>341 - 850 L.E. (\$81-200)</i>         | 4. <i>More than 850 L.E.(&gt;\$200).</i> |
| 5. <i>Nothing (offer was all inclusive)</i> |  |

2- *How much did you spend in total on recreational activities (outside your package if applicable)?*

- |   |  |
|---|--|
| 1. <i>Less than 425 L.E. (\$100)</i>        | 2. <i>425 - 1300 L.E.(\$101-300)</i>     |
| 3. <i>1301 - 2125 L.E. (\$301-500)</i>      | 4. <i>More than 2125 L.E (&gt;500\$)</i> |
| 5. <i>Nothing (offer was all inclusive)</i> |  |

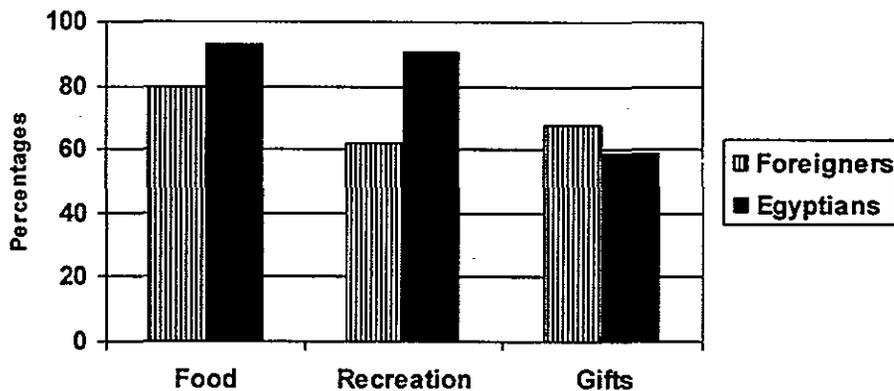
3- *How much did you spend on purchase of gifts, souvenirs or memorabilia products on average per visit?*

- |                                     |   |
|-------------------------------------|---|
| 1. <i>110 L.E. or less (\$25)</i>   | 2. <i>110 - 340 L.E.(\$26-80)</i>       |
| 3. <i>341 - 850 L.E. (\$81-200)</i> | 4. <i>More than 850 L.E (&gt;200\$)</i> |
| 5. <i>Nothing</i>                   |   |

In terms of “**Additional Expenditures**”, food topped the list with 85% of respondents purchasing food over their vacation package. Recreation had also a big share as an additional expenditure (73%), followed by gifts buying (61%). There were some differences between Egyptians and foreigners in terms of the percentage of respondents incurring additional expenditure as well as the level of expenditure.

In general, it was noticed that Egyptians spent more on food and recreation, while more foreign tourists spent more on gifts. Figure 10 depicts these differences between Egyptians and Foreigners in their spending patterns.

**Figure 10: Additional Expenditures over Package**



In terms of “**Spending Amounts**”, both foreign and Egyptian respondents had similar spending amounts in their food expenditure. Almost  $\frac{3}{4}$  of both groups were divided equally between two spending ranges namely “\$ 25-80” and “\$ 81-200”.

As for recreational activities, foreign divers and snorkelers spent, significantly, more on recreational activities than “Non Reef users”. While 67% of divers and 42% of snorkelers had an expenditure of more than a \$100, only 17% of “Non Reef users” spent a similar amount.

On the other hand, Egyptian “Non-Reef users” spent more on recreational activities than their “Reef users” counterparts. This is mainly attributed to attending the various entertainment parties held during the Eid Holidays in Sharm. 67% of Egyptian “Non-Reef users” as opposed to 15% of divers spent more than \$100. However, Egyptian snorkelers also had a high recreational spending; 55% of them spent more than a \$100; this may be due to attending the seasonal recreational events.

In regards to the level of expenditure on gifts and souvenirs, foreign tourists spent more than their Egyptian counterparts. 72% of foreign respondents spent more than \$25 as compared to 60% of Egyptian respondents spending the same amount.

#### 4.8 The Natural Sites Visited

Respondents were asked the following question;

- *Which sites did you visit?*

1. *Ras Mohammed*
2. *Giftun Islands*
3. *Straits of Tiran*
4. *Thistlegorm wreck*
5. *Brothers' Islands*
6. *Other (pls. specify).....*

In terms of the "Natural Sites Visited", 83% of the respondents visited Ras- Mohamed, 48% visited Straits of Tiran, 21% visited the Thistlegorm wreck, and only 18% snorkeled within the hotel premises. A very negligible number visited the Dunraven wreck.

As far as visiting other natural sites outside Sharm, a number of respondents mentioned visiting the Giftun and the Brothers Islands, Dahab, Safaga, Taba, and St. Catherine.

#### 4.9 The Access Fee

Respondents were asked the following questions;

1- *Do you think you were charged an access fee for entrance to this natural area?*

1. *Yes*
2. *No*

2- *How much do you think is a fair fee for entrance per day?*

1. *Less than 5 L.E. (\$1)*
2. *5-10 L.E. (1-2\$)*
3. *13-22 L.E. (\$3-5)*
4. *23- 40 (\$6-9)*
5. *more than 40 L.E. (9\$)*

3- *Are you willing to pay a one-time fee for a longer period (seasonal pass)?*

1. *No*
2. *Yes (pls. state how long) ..... (And \$ willing to pay) .....*

When asked about payment of "Access Fee",  $\frac{3}{4}$  of the respondents mentioned paying access fees for Ras-Mohamed, the Giftun and Brothers Islands. A quarter of the "Reef users" were not aware of the Entrance Fee.

As for the amount that they believe is fair as "Entrance Fee" to such locations, 60% of foreign respondents and 50% of Egyptian respondents designated the fees currently charged (\$5 for foreigners and \$1 for Egyptians) as being a fair deal.

Only 12% of foreign respondents believed that the "Entrance Fee" should be higher as opposed to 30% of their Egyptian counterparts.

While 86.3% of "Reef users" stated that they are not willing to pay a fee for a longer pass period, half of those who were willing opted for a "One-Week pass" option.

#### **4.10 The Hyperbaric Chamber Insurance**

Respondents were asked the following questions;

- 1- *Did you pay hyperbaric chamber insurance per day?*
  1. Yes.
  2. No (go to Q 24)
  3. Don't know (go to Q 24)
  
- 2- *How much did you pay?*
  1. Less than 5 L.E.(\$1)
  2. 5 L.E.(\$1)
  3. 10 L.E. (\$2)
  4. More than 10 L.E.(\$2)
  
- 3- *How much would you be willing to pay for it per day?*
  1. Less than 5 L.E.(\$1)
  2. 5 L.E.(\$1)
  3. 10 L.E.(\$2)
  4. More than 10 L.E.(\$2)

In reference to the payment of hyperbaric chamber insurance, half of the divers reported paying it while 1/3 were not sure whether they paid for it or not. Moreover, 2/3 of those paying the insurance reported paying \$1. The other 1/3 of the respondents believes they paid more. 50% of the divers were willing to pay \$2 or more for it. This is more than the currently charged fee of \$ 1.

#### **4.11 The Additional "Reef-Related" Expenditures**

Respondents were asked the following question:

- *How much did you spend on diving, snorkeling, or other sea based activities (outside your package if applicable)?*
1. Less than 425 L.E. (\$100)
  2. 425 - 1300 L.E.(\$101-300)
  3. 1301 - 2125 L.E. (\$301-500)
  4. More than 2125 L.E.(>500\$).
  5. Nothing (offer was all inclusive)

Three quarters of "Reef users", both Egyptian and foreign respondents, paid at least for some of their diving and snorkeling activities separate from their vacation package. Foreign divers spent more than their Egyptian counterparts. While 70% of foreigners paid more than \$100, only 10% of Egyptians spent the same amount. The rest of the respondents paid less than \$100.

It should be also noted that almost a quarter of foreign "Reef users" spent more than \$300. With respect to snorkeling, most snorkelers (86-90%) paid less than a \$100.

#### 4.12 Sources of Funding Nature Conservation

Respondents were asked the following question:

*“If this Natural Habitat Location needs more revenue for nature conservation, how should this be financed? (You can select more than one choice)*

1. *Fees charged for nature-based recreational activities.*
2. *Government Subsidies and Funding.*
3. *Donations.*
4. *Selling Products Endorsed by nature conservation NGOs.*
5. *Others; please specify \_\_\_\_\_”*

When asked about the potential sources of funding nature conservation “Government Subsidies” topped the list followed closely by “Charging Users Fee”. “Donations” and “Selling Products Endorsed by Nature Conservation NGOs” came next.

A number of respondents also mentioned “Imposing Taxes on Sea-Front Hotels and Diving centers with Direct Sea View Access”. A few respondents mentioned “Special Events”. The exact percentages are presented in Table 6.

**Table 6: Recommended Sources of Funding**

<i>Source of Funding</i>	<i>Respondents %</i>
<b>Government Subsidies</b>	72%
<b>Charging a User Fee for Using Nature</b>	66%
<b>Donations</b>	40%
<b>Selling Products endorsed by Nature Conservation Groups</b>	39%
<b>Imposing Taxes on Sea Front Hotels and Diving Centers with Direct Sea View Access</b>	11%
<b>Special Events</b>	1%

From Table 6, we may conclude that both “Selling Products” and “Donations” are sound ideas as potential sources of funding outside the realm of “Government Subsidies” and “Charging a User Fee”.

#### 4.13 Products suitable for funding Nature Conservation & Respondents Willingness to Purchase

Respondents were asked the following questions:

- 1- *Which kind of products, in your opinion, is better suited as a source of funding for nature conservation? (You can state more than one)*
- 2- *Among some of the options for raising funds for nature conservation are the following. Which of these products are you willing to pay for, and how much are you willing to pay? (you can select one or more)*
  1. *Calendars*
  2. *Postcards.*
  3. *Maps*
  4. *T-shirts*
  5. *Hats.*
  6. *Wildlife posters*

When asked about the type of products that could, if endorsed by nature-conservation NGOs, be used to fund nature conversation, respondents listed Postcards, T-shirts, Hats, Maps, Calendars, and Posters.

When respondents were asked about the products they are willing to pay for and how much they would be willing to pay, some respondents were either not familiar with the prevailing price ranges or they were reluctant to assign a price for the products without seeing a specimen to inspect. Hence, field surveyors opted for asking them what they would be willing to pay on top of the prevailing retail price for funding nature conservation.

Table 7 illustrates the percentages of respondents willing to buy the different products as means of funding nature conservation.

**Table 7: Potential Products for Funding**

<i>Product</i>	<i>Respondents Percentage Willing to Buy Product to Fund Nature Conservation</i>
<b>Postcards</b>	25%
<b>Posters</b>	24%
<b>Hats</b>	22%
<b>T-shirts</b>	20%
<b>Maps</b>	19%
<b>Calendars</b>	15%

Most respondents who were willing to buy these products indicated their willingness to pay an additional \$1-2 more for funding nature conservation.

#### **4.14 Products in Need of Improvement**

Respondents were asked the following question:

*- Which of the following products would you like to see improvement on?*

- |                     |                             |                                |                    |
|---------------------|-----------------------------|--------------------------------|--------------------|
| <i>1. Calendars</i> | <i>2. Postcards.</i>        | <i>3. Maps</i>                 | <i>4. T-shirts</i> |
| <i>5. Hats</i>      | <i>6. Wildlife posters.</i> | <i>7. other (specify).....</i> |                    |

When asked about which of the following products they like to see improved, 41% of the respondents agreed that T-shirts need improvement while 22% saw an improvement is highly needed in Posters, Hats, and Postcards. Table 8 provides a listing of those products that need improvements.

**Table 8: Products need Improvement**

<i>Product</i>	<i>Respondents %</i>
T-shirts	41%
Posters	22%
Postcards	21%
Hats	21%
Maps	20%
Calendars	10%

As shown in Table 8, 41% of the respondents desire better T-Shirts. This reflects an opportunity to provide a specific design of T-shirts to be used for funding nature conservation. Most of the other products listed in Table 8 almost had an equal share of support among the respondents.

#### **4.15 Services Suitable to Fund Nature Conservation**

Respondents were asked the following questions:

- 1- In your opinion, which of the services you mentioned could be used to generate funds for nature conservation? (You can state more than one)*
  
- 2- Among some of the options for raising funds for nature conservation are the following. Which of these services are you willing to pay for, and how much are you willing to pay? (You can select one or more)*
  - 1. General entrance*
  - 2. Snorkeling*
  - 3. Diving*
  - 4. Boat mooring use*
  - 5. Patrols by park rangers*
  - 6. Monitoring health of coral reefs*

When asked about the services suitable for funding nature conservation, "Entertainment Activities" came on top of the list with more than half of the respondents. A number of the respondents mentioned "Transportation" and "Natural Areas Services" (10% each). Other services mentioned included "Charging A User Fee for Sea-related Activities", or "City Center Services". Furthermore, a handful of respondents mentioned "Guided Tours" and "Building an Aquarium or Natural History Museum".

Table 9 illustrates "Reef users" response to "Willingness to Pay Extra".

**Table 9: % of Respondents Willing to Pay Extra**

<i>Activity Type</i>	<i>Respondents Percentage Willing to Pay Extra to Fund Nature Conservation</i>
<b>Diving</b>	60%*
<b>Snorkeling</b>	47%**
<b>"General Entrance Fee" Foreign "Reef users"<sup>4</sup></b>	47%
<b>"General Entrance Fee" – Egyptian "Reef users"<sup>5</sup></b>	35%

\* Out of the total number of Divers.

\*\* Out of the total number of Snorkelers.

Table 9 shows that divers are willing more than snorkelers to pay extra money to fund nature conservation. The table also shows that respondents are willing to pay extra money in the form of "A General Entrance Fee".

**Table 10: Possible Services for Additional Fee Charging**

<i>Type of Service</i>	<i>Respondents Percentage Willing to Pay Extra to Fund Nature Conservation</i>
<b>Monitoring Health of Coral Reefs</b>	36%*
<b>Patrols by Park Rangers</b>	17%*
<b>Boat Mooring Use</b>	12%*

\* Percentages are out of the total number of "Reef users".

Meanwhile, Table 10 shows that 36% of "Reef users" are willing to pay extra money to "Monitor the Health of Coral Reefs". Yet, it should be noticed that a very small percentage of "Reef users" were in favor of paying extra funds for such services "Patrols by Park Rangers" and "Usage of Boat Mooring". This small percentage could be attributed to the notion that "Reef users" think that diving centers or boat owners should be the ones paying for such a service. Similarly, respondents expected that the costs of "Patrols by Park Rangers" should be included in the "General Entrance Fee".

At this point, it should be highlighted that most respondents were concerned that their willingness to pay for more than one item would also mean their willingness to pay for buying these items all together as a package; something that they totally reject.

<sup>4</sup> Natural area was not specified, however, assumptions here are based on the 5\$ for Ras- Mohamed.

<sup>5</sup> Natural area was not specified, however, assumptions here are based on the 1\$ for Ras-Mohamed.

## 5. SUMMARY OF THE RESEARCH FINDINGS

1. Most of the "Reef users" surveyed are frequent repeat visitors to natural areas either in Egypt or abroad.
2. The main purpose of visiting Sharm or Hurghada by most respondents (Egyptians or foreigners) is relaxation followed by diving and snorkeling.
3. The length of stay by foreigners is longer than that of Egyptians. The average foreigners' length of stay is from one to two weeks whereas that of Egyptians is up to one week.
4. Most of foreign tourists visiting Hurghada paid around \$ 500 (plus or minus) for their vacation package, whereas in Sharm ranges of packages were more diversified.(this can be a result of sampling restrictions in Hurghada as mentioned earlier)
5. Air transportation is the dominant transportation mean to all tourists. At least 50% of the respondents traveled to Hurghada or Sharm by plane. The other 50% of the respondents used either a private car or a tour bus.
6. Both Egyptians and foreign tourists spent additional money on food, recreational/entertainment events, and gifts buying. It has been stated that 61% of the respondents spent that additional money buying gifts.
7. Most of the foreign respondents spent additional money in further extra diving activities outside their vacation package.
8. The range of additional spending is between \$25 and \$200.
9. Less than 25% of the respondents believe that the "Access Fee" could be increased.
10. The major potential sources of funding nature conservation identified by the participants in the survey included "Government Subsidies" (66% - 72%), "Charging a User Fee for Using Natural Areas" (66% - 70%), "Selling Products Endorsed by nature conservation NGOs" (39%-70%), and "Donations" (28% - 40%).

11. Most Hurghada foreign "Reef users" (68%) claim they are willing to pay extra to fund nature conservation as compared to only 9% of the Egyptian "Reef users".
12. Close to 50% of the respondents claim their willingness to pay extra money to monitor the health of coral reefs.
13. There exists a great potential to sell products endorsed by nature conservation NGOs to fund nature conservation. The most frequently cited products that could be used to fund nature conservation are Postcards, T-Shirts, Posters, Hats, Maps, and Calendars.
14. Divers are more willing to pay extra money to fund nature conservation than snorkelers.

## **6. RECOMMENDATIONS FOR FUTURE RESEARCH AND ACTIONS**

1. A critical factor to ensure self-sustainability of nature conservation activities and functions necessary to protect nature conservation is "Total Customer Satisfaction". Therefore, one of the most important recommendations is to measure the level of customer satisfaction for the Red Sea nature habitat.
2. It is highly recommended to establish a comprehensive "Customer Satisfaction Program" for visitors of nature-protected areas to ensure their satisfaction and in turn their loyalty.
3. Since "Charging a User Fee" and Increasing the "General Entrance Fee", were identified as potential sources of funding nature conservation, a critical research should be implemented to identify from visitors' perspectives the type of "User Fee" or "General Entrance Fee" they might be expecting and whether it should be an "All-Inclusive User Fee" or a "disaggregated set of partial fees". Regardless of the conclusion achieved, this research should identify the breakdown of the cost components involved.
4. Future Research should also explore the feasibility of charging "Entrance Fee" for other newly developed or protected natural areas that are/were not part of the small areas now charged. For instance, in Sharm El-Sheikh, Ras-Mohamed is the only area that charges an "Entrance Fee". Similarly, in Hurghada it is only the Giftun Island that charges an "Entrance Fee".
5. Since the majority of visitors of the Red Sea cities of Hurghada and Sharm indicated their willingness to purchase such products as postcards, posters, T-shirts, hats, and calendars, it is highly recommended that a research should be conducted to identify potential sponsors to finance the implementation of selling these products.
6. The idea of "Special Events Sponsorship" should be explored further as a potentially effective source of funding nature conservation that was mentioned by the respondents. Therefore, joint cooperation with the "Egyptian Underwater

Sports Federation" in special events like its Annual Competition for Underwater Photography could be used to attract interested sponsors in funding nature conservation and creating more awareness about the importance of self-sustainability of nature conservation activities.

7. Donation Boxes and Posters explaining what protected areas Entrance Fees are used for could be located in each diving center and hotel.

**PART IV: HURGHADA DATA TABULATIONS**

**PART V: SHARM EL SHEIKH DATA**  
**TABULATIONS**

## **PART VI: Research Questionnaires**

1. Qualitative Discussion Guide (for Tourism Operators)
2. Quantitative Questionnaire (for Tourists)

## *Part I. Qualitative Discussion Guide (for Tourism Operators)*

### **Background**

- v) Do you feel that there is a need for environmental protection? Why?
- vi) Will environmental protection have direct or indirect effect on your field of work? What effects? Positive? Negative?
- vii) What could be the probable obstacles for environmental protection in Egypt? How to minimize such obstacles?
- viii) Whose responsibility do you think to protect the environment? Why?

### **Funding environmental protection**

- iv) Where do you think funds for environmental protection come from?
- v) Who do you think should fund environment protection? Why?
- vi) What ways and means should be used to fund environmental protection in Egypt? (why did you choose these and not other means?)

### **Means for Funding Environmental Protection**

- iv) What means of funding environmental protection are you aware of? How does it work i.e. how money is collected? Are they in your opinion well tolerated or not?
- v) From your experience and based on your field of work, what are the possible ways of funding environmental protection?
- vi) Possible sources of funding environmental protection include access/user fees for nature-based activities, government subsidies, donations, selling products endorsed by nature conservation, special events and services, etc. (In addition to whichever means were mentioned by respondent earlier)
  - a. From your experience and based on your field of work, what ways or means are best suited for raising funds in Egypt? Why?
  - b. What are the pros and cons of each one?

### **Willingness to Help**

- iv) Can you envision a mutually beneficial scenario where you can help us raise funds for environmental protection?
- v) What obstacles do you anticipate in raising funds for environmental protection?
- vi) Complete the following statements
  - f) Funding environmental protection is the responsibility of .....
  - g) Best way to fund environment protection is through .....
  - h) The role of NGOs in protecting the environment is .....
  - i) Government role should be.....
  - j) What hinders environmental funding in Egypt is .....

### **Other comments**

Do you have any other comments or suggestions regarding the issue of environmental protection and how to pay for it?

## Part II. Quantitative Questionnaire (for Tourists)

1. Sampling Point: 1. Hurghada 2. Sharm El Sheikh

### 2. Visitor's recreational Behavior

- 1-During the past year, how many times did you visit this location?  
1. Once 2. Twice 3. 3-4 times 4. more than 4 times
- 2-How many times did you visit other natural areas in Egypt?  
1. None 2. Once 3. Twice 4. 3-4 times 5. more than 4 times
- 3-How many times did you visit other natural areas in other countries?  
1. None 2. Once 3. Twice 4. 3-4 times 5. more than 4 times
- 4- What is the main purpose of your natural areas vacation?  
1. Diving 2. Snorkeling 4. Desert Activities  
5. Relaxation 6. All of the above 7. Other .....
- 5- What was the duration of your visits on the average?  
1. Less than a wk 2. One wk 3. 1 -2 wks 4. more than 2wks
- 6- Was your vacation package all inclusive (i.e. package including accommodation, food, transportation, and recreational activities)?  
1. Yes, covered everything  
2. Partial: i.e., accommodation, recreation, some or all food but transportation NOT included (go to Q 8)  
3. Accommodation/some or all food only (Go to Q 8)
- 7- Can you estimate the total price range of your entire vacation (including transportation, lodging, recreation, food)?  
1. 425 - 1300 L.E.(\$100-300) 2. 1301 - 2125 L.E. (\$301-500)  
3. 2126-3200 L.E (\$500-750) 4. 3201-4250 LE (\$751-1000)  
5. 4251-6375 LE (\$1001-1500) 6. more than 6375 LE (>\$1500)
- 8-Can you estimate the price range of your vacation NOT including transportation?  
1. Less than 425 L.E. (<\$100) 2. 425 - 1300 L.E.(\$100-300)  
3. 1301 - 2125 L.E. (\$301-500) 4. 2126-3200 L.E (\$501-750)  
5. 3201-4250 LE (\$751-1000) 6. more than 4250 LE (>\$1000)
- 9- What transportation means did you use to reach this location?  
1. Tour bus 2. Plane 3. Private car  
4. Public bus 5. Other .....
- 10-What was the cost of your transportation to this location?  
1. Less than 215 (<\$50) 2. 215 - 425 L.E.(\$50-100)  
3. 426 - 1300 L.E. (\$101-300) 4. 1301 - 2125 L.E. (\$301-500)  
5. More than 2125 L.E (>\$500)

11- How much did you spend on food (outside your package if applicable)?

- 1. Less 110 L.E. (<\$25)
- 2. 110 - 340 L.E.(\$25-80)
- 3. 341 – 850 L.E. (\$81-200)
- 4. More than 850 L.E (>\$200)
- 5. nothing (offer was all inclusive)

12- How much did you spend in total on recreational activities (outside your package if applicable)?

- 1. Less than 425 L.E. (\$100)
- 2. 425 - 1300 L.E.(\$101-300)
- 3. 1301 - 2125 L.E. (\$301-500)
- 4. more than 2125 L.E (>500\$)
- 5. Nothing (offer was all inclusive)

13- How much did you spend on diving, snorkeling, or other sea based activities (outside your package if applicable)?

- 1. Less than 425 L.E. (\$100)
- 2. 425 - 1300 L.E.(\$101-300)
- 3. 1301 - 2125 L.E. (\$301-500)
- 4. More than 2125 L.E (>500\$)
- 5. nothing (offer was all inclusive)

14-How much did you spend on purchase of gifts, souvenirs or memorabilia products on average per visit?

- 1. 110 L.E. or less (\$25)
- 2. 110 - 340 L.E.(\$26-80)
- 3. 341 – 850 L.E. (\$81-200)
- 4. more than 850 L.E (>200\$)
- 5. Nothing

15- In this natural area, what services do you think are lacking (for divers, pls. specify diving services)?

- 1. ....
- 2. ....
- 3. ....

16- In this natural area, what products do you think are lacking?

- 1. ....
- 2. ....
- 3. ....

**3. Visitor's attitudes towards fees**

17- Do you use natural areas at this location i.e. diving, snorkeling, other sea related activities?

- 1. Yes, diving
- 2. Yes, snorkeling
- 3. Yes, diving & snorkeling
- 4. Yes, other (specify).....
- 5. No (go to Q 25)

18-Which sites did you visit?

- 1. Ras Mohammed
- 2. Giftun Islands
- 3. Straits of Tiran
- 4. Thistlegorm wreck
- 5. Brothers Islands
- 6. Other (pls. specify).....

19-Do you think you were charged an access fee for entrance to this natural area?

- 1. Yes
- 2. No

20-How much do you think is a fair fee for entrance per day?

- 1. Less than 5 L.E. (\$1)
- 2. 5-10 L.E. (1-2\$)
- 3. 13-22 L.E. (\$3-5)
- 4. 23- 40 (\$6-9)
- 5. more than 40 L.E. (9\$)

21-Are you willing to pay a one-time fee for a longer period (seasonal pass)?

- 1. No
- 2. Yes (pls. state how long) ..... (And \$ willing to pay) .....

**For Divers only: (Q 22-24)**

22-Did you pay hyperbaric chamber insurance per day?

1. Yes.                      2. No (go to Q 24)      3. Don't know (go to Q 24)

23-How much did you pay?

1. Less than 5 L.E.(\$1)                      2. 5 L.E. (\$1)  
3. 10 L.E. (\$2)                                      4. more than 10 L.E. (\$2)

24-How much would you be willing to pay for it per day?

1. Less than 5 L.E.(\$1)                      2. 5 L.E. (\$1)  
3. 10 L.E. (\$2)                                      4. more than 10 L.E. (\$2)

25-If this natural habitat location needs more revenue for nature conservation, how should this be financed? (select one or more)

1. Fees charged for nature-based recreational activities
2. Government subsidies and funding
3. Donations
4. Selling products endorsed by nature conservation NGOs i.e. non-governmental organizations (% of price going to nature conservation)
5. Other (pls. specify).....

26-Did you buy Red Sea souvenirs/ memorabilia?

1. No (go to Q 28)                                      2. Yes (state Product) .....

27-Were you satisfied with the quality of souvenir options available?

1. Yes      2. OK, but could be better      3. No (pls. state reason) .....

28-Which of the following products would you like to see improvement on?

1. Calendars                      2. Postcards                      3. Maps                      4. t-shirts  
5. Hats                                      6. Wildlife posters                      7. other (specify).....

29-Which kind of products, in your opinion, is better suited as a source of funding for nature conservation? (You can state more than one)

1. ....
2. ....
3. ....

30-In your opinion, which services could be added at this natural habitat? (You can state more than one)

1. ....
2. ....
3. ....

31-In your opinion, which of the services you mentioned could be used to generate funds for nature conservation?

1. ....
2. ....
3. ....

32-Among some of the options for raising funds for nature conservation are the following. Which of these services are you willing to pay for, and how much are you willing to pay? (select one or more)

Service	Check for willingness	Amount willing to pay
1. General entrance		
2. Snorkeling		
3. Diving		
4. Glass boat/ submarine		
5. Boat mooring use		
6. Patrols by park rangers		
7. Monitoring health of coral reefs		
<b>8. Products endorsed by nature conservation NGOs</b>		
8.1. Calendars		
8.2. Postcards		
8.3. Maps		
8.4. T-shirts		
8.5. Hats		
8.6. Wildlife posters		
9. Other		

#### 4. General Information about the respondent

33- Gender of the respondent: 1. Male 2. Female

34- Age: 1. 16-25 2. 26-35 3. 36-45 4. 46-55 5. 56-65 6. over 65

35- Marital Status:

1. Single. 2. Married. 3. Widower 4. Divorced 5. Engaged

36-Occupation

1. Government 2. Private Sector 3. Business Owner  
 4. Academic (teacher/scientist) 5. Non-profit organization 6. Student  
 7. Other (specify) .....

37-Education

1. None 2. High School Degree 3. Bachelor's Degree  
 4. Graduate Degree 5. Other (specify) .....

38-Residence:

1. Egypt (specify governorate) .....  
 2. Other (specify country) .....

39-Nationality:

1. Egypt (specify governorate) .....  
 2. Other (specify country) .....