LIFE Red Sea Project

ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT

Part 1: Destination Management Plan for Enhancing the Competitiveness of the Southern Red Sea Region of Egypt

MARCH 2008

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LIFE Red Sea Project

Enhancing Sustainable Tourism in the Southern Red Sea Region of Egypt

Part 1: Destination Management Plan for Enhancing the Competitiveness of the Southern Red Sea Region of Egypt

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<th>Full Form</th>
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<tr>
<td>CMA</td>
<td>Conservation Management Area</td>
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<tr>
<td>DMP</td>
<td>Destination Management Plan</td>
</tr>
<tr>
<td>EEAA</td>
<td>Egyptian Environmental Affairs Agency</td>
</tr>
<tr>
<td>ETA</td>
<td>Egyptian Tourism Authority</td>
</tr>
<tr>
<td>IDMP</td>
<td>Integrated Destination Planning and Management</td>
</tr>
<tr>
<td>LRS</td>
<td>LIFE Red Sea</td>
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<tr>
<td>LUMP</td>
<td>Land Use Management Plan</td>
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<td>RSC</td>
<td>Red Sea Coast</td>
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<td>SRS</td>
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<td>TDA</td>
<td>Tourism Development Authority</td>
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<td>USAID</td>
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<tr>
<td>WGPA</td>
<td>el-Wadi Gemal Protected Area</td>
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<tr>
<td>WGPN</td>
<td>el-Wadi Gemal National Park</td>
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<tr>
<td>WTO</td>
<td>World Tourism Organization</td>
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Foreword
The purpose of this report is to provide strategic marketing planning guidance to the Egyptian Tourism Development Authority (TDA) in regards to the development of tourist products in the Southern Red Sea. As the government agency in charge of promoting and facilitating tourism investment along the Red Sea Coast (RSC), TDA has the challenge to create a favorable and competitive environment for investors in the areas under its management.

The rapid and successful growth of tourism along the RSC (including the Southern Red Sea) has been based on a tourism development model that does not longer respond to the needs and expectations of the most important tourist-generating markets. The generic resort-based mass tourism model is increasingly losing appeal among the higher spending segment of the European and American markets.

In that regard, the Red Sea Coast faces a serious marketing challenge. Beach tourism is to a very large extent (and with few exceptions) what could be considered the “commodity” of the tourism sector. The demand for this kind of product is very elastic as consumers find that one beach destination is easily replaceable with another one offering similar characteristics (sun and sand). This kind of product is dangerously price-sensitive and it is therefore generating cut-throat competition among resort developers and management companies in order to reduce their prices and attract ever increasing number of customers. As a consequence, the quality of visitor to Egypt’s coastal areas is rapidly deteriorating, thus affecting the economic benefits yielded from the activity. Anecdotal evidence points to the fact that the RSC’s product is being perceived as a low-price, low-quality destination.

From a sustainable development perspective, this marketing challenge is having a negative effect on the fragile environment that is the basis upon which this product is built. Several planning reports and studies have documented the environmental, cultural and social problems that the RSC is currently facing as a consequence of the prevailing tourism development models. Tourism-related urbanization is one of the major contributors to this problem, as identified by the National Environmental Action Plan of Egypt 2002 / 2017. These documents have clearly identified additional threats to the cultural and natural environment of the RSC, including the lack of funding for conservation and adequate management of the region’s heritage sites and the lack of management capacity to enforce environmental regulations that protect reefs from unregulated diving. Additionally, the inclusion of the different Bedouin tribes scattered around the coastal areas into the tourist industry has yet to respond to participatory approaches that allow them to decide how to present and sell their culture to visitors.

This report presents hard data that confirms that while some regions of the RSC have lost their value and market share, the Southern Red Sea is at a point where this marketing challenge could be successfully addressed. In order to do that, we are using a Destination Management Planning approach to the development and marketing of this particular region of the Red Sea Coast. This approach recognizes that the Red Sea Coast consists of a number of diverse tourist areas, each with distinctive resources that require differing development and marketing strategies.

Destination management planning is a dynamic and ongoing process that takes a research-based, integrated perspective of destination development and marketing. As such, the preparation of this Destination Management Plan (DMP) for the Southern Red Sea has drawn on all the available research data and involved a wide range of actors and stakeholders from the different organizations associated with the tourist industry in the destination. However, as a TDA planning initiative, this document substantially presents a TDA perspective. As such, the outcomes of this report feed directly into TDA’s activity plan within the framework of the LIFE Red Sea Project. For implementation partners and key stakeholders, the DMP should serve as a guiding document and a tool to inform decision-making and guide effective tourism development and marketing at a destination level, consistent with an informed view of the needs and interests of visitors.

Our finding, analysis and recommendations are intended to assist TDA in setting the foundations of a new, more sustainable tourism development model that would maximize the benefits for all actors involved while preserving the environmental integrity of the region. We are confident this new model would contribute to help TDA meet its institutional goal of promoting and facilitating more and better investment in tourism infrastructure in the RSC.
Acknowledgements
This report represents the synthesis of different technical reports produced by different consultants in an almost 1-year period of time. The authors of this DMP would like to acknowledge the contribution and hard work put by all researchers involved in this unprecedented effort. They include US-based tourism specialists Miguel Baca, Tracy O’Toole, Manuel Knight from PA Consulting Group and Sandra Chesrown; UK-based market research specialists Sue Mather and Graham Todd from Travel Research International; and Egypt-based researchers Mohammed Mohana, Ahmed Mousa, Wael Salah and Elena Meshkova. We specially thank Ahmed Hassan, former LIFE Red Sea Component B leader, who led and facilitated the development of the DMP. A full list of their specific reports is presented as Annex A: List of Reports and Bibliography Consulted.
Executive Summary

Understanding Tourism Destinations

A tourism destination is usually defined as a geographical location (with spatial and physical properties) which contains easily recognizable tangible and intangible characteristics (such as a history, people, traditions and way of life). Destinations are central to the development of the tourism industry because unless people want to go somewhere, provisions for transporting them, lodge them, feed them and entertain them will be in vain. “Being there” – the destination factor – is the reason for tourism.

From a marketing planning perspective a destination is two distinct but interrelated things:

It is one product (we speak of “Egypt” or “New York City”) that comprises every kind of tourism organization and operation in its geographical area (hotel, transport, attractions, etc.).

It is also a mental concept in the minds of tourists and potential tourists. In that regard, a destination is also something that not only exists but also it is thought to exist.

A destination marketing planning approach to tourism development is a proven and effective management system that enables tourism management organizations to meet their market, industry and government obligations. The result of an exercise like this is usually a Destination Management Plan.

The preparation of this Destination Management Plan (DMP) used a value chain approach. This approach allows us to identify the main components along a chain that creates tourism products with high value-added. These products in turn, contribute to enhance the competitiveness of the destination by promoting a longer stay and higher spending by visitors.

PA has developed the Integrated Destination Planning and Management (IDPM) approach as a tool for the application of value chain analysis in planning and managing tourism destinations. An IDPM approach treats tourism destinations as products that need to be planned, developed, packaged and sold to a series of very specific markets. In that regard, IDPM is based on the assumption that a competitive tourism destination is the result of a market-driven planning process. The graphic below illustrates the value chain for a typical tourism destination:

IDPM provides a framework to effectively incorporate the different issues affecting the tourism planning and management processes, and to fully address them at the destination level.
The Destination Management Plan Process

The LIFE Red Sea Project embarked on this process of strategic planning for tourism in the Southern Red Sea Coast on March 2006. This process was structured in a series of stages that are described below:

**Destination Assessment and Framework Definition.** This first stage took place between March and April 2006. It consisted on a first, rapid identification of the main physical and marketing characteristics of the destination. This stage provided the opportunity for the consulting team to familiarize with the goals and objectives of the LIFE Red Sea Project and incorporate them as an element in the definition of the planning framework.

**Data Collection for Situational Analysis.** The research for this stage was conducted between April and September 2006 and took place in Cairo, Marsa Alam, Hurghada, the Southern Red Sea and Washington DC. The final results of the visitor survey and product assessment were only available in mid-October.

**Data Collection for Strategic Analysis.** The research for this stage was conducted between July and September 2006 from London, UK. This information was used to prepare a visitor profile and determine potential demand in the Southern Red Sea. The final results of this research project were available at the end of October 2006.

**Report Preparation.** The finalization of the DMP is aimed to be a collaborative and participatory process that actively involves TDA. In that regard, this stage has focused on preparing a situational and strategic analysis, which includes a suggested vision and positioning strategy for the Southern Red Sea. Therefore, the strategic planning and action planning sections of this report intend to be merely indicative and reflect the opinion of the consulting team and the LIFE Red Sea Project staff. It is expected that strategic planning sessions will be conducted with TDA in Cairo to further refine and finalize this document.

Situational Analysis

**Tourism Resources**

*The following conclusions could be drawn from the analysis of the tourism resources available in the Southern Red Sea:*

- The region has strong potential for the development of cultural, adventure and nature-based tourism products given the range of natural and cultural resources available. However, most of these resources are currently underutilized and have not been turned into attractions.
- The main tourism resource of the area is the Red Sea Coast, which is considered a Category 1 attraction. The sound management of this resource is currently being challenged by issues related to indiscriminate fishing, urbanization of coastal areas due to tourism and poor waste management.
- At the moment, there is not an iconic, anchor natural or cultural attraction in the Southern Red Sea that could be considered at least, Category 2.
- In spite of these problems, the environment of the Southern Red Sea remains relatively undisturbed and pristine. This is considered the main comparative advantage of the region and constitutes the main “pull” factor for visitors.
- The WGPA is currently underutilized as a tourism attraction because of the lack of management systems, lack of visitor infrastructure and poor marketing and promotion. However, the WGPA has the potential to be developed into a Category 2 tourism attraction.
- Visits to see the Camel Market in El-Shalateen are currently one of the most popular day excursions available in the Southern Red Sea. There is great potential to develop it into a higher-value product that provides local people the possibility to engage in the offer of tourism-related services.
- The Roman mining settlements scattered around the Eastern Desert and WGPA face several challenges to become tourist products. One of the most important bottlenecks is the lack of funds for necessary consolidation work. Several tour operators are interested in including this sites in future desert trips.
- Local human resources are not well trained or have the educational base to be successfully inserted into the tourism industry. There also seem to be cultural traditions that make it difficult for local people to have more sedentary employment.
We have developed the valuation index based on work undertaken by the World Tourism Organization (WTO). This index consists of three different categories of attraction that are defined as follows:

**Category 1.** These are tourism resources of exceptional traits and great meaning for the international tourism market. They are able to generate a significant influx of visitors by themselves.

**Category 2.** These are resources able to generate an important influx of a particular type of visitors by themselves or additional types of visitors in combination with other nearby attractions.

**Category 3.** These are resources presenting certain characteristics that could be of interest to visitors attracted to the destination for other reasons.

The results of our evaluation for the main tourism resources of the area are presented in the table below:

<table>
<thead>
<tr>
<th>Tourism resource</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red Sea Coast (and marine environment)</td>
<td>1</td>
</tr>
<tr>
<td>Wadi el-Gemal Protected Area</td>
<td>3</td>
</tr>
<tr>
<td>El-Shalateen</td>
<td>3</td>
</tr>
<tr>
<td>Roman mining settlements</td>
<td>3</td>
</tr>
</tbody>
</table>

*Source: PA Government Services, Inc.*

Tourism Products and Services

*The following conclusions could be drawn from the analysis of the tourism products and services available in the Southern Red Sea:*

- The current supply of accommodation is not of high quality (for international standards) and it is not diversified. It mainly consists of resorts catering to the beach and diving market as well as camps and tents, mainly targeting the mid to lower-end of the diving market. There is a clear lack of accommodation with character, uniqueness and individuality that could appeal to more sophisticated segments of the market.
- Companies offering tourist products and services in the SRS are highly specialized and have not yet diversified their portfolio of products. However, this is changing as increased competition is forcing operators to create more added-value for their products.
- There are serious concerns about the potential overdevelopment of the area for both environmental and economic reasons. The rapid urbanization of the coast will lead to damage to the coral reefs. Equally important, oversupply of accommodation will irremediably lead to a deterioration of prices and therefore, the quality of the accommodation product. The right amount and kind of accommodation should be developed in the destination.
- Food services are adequate but generally unavailable outside of the resorts and hotels of the area. Additionally, there has not been an effort among operators to develop a traditional local cuisine that could be properly presented to visitors, either outside or within the resorts. This would reinforce the image of the destination and promote integration of local producers into the tourism supply chain.
- Access to the region and transportation from other destinations within Egypt is one of the main problems faced by the Southern Red Sea. Currently, access is only possible via charter flights or via road from Hurghada (5–7 hours). Security concerns limit the possibilities of connecting the Southern Red Sea with the Nile Valley and the reliance on charter flights (100% at the time of writing) limits independent travel but also causes the image of the destination to suffer.
- Water-based activities currently dominate the market. Inland excursions tend to be short in duration and scope (half or full day maximum). The beach-goers engage in
both water-based and inland excursions. However, oversupply of diving and water-based facilities is causing prices and quality of the product to drop. While some community-based and cultural activities are available, these are usually poor in quality and market appeal.

- Local communities see their access to the guiding market severely limited by current regulations in Egyptian law. The two main markets in the Southern Red Sea (diving and beach tourism) use a combination of local and foreign guides, although local guides refers almost exclusively to Egyptian guides from areas outside the Southern Red Sea.
- The lack of interpretation facilities, particularly inside the WGPA is seen as a constraint to develop higher-value nature products in the area.
- There is not a well-developed handicraft sector in the area that could meet the market’s demand for authentic and traditional items. However, there is potential among some of the Bedouin communities to develop such sector.
- Prices received by local operators for different tours and packages to the Southern Red Sea (including diving and inland excursions) tend to be on the lower end of the spectrum. This is not to say that prices paid by visitors are necessarily low but that the percentage that ends in the hands of international tour operators is rather high. This seems to respond to the nature of the product and the fact that the international tour operator is currently responsible for all marketing and international travel costs.
- Natural and cultural tours are equally or more yielding on a per person daily basis than diving or beach accommodation packages. However, sales volume of these latter packages compensates for low prices.
- The overwhelming majority of diving and beach packages are still sold through international tour operators, either online or through a travel agent. However, all inland tours are booked directly on-site as these are usually offered as options only upon arrival. This sales strategy allows inland operators to keep most of the money paid by the visitor for the tour but in return, reduces his ability to sell in advance and get more customers.

**Destination Image, Branding and Promotion Strategies**

*The following conclusions could be drawn from the analysis of the Southern Red Sea’s destination image, marketing and promotion strategy:*

- There is currently not a specific brand, marketing or promotion campaign specifically for the Southern Red Sea. The Egyptian Tourism Authority (ETA) promotes the “Red Sea Riviera” as an umbrella brand for a series of destinations of very different values.
- The “Red Sea Riviera” brand is focused on a single product: sun and sea tourism. Therefore, this brand fails to meet the needs of a destination like the Southern Red Sea that wants to promote its cultural and natural attractions.
- Due to the lack of a destination-wide marketing strategy, a “micro-marketing” approach prevails in the area, whereby specific companies are responsible to market their own products. This is exacerbating the reliance on international operators as they take responsibility for marketing and promotion of individual products in the main tourist-generating markets.
- This area has a good image in terms of security, health and service quality, particularly when compared to other coastal areas in Egypt among tour operators and travel trade. However, it is felt that as resort development sprawls further south, this area is bound to become another low-quality, low-price destination.
- The most cited qualities characterizing the Southern Red Sea were: “remote, isolated”, “good value for money” and “pristine and relatively undeveloped”. These should be the building stones for a brand for the destination. However, there has not been a systematic effort to develop and market this area as a distinct product.
- The region has a well-established brand image as a diving destination in the international diving market.
- The destination is well-known for their coastal and marine resources and not the natural desert-based or cultural features. In that regard, it will be necessary to slowly build an image as a nature, adventure and cultural destination based on the same attributes mentioned above (pristine, remote and good-value for money)
Destination Market Analysis
The following conclusions could be drawn from the analysis of the current market demand for tourism product and services in the Southern Red Sea:

- The overwhelming majority of visitors to the SRS are citizens of European Union member countries with Italians, Germans and British citizens making up the thrust of the market.
- The elderly and young independent travelers to the SRS are minimal and the bulk of tourists are employed business professionals ranging in age between 30 and 49 years that travel in couples or groups of three.
- The majority of Southern Red Sea tourists are blue-collar workers coming from middle class households throughout Europe and composed primarily of high school or technical school graduates. The majority of survey participants earned an average household income of between 25,000 and 49,000 Euros.
- The Internet and travel websites provide the bulk of travel information for visitors to the SRS with the very few independent travelers in the region booking each component of their trip on-line. The data highlights the importance of marketing the Southern Red Sea Coast via Internet websites to foreign tourists, as this is the main outlet for future travelers to the region.
- The majority of survey participants indicated that they preferred 4 to 5 star hotels or small charm hotels and eco-lodges while traveling to the SRS. The range of accommodation is growing along the Red Sea but currently doesn’t meet demand, as few high-end hotel options are available.
- Half of the visitors surveyed prefer full room and board as part of their tour package while vacationing on the SRS. These results capture the all-inclusive nature of the Southern Sea tourism market. In fact, there are currently few if any options for dining outside of the resort and due to the remote location, visitors do not have access to public transport or taxis to access outside food sources.
- The overwhelming majority of visitors indicated that they preferred to participate in water-based activities such as snorkelling and diving during their trip. The survey results demonstrate that in the Southern Red Sea, the dive market remains one the primary ones.
- Visitors have indicated an interest in participating in desert excursions in order to experience Bedouin traditions and understand local communities, culture and history. Visitors expressed a feeling of isolation from the local community and have a genuine desire to pay for excursions involving local interaction with the local population.
- A high percentage of visitors indicated that they would like to buy locally made handicraft items during their trip to the Southern Red Sea. The desire to buy jewelry spices and traditional clothing also proved quite popular with tourists in the region. Together the top four most desirable products for tourists to buy as souvenirs and/or gifts demonstrated a strong desire to connect with the cultural uniqueness of the region and the majority of tourist sought to buy something that was authentically “Egyptian”.
- The majority of tourists to the SRS has visited the country before and are now seeking traditional handicrafts and new excursion experiences to keep them coming back year after year as a complement to water-based activities.
- The vast majority of visitors indicated that they had booked this particular trip to the SRS using either a travel agent or booking directly through a tour operator. This data is telling because it demonstrates once again that any successful destination management plan must fully engage the private sector tour operators and travel agents in order to be viable.
- The majority of visitors surveyed stated that the primary motivation of their trip to the Southern Red Sea was diving. The results demonstrate that the Southern Coast is already an established dive location and its notoriety is growing. 38% of respondents cited a beach holiday as their primary motivation for visiting the Southern Red Sea.
- The main market in not high-end tourism but rather tourists seeking value for money; further demonstrating the price sensitivity of the market. Currently, the Southern Red Sea Coast provides an affordable holiday get away for middle class European couples and family with pristine marine life and beautiful desert.
- The vast majority of visitors didn’t overnight outside of their hotel while participating in land based excursions in the region. The low numbers of visitors spending the night
outside of the hotel during excursions is due in part to limited availability of safe, clean and reliable sources of desert accommodation.

- Divers indicated that better environmental protection of the reef and surrounding desert would encourage them to visit the area again. Visitors value the unique marine ecosystem of this area and awareness of ecotourism is growing. Many cited poor signage regarding environmental protection of the reef and many felt that the reefs were being over-used by snorkels and divers alike.

- Beachgoers surveyed stated that they would like more interaction with the local community. Many state that they had not even seen one Egyptian woman during a two-week long trip and that they felt completely isolated from the local culture. Hence, there is definitely a strong demand for more culturally oriented excursions for visitors that will allow them to experience first hand the cultural traditions of the region.

- Visitors would like to see additional cultural heritage excursions that would allow them to get a taste of life in the desert. Many tourists were disappointed by the low quality of so-called oriental dance shows and felt that more entertainment and tourism products needed to be develop around the culture of the region. After all, visitors are coming to Egypt not only for its beautiful waters but also to sample life in the orient and currently the destination falls very short of providing this needed cultural interaction.

- The comparison between the trip booking habits of divers and beachgoers in the Southern Red Sea demonstrates that divers have a slightly higher percentage of long-term planning habits while beachgoers tended to book more at the last minute.

- Beachgoers provide the bulk of in-land tourists as they have more available time for in-land based excursions, it isn't surprising that they on average participate more in activities such as trips to Luxor, Bedouin Feats and photography tours.

- Divers are notably more concerned about better environmental conservation and the prevention of mass tourism. However beachgoers, while concerned about environmental issues; are more eager to see the development of cultural heritage excursion options and to have access to locally made products.

**Strategic Analysis**

**Trends in Key European Markets**

The LIFE Red Sea consulting team was additionally engaged in qualitative research in the main tourist generating markets in Europe, particularly in the growing segments of adventure, culture and nature-based travel. The decision to focus the research on these markets lies on the opportunities presented to the Southern Red Sea by both its environmental and marketing characteristics.

The market information provided in this section was gathered using internationally accepted best practices in professional market research with 20 companies in eight European markets (Austria, Finland, France, Germany, Italy, Netherlands, Spain and the UK). In order to keep the research effort focused, questions focused on 12 destinations in the Middle East and Africa that were considered to be competitive to, or offer useful comparisons for, the range of products that could be developed in the Red Sea project.

*The following conclusions could be drawn from the analysis of the current trends in the key adventure, nature-based and cultural markets in Europe. The conclusions presented below are those that have implications in the development of the Southern Red Sea product:*

- The profile of the typical visitor from these markets matches the description of the international eco-tourist provided by different organizations. It is clear that the SRS is not currently attracting the bulk of their customers from these ranks.

- While online information sources are becoming increasingly common, they usually serve as initial points of reference (as do coverage of destinations in print media) and printed brochures remain the more common source of information. Reservations and sales still occur through the travel agent's office. There is wide variation on the time of booking before travel, with 2 to 3 months being the norm. Tendency to late bookings is becoming more frequent.

- While there is a strong interest in buying handicrafts that are unique to the areas visited, any element of actual or implied coercion in visiting souvenir shops is frowned upon by these visitors. Shopping is preferred in spontaneous environments.
The more mainstream segments of these markets (soft-adventure) tend to prefer international style accommodation and tend to choose their trips on lodging being up to their standards. The more specialized (hard-core) segments DO NOT buy their trips based on accommodation options but the quality of the overall experience. For both segments however, individuality and character of the accommodation option are very important (be lodges, small hotels, camps or any other type). Low density is preferred than over-development.

Quality of interpretation, particularly in the case of guides, is critical for these markets. There is a strong preference for local guides with a good knowledge of the area, thus able to provide a “local feel”. Language skills are paramount for tour operators.

In natural protected areas, the specialized (hard-core) adventure tourists expect high environmental standards but not a developed or sophisticated physical infrastructure. Appropriate solid waste management is more important than US-style facilities. The mainstream segments (soft-adventure) on the other hand, welcomed more facilities such as visitor centers and interpretation centers.

A wide range of active pursuits are preferred by these markets. However, their preference is not necessarily for “activity” vacations but for being constantly “on the move” (i.e. not based in one location). In Egypt and North Africa, activities broadly concentrate on enjoying the natural environment of the desert, mountain and cultural sightseeing.

Visitors appreciate authentic encounters such as going to remote villages, meeting local tribes, discovering local events, visiting festivals put on for local people. Organized activities are regarded as “too touristic” and these markets do not have a preference for organized entertainment.

Tours to southern Africa average, at the low end, around 65% more expensive that those to Egypt and North Africa, while at the high end they cost 84% more than up-market tours to these nearer destinations. This difference is due to distance, costs and image of the destinations. Egypt and the Middle East do not seem to have as exciting an image as sub-Saharan Africa among the adventure/nature-based market.

These markets seem much less likely to repeat the same destination, partly because they are more likely to explore the full range of destinations on offer than simply return to the same place year after year.

Egypt is generally regarded as good value for money among these markets. Hotel standards are considered to be good but there are concerns over food hygiene.

North Africa, Egypt and the Middle East are not high on these market’s “wish lists” and do not have as exciting an image as sub-Saharan Africa largely because of the large charter market, which tends to damage a destination’s reputation or at least its exclusive image.

The presence of an iconic site (an attraction Hierarchy 1) such as Petra, Victoria Falls or Mount Kilimanjaro is the prime draw card for these markets (pull factor). A combination of natural features (such as desert, mountains and beach) and a cultural appeal added to the appeal, even for holidays based on away-from-it-all activities.

There is doubt about the extent to which Egypt will be able to deliver a more up-market and specialized product against the background of its image for relatively inexpensive holidays at the coast.

Price was frequently mentioned as a factor in the success of a destination among these markets. However, this was more apparent for some of the Middle East / North African destinations than for the Sub-Saharan African destinations. It is interesting to notice that in the case of Egypt, price ranked higher than the attraction of its natural areas as a success factor.

Most specialized tour operators expressed interest in learning more about the Wadi Gemal Protected Area but also stated that it would be unlikely to act as a stand-alone destination. It would most probably be offered as an extension to existing holidays in the country. However, more information on the WGPA would be needed before they commit to anything.

Proposed number of days that visitors would stay in the area ranged from 1 to 8, with the most common answer suggesting a length of stay of 2 – 3 days in the Southern Red Sea.
Competitor Analysis

The following conclusions can be drawn from the competitor analysis conducted among the 12 destinations that were considered to be competitors of, or present useful comparison with the proposed developments in the Southern Red Sea:

- The destinations evaluated could be clearly divided in two types: the “ecotourism” destinations and the “soft-adventure” destinations. The former are primarily located in Southern / Eastern Africa and the latter in North Africa / Middle East. These findings are consistent with the analysis of trends in the key European markets.
- While there is a general consistency among the prices of packaged tours to all these destinations, it is very clear that on average, prices and length of stay to “ecotourism” destinations are higher than “soft-adventure” destinations.
- From the soft-adventure destinations evaluated, Egypt is perhaps the best positioned among the adventure / cultural / nature based markets from Europe, due to a combination of natural and cultural resources. It is also well positioned as “good value for money”.
- Egypt is NOT perceived as a cheap destination among the soft-adventure destinations of North Africa / Middle East. As a matter of fact, the mean cost per day of a packaged tour of this kind to Egypt is the highest among all the evaluated destinations (Egypt, Tunisia, Morocco, Jordan and Turkey).
- Likewise, the average cost of a packaged tour of this kind to Egypt is the highest among all evaluated soft-adventure destinations.
- On average, the length of stay of these visitors to Egypt is higher than most soft-adventure destinations, second only to Morocco. However, average length of stay is not as high as it is the case in most “ecotourism” destinations. Additionally, the wide range of accommodation options and transportation are very similar in all destinations evaluated with a clear emphasis on “character, authenticity and uniqueness”.
- Egypt does not rely as much on chartered flights as other soft-adventure destinations from the North Africa / Middle East region. This might explain its favorable positioning vis-à-vis their competitors who, on average, rely almost 45% on this type of flights. As discussed above, reliance on charter flights tend to depreciate the value of a destination.
- Egypt is perceived as containing more “pull” elements and attractions than most competitors. This variety of resources and products allows tour operators to craft packages including a combination of traditional activities such as sightseeing and sunbathing with more active pursuits such as exploring the desert and diving / snorkelling. These combination packages are very appealing to the soft-adventure market.
- Unlike “ecotourism” destinations, nature observation and visits to natural protected areas are not the focus of the itineraries and packages to soft-adventure destinations. However, there is always a small nature observation and enjoyment component that usually involves desert environments.
- Almost all packages in soft-adventure destinations include a beach or diving component in coastal areas. This is increasingly becoming the case in some “ecotourism” destinations in Eastern Africa such as Tanzania and Kenya, beach tourism is currently being developed and aggressively marketed.
- Regarding diving destinations for the European market, Egypt has a very good reputation for the quality of the diving and affordable prices. This is due to a combination of factors including distance from main markets, image of the destination and type of development on coastal areas.
- Egypt however, is at the bottom of the price spectrum with prices here ranging from a third to one half of the price of packages to competitor destinations. This situation could be explained by the shorter journey time but also by the overall image of the destination.
- The average price per dive in Egypt is on average, the lowest of all evaluated destinations. However, there are big differences within Egypt and the SRS has managed to keep prices on the middle to upper range, comparable to those available in long-haul diving destinations such as the Caribbean and the Indian Ocean.
The average length of stay of divers in Egypt is also the shortest of all compared destinations. This might be partially explained by the shorter journey time, making it possible for divers to take shorter but more frequent trips.

It is noticeable that diving tours to all destinations tend to offer very few add-ons (such as inland trips and other type of excursion). However, packages to Egypt are among those that offer the fewer amounts of add-ons of all evaluated destinations. This situation prevents the diving industry to effectively integrate to other sectors of the tourism supply chain.

Unsurprisingly, the less a diving destination relies on charter flights the more exclusive its image (and therefore, the higher the prices). 75% of all diving packages to Egypt rely on charter flights, while for the country’s competitors that percentage is 20% at most. For the most exclusive diving destination (South Pacific), the percentage was 0%.

Egypt is not perceived in the European diving market as an exclusive and exotic destination as some of the most distant, newer destinations evaluated. Quite the opposite, it is perceived as a nearby, reliable, and good quality destination that allows European divers to get certified relatively fast and cheap so that they can then go to the more distant (and expensive) destinations.

In regards to eco-lodges, the same general division can be drawn between those located in “ecotourism” destinations and those located in soft-adventure destinations. This division can be drawn based on the different type of activities / attractions and general prices. Egypt’s ecolodges squarely fall in the latter category.

In “ecotourism” destinations (mainly Southern / East Africa) the main activities are built around game and bird-watching. In soft-adventure destinations (North Africa / Middle East) the primary activities are cultural and often involve visits to archaeological sites, local settlements and scenic attractions.

In general terms, prices for ecolodges in Sub-Saharan Africa are in the up-market, luxury and high-end category whereas prices for those in North Africa / Middle East are much cheaper. It is interesting to notice that prices for the ecolodge surveyed in Egypt were the highest for soft-adventure destinations. In that regard, Egypt’s ecolodges are uniquely positioned to take advantage of these characteristics.

Interestingly enough, while all surveyed ecolodges aimed at environmentally-sensitive tourism, few presented details of any explicit affiliation with any certification system (Green Globe 21, etc.). This should be interpreted as an indicator of the little relevance that this systems have for the market.

Destination Positioning
The Southern Red Sea is clearly positioned to take full advantage of Egypt’s relatively successful breaking into the soft-adventure market from Europe. However, the region should not abandon its current markets as they present a series of characteristics that make them useful as a base to build a higher-yielding customer base.

The key positioning strategy for the Southern Red Sea is to differentiate itself from other coastal areas in Egypt by reinforcing the value of its natural and cultural resources, in addition to the recreational value of the coastal-based beach product. Features that need to be developed in order to tap into these opportunities include:

**Main Physical Features**
- An iconic, category 2 nature-based tourism attraction (i.e. Wadi El-Gemal Protected Area)
- Pristine marine and inland environment
- Diverse and unique accommodation options
- Low density development both inland and on the coastal areas
- Variety of culturally authentic recreation (both day and night time activities) and shopping opportunities
- Friendly and sensitized local population
- Basic visitor infrastructure that does not overwhelm or compete with the natural and cultural environment
- Integration of the tourism infrastructure with the natural and cultural landscape
**Destination Image / Personality**
- Isolated, remote, untouched
- Relaxing, slow paced
- Adventurous, yet to be discovered
- A taste of the "real" Egypt, where it meets Black Africa
- Relatively upscale and sophisticated
- Socially and emotionally engaging

**Benefits of the Destination Experience for the Visitor**
- Relaxing and rejuvenating
- Educational
- Emotionally and physically fulfilling

**Positioning Statement**
“The Southern Red Sea is the most successful soft-adventure destination in Egypt, recognized internationally for its pristine environment and the vibrant richness of its living cultural heritage. As a traditional gateway to Black Africa, the Southern Red Sea will provide an opportunity for visitors to experience a real taste of the multi-cultural history of Egypt.”

**Destination Brand**
“The Southern Red Sea... Where history and nature come to life....”

**Strategic Planning**
This section presents a suggested strategic plan for TDA to implement the vision of the destination laid out in the previous chapter. The following strategic components are henceforth, presented as guidelines for TDA to coordinate product development and marketing work with the relevant agencies.

**Priority Markets Strategy**
The following tables present a summary of the different segments and markets suggested as a priority for the Southern Red Sea in the short, medium and long term.
Table 2  Priority Markets for the Southern Red Sea

<table>
<thead>
<tr>
<th>Segment</th>
<th>Source Market</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Italy</td>
</tr>
<tr>
<td>Diving</td>
<td>-</td>
</tr>
<tr>
<td>Sea and sun (beach goers)</td>
<td>1 - ST</td>
</tr>
<tr>
<td>Comfort adventure</td>
<td>1 - MT</td>
</tr>
<tr>
<td>Cultural explorers</td>
<td>1 - MT</td>
</tr>
<tr>
<td>Naturalists</td>
<td>2 - LT</td>
</tr>
</tbody>
</table>

Key:
1 = Primary
2 = Secondary
ST = Short-Term
MT = Medium Term
LT = Long Term

Source: PA Government Services, Inc.

It is important for TDA to devise mechanisms to prevent the overdevelopment of the coast with low quality accommodation products in order to consolidate existing markets. This concern has been raised by both visitors and travel trade alike. A rational approach to land development would also set the foundations for capturing the higher-yielding segments of the soft-adventure market.

Three segments of the “soft-adventure” market present characteristics that deem them a priority for the Southern Red Sea. Additionally, they would contribute to the achievement of the environmental and social development goals of the LIFE Red Sea Project. These segments are:

**Comfort Adventure.**
This segment is characterized by seeking engagement with new cultural and natural attractions, visiting sites and “discovering” areas off-the-beaten-path with a comfortable service. As such, it would be the ideal first segment to target as part of an effort to diversify the client base of the area.

**Cultural Explorers**
This segment is characterized by young to middle-aged people with no dependents, who seek to experience the “real” Egypt within a context of safety and familiarity. It would be a second segment to target once product development work in WGPA and Shalateen has been initiated and is proven to be more or less successful.

**Naturalists**
Efforts to attract this segment (the most similar in the soft-adventure market to the hard-core “ecotourist”) should be implemented in the long run. However, because of the characteristics of travel of this market, it should not become the focus of the strategy but rather keep them in mind as a secondary market.

**Product Development Strategy**
As a demand-driven process, the development of the Southern Red Sea’s tourism product should follow the priority markets strategy and not vice-versa. The proposed strategic components are:

**Branding, marketing and investment guidelines for the Southern Red Sea**
A clear and targeted branding, marketing and investment strategy must be designed and implemented by TDA in order to promote the type of development that is consistent with the region’s proposed image. The strategy should include the development of a concession scheme within the WGPA for the development of sustainable tourism-related activities.

**Nature-based and community-based product guidelines**
A program for the development of community-based and nature-based tourism products should be designed and implemented to facilitate the access of local peoples into the tourism industry. Products should span the entire length of the supply chain and include day-time and night-time activities.
**Improved environmental management for tourism service providers**

An industry-wide environmental management program should be a priority for the destination in order to better serve existing markets and tap into new ones. This program should not only focus on the hotel sector but also the diving industry, particularly the live-aboard segment as there is growing evidence of their contribution to the pollution of coastal waters.

**Upgrading of WGPA into a Category 2 tourism attraction**

The development of visitor management systems as well as appropriate visitor infrastructure in the WGPA is critical at this stage of development in the Southern Red Sea. The lack of an iconic nature-based anchor attraction is preventing the further development of the area as a soft-adventure destination.

**Development of Shalateen into a Cultural Heritage Attraction**

The development of Shalateen into a cultural heritage attraction is a priority given the increasing popularity of tours into the town to see the Camel Market. TDA should coordinate with the SRG to develop a series of attractions revolving around the themes of the Camel Market and the town's reputations as the gateway to Black Africa (Sudan).

**Diversifying accommodation options**

A specific plan for the development of guidelines and standards for alternative accommodation should be one of TDA’s priorities in the short run. The lack of unique and characterful accommodation constitutes one of the main bottlenecks for the development of a higher-value product and a reason of concern for the current markets.

**Promoting access of local people into the tourism market**

The participation of local people in the supply of tourism-related services is important for social, economical but also marketing considerations. Visitors to the Southern Red Sea are increasingly expressing their desire for interaction with local people, both inside or outside the resort. Currently, local people face several barriers to employment in the tourism industry due to educational, cultural and legal issues.

**Institutional strengthening of TDA**

As the lead agency, TDA needs to institutionalize the provision of market intelligence and strategic planning guidance to partners in the Southern Red Sea. In that regard, the creation of a Sustainable Tourism department within TDA would provide the type of guidance necessary to respond to the challenges posed by a constantly changing international marketplace.
Understanding Tourism Destinations – The Southern Red Sea Destination Planning Process

What is a Tourism Destination?
Defining a tourism destination is not an easy task. A tourism destination is usually defined as a geographical location (with spatial and physical properties) which contains easily recognizable tangible and intangible characteristics (such as a history, people, traditions and way of life). However, this simple definition falls short of explaining the many different qualities and components that make up a destination. Destinations can be single places but also conceptual entities which incorporate several destinations and locations. The “Silk Route” in Central Asia or the “Mayan Route” in Central America are examples of this latter definition. Whatever form they take; destinations are central to the development of the tourism industry because unless people want to go somewhere, provisions for transporting them, lodge them, feed them and entertain them will be in vain. “Being there” – the destination factor – is the reason for tourism.

From a marketing planning perspective a destination is two distinct but interrelated things:
It is one product (we speak of “Egypt” or “New York City”) that comprises every kind of tourism organization and operation in its geographical area (hotel, transport, attractions, etc.). It may literally include everything in a region – the people, other industries, the landscape, etc. – which may be part of the destination experience to the tourist, even though they are not specifically part of the tourism economy.
It is also a mental concept in the minds of tourists and potential tourists. In that regard, a destination is also something that not only exists but also it is thought to exist. That is why the concept of destination image is so important.

A destination marketing planning approach to tourism development is a proven and effective management system that enables tourism management organizations to meet their market, industry and government obligations.

Understanding Sustainable destinations
The environmental, social and cultural impacts of tourism development have in many cases undermined the integrity of the host destination and have threatened the economic viability of destinations. It has become increasingly clear that tourism-based economic development of a region cannot isolate or disengage itself from the social and natural environment that serves at its most key resource.
The concept of sustainable tourism promotes the notion that expansion and growth of the tourism industry and conservation of the environmental and social qualities of the host destination are not mutually exclusive. Moreover, it seeks to reinforce the idea that both are necessary to develop a competitive destination. In that regard, we define sustainable destinations as geographic areas where systems and planning mechanisms have been adopted so that:
- Environmental, social, cultural and economic costs are minimized
- Benefits for all actors involved (including visitors and local communities) are maximized
- Natural and cultural resources that serve as attractions are protected and enhanced

Methodological Approach
The preparation of this Destination Management Plan (DMP) used a value chain approach. This approach allows us to identify the main components along a chain that creates tourism products with high value-added. These products in turn, contribute to enhance the competitiveness of the destination by promoting a longer stay and higher spending by visitors.
As explained above, the development of tourism as a mere income-generating activity in many emerging destinations is leading to the irreversible deterioration of the resources that serve as key attractions. This in turn, is threatening the long-term viability of the industry as well as the environmental, cultural and social integrity of host destinations. While inadequate funding allocated to the tourism sector partially explains this situation, three problems characterize these traditional approaches to destination development:
Lack of an inclusive planning framework that incorporates industry and community stakeholders and acknowledges the multidisciplinary nature of tourism. In effect, traditional planning approaches isolate the tourism product from its social surroundings instead of effectively integrating them.
Undefined or weak destination stewardship. It is often the case that each of the actors involved in the production of tourism are focused on the performance of their particular sectors without thinking of the cohesiveness of the destination. The resultant organizational gridlock leads to the inadequate application of management systems to measure and control the impacts of tourism on the resources.

Poor understanding of the dynamics of the market. Over the last 15 years, the profile of the international traveler has undergone a radical transformation. New travel trends revolve around nature and culture to provide personal experiences. Most tourism development approaches, however, focus on the supply side of the market and pay little attention to demand.

PA has developed the Integrated Destination Planning and Management (IDPM) approach as a tool for the application of value chain analysis in planning and managing tourism destinations. An IDPM approach treats tourism destinations as products that need to be planned, developed, packaged and sold to a series of very specific markets. In that regard, IDPM is based on the assumption that a competitive tourism destination is the result of a market-driven planning process. The graphic below illustrates the value chain for a typical tourism destination:

TOURISM DESTINATION MANAGEMENT

TOURISM DESTINATION PLANNING

IDPM provides a framework to effectively incorporate the different issues affecting the tourism planning and management processes, and to fully address them at the destination level. This framework presents four distinctive characteristics:

Integrated. Few destinations are planned from scratch and most of them engage in planning when the tourism activity is at some stage of development. Therefore, planning and management should be viewed as complementary and mutually reinforcing processes aimed at organizing the already existing activity, setting the goals and objectives for the destination in the future, and implementing the systems that will guarantee the achievement of those goals and objectives.

Cluster-oriented. Tourism businesses require a series of support services and products not directly dependent on the tourism economy to operate. This interdependent network must function as a system if the tourism industry is to be competitive. If the planning and management processes fail to acknowledge this reality the destination will not be able to support a significant industry or sustain it in the long term.

Market-driven. The planning and management of a destination must be based on a thorough understanding of the changing dynamics of tourism consumption by the main tourist-generating markets, as well as the development opportunities they present for different actors at host destinations.

Participatory. The tourism industry can’t succeed in the long term if host communities do not benefit. The appeal of a destination is, to very large extent, a consequence of its cultural and social characteristics and these could rapidly deteriorate if local stakeholders perceive tourism as a threat rather than as an opportunity. Successful planning and management require being
sensitive to the needs of different stakeholders, including, but not limited to tourists, industry, local communities and governments.

One of the advantages of IDPM is that it does not replace individual business and organizations’ decision-making but leverages them through the provision of a broader destination-wide perspective. It promotes the concept of “coopetition”—cooperate to compete—by showing that the real competition is not the hotel next door but destinations thousands of miles away. The consulting team is confident that this comprehensive approach would allow for the successful preparation of a DMF for the Southern Red Sea that is realistic and quick to implement.

The Destination Management Planning Process
The process of developing a DMP typically consists in four clear steps: Situational Analysis, Strategic Analysis, Strategic Planning and Action Planning.

Situational Analysis. This step consists in an evaluation of the destination’s current performance with a particular focus on its market and product performance. This information will inform decision-makers of the main problems and bottlenecks faced by the destination vis-à-vis the management goals established by tourism managers.

Strategic Analysis. With the benefit of the information provided by the situational analysis, this step will focus on analyzing the opportunities and threats presented to the destination by its current performance, in face of the main trends in the consumer market and the challenges posed by the competition. As a result of this strategic analysis a vision and positioning strategy for the destination are expected to result.

Strategic Planning. This step entails the development of specific marketing and product development strategies that would lead to the accomplishment of the vision and positioning of the destination laid out in the strategic analysis. These strategies should be expressed in terms of operational goals.

Action Planning. This step focuses on the preparation of implementation action plans for each of the actors involved in the management of tourism at the destination level.

The LIFE Red Sea Project embarked on this process of strategic planning for tourism in the Southern Red Sea Coast on March 2006. This process was structured in a series of stages that are described below:

Destination Assessment and Planning Framework Definition. This first stage took place between March and April 2006. It consisted on a first, rapid identification of the main physical and marketing characteristics of the destination. It involved a series of field visits and interviews with members of the local private sector. This stage also provided the opportunity for the consulting team to familiarize with the goals and objectives of the LIFE Red Sea Project and incorporate them as an element in the definition of the planning framework.

Data Collection for Situational Analysis. The research for this stage was conducted between April and September 2006 and took place in Cairo, Marsa Alam, Hurghada, the Southern Red Sea and Washington DC. It consisted of a series of structured interviews with members of the private sector, public sector and civil society organizations in order to determine the current characteristics of the region’s tourism product. It also involved the implementation of a destination-wide visitor survey in order to characterize the profile of the current visitor to the Southern Red Sea.

Unfortunately, a series of events determine that this part of the process take longer than expected. The final results of the visitor survey and product assessment were only available in mid-October.

Data Collection for Strategic Analysis. The research for this stage was conducted between July and September 2006 from London, UK. It consisted in an evaluation of tour packages offered from the main nine (9) tourist-generating markets in Europe (Germany, Italy, United Kingdom, France, the Netherlands, Scandinavia, Spain, Switzerland and Austria) to twelve destinations that either compete or present useful comparison with the proposed developments in the Southern Red Sea. The research focused on the adventure, nature and cultural markets; with a strong emphasis on the mid to upper levels of the market. Additionally, qualitative interviews with 20 tour operators in the same tourist generating market were conducted to determine the main trends in the European adventure, nature and cultural segments of the market. This information was used to prepare a visitor profile and determine potential demand in the Southern Red Sea. The final results of this research project were available at the end of October 2006.

Report Preparation. The finalization of the DMP is aimed to be a collaborative and participatory process that actively involves TDA. As a document intended to provide strategic guidance for the promotion of private investment in the Southern Red Sea that is both environmentally sound and
economically viable, TDA’s ownership of the final results and recommendations is critical. In that regard, this stage has focused on preparing a situational and strategic analysis, which includes a suggested vision and positioning strategy for the Southern Red Sea. During a presentation delivered to TDA on September 2006, it was requested that the agency participate in the finalization of the report by providing its input for the strategic planning and action planning stages. In that regard, the strategic planning and action planning sections of this report intend to be merely indicative and reflect the opinion of the consulting team and the LIFE Red Sea Project staff. It is expected that strategic planning sessions will be conducted with TDA in Cairo to further refine and finalize this document.
The Southern Red Sea as a tourism Destination:  
A Situational Analysis

Tourism Resources Analysis
It is not the purpose of this report to present an analysis of the physical characteristics of the tourism resources available in the SRS. Several reports in the past have dealt with descriptions and inventories of the area’s natural and cultural attractions. Most of them have been consulted for the preparation of this section and could be found in Annex A: List of Reports and Bibliography Consulted. As a strategic marketing planning instrument, this report intends to evaluate the tourism resources of this area from a marketing and product development perspective. This means that we will focus on the availability (or lack of thereof) of the infrastructure necessary to turn this resources into tourism products. We will also evaluate the value-added of these products as well as the bottlenecks and problems identified for their development into successful products in the international marketplace.

Natural tourism resources

The Red Sea Coral Reef
Currently, the coastal areas and in particular, the coral reef extending along the Southern Red Sea coast constitute the main tourism natural resource of the area. Unlike other coastal destinations, there are very few natural beaches in the SRS, which makes it difficult to develop large-scale resort development in the area. Nevertheless, hotels and resorts catering to the sun and sea market are the predominant form of accommodation developed on the coast. Since statistical data for this area is usually lumped under the general numbers for the entire Red Sea Governorate (which also includes Hurghada, a larger and more popular tourism destination, it is difficult to determine the accurate number of users of the Southern Red Sea coast.

The Egyptian Environmental Affairs Agency (EEAA) has declared the stretch of marine environment between Ras Toronbi and Ras Banas as the Southern Red Sea Conservation Management Area (SRS-CMA). This CMA includes all coastal waters within the limits proposed for the Southern Red Sea destination. Part of this CMA falls under the jurisdiction of the marine portion of the Wadi El-Gemal Protected Area (WGPA). It is important to notice that under Egyptian law, a CMA is not a legally protected area. This ensures that there is not overlapping of jurisdictions between the SRS-CMA and the WGPA but rather synergies in the management approaches.

Compared to most other areas along the Red Sea Coast, the coral reefs wadis and other natural values of the SRS-CMA remain relatively undisturbed and pristine. This is primarily due to the remoteness of the area, as well as the absence of large urban and industrial centers. There is however, mounting evidence of an increasing deterioration in the quality of this natural resource. For example, hotel and dive operators alike have complained about the amount of plastic bags and other solid waste littering the waters and shores as well as the poor waste management practices implemented by the local authorities. These opinions are also reflected in the findings of the visitor surveys. Additionally, tourism-related urbanization of coastal areas has already been identified as one of the main threats to the health of the coral reef and the biodiversity they host.

In 2003, EEAA (with support of USAID) developed a comprehensive management plan for the SRS-CMA that included zoning and mooring strategies as well as policy implementation, community outreach and participation and capacity building components. [For additional information please see the “Conservation Management Plan for the Southern Red Sea” report, prepared by Tony Rouphel for EEAA in May 2003.] Very little of this management plan has been implemented to date. Nevertheless, there are some success stories in the management of the marine environment of the SRS-CMA. For example, clear and simple regulations have been developed for the Dolphin House and Elphinstone Reef in order to rationalize its tourist use. The regulations are welcomed by most tour operators and visitors alike who find the payment of an entrance fee (US $15) as reasonable. As a result, these sites have become very popular attractions and feature prominently in brochures and websites promoting diving in the Southern Red Sea. Likewise, EEAA is currently developing a “Manual for Best House Reef Practices” to assist resort and hotel managers better manage the coral reef adjacent to their property. The protection of the health of the Southern Red Sea marine environment is of
paramount importance given that it currently constitutes the main “pull” factor for international visitors to the area (the main reason for travel).

The Wadi el-Gemal Protected Area

This is one of Egypt’s youngest Protected Areas as it was only formally declared as such by the government in January 2003. WGPA is an environmentally and historically important area that for several years has received considerable attention from various government agencies and private institutions. The area, which includes Wadi Lahmi and Wadi Ghadir in addition to Wadi el-Gemal, is deemed important by the Egyptian government because of its biota and marine ecosystems that are unique to the Eastern Desert and the Red Sea, and because of the numerous antiquity sites located within this area. The “Land Use Management Plan: Southern Marsa Alam, Egypt” [prepared for the Tourism Development Authority (TDA) in 2003 by PA Government Services, Inc. under the Red Sea Sustainable Tourism Initiative II Project. (LUMP)] has identified and listed the many natural (both marine and terrestrial) and cultural attractions that could be found in the WGPA. A very well detailed, Management Plan was developed for EEAA in 2004. The report includes information on the park’s vision, resources, land uses, management goals, management issues, tools and resources, finance, and implementation and evaluation. It states that tourism is the most important use of WGNP and its natural and cultural resources. In spite of its potential, the WGPA remains a resource and has yet to be developed as a tourist product. Three main bottlenecks appear to be hindering its consolidation as a nature-based tourism product: marketing and promotion, visitor infrastructure and visitor management systems.

Marketing & Promotion

The amount and quality of literature available on the protected area is limited, inadequate and poorly distributed. This situation makes it difficult for operators to sell it to their customers. A notable exception takes place at Fustat Camp, where as part of the program, an excellent educational video is shown to visitors to inform them about the geographical, geological and cultural characteristics of the WGNP. This however, is an isolated effort and not a generalized practice implemented by the managers of the protected area. Most operators in the region are unaware of the fact that the WGNP includes a marine portion where many popular attractions are located. Among these attractions we find the Wadi Gemal and Qulaan Islands, as well as secluded public beaches such as Qulaan and Ras Hankorab. Several diving and resort operators currently offer day trips to these beaches and islands without realizing they are entering the WGPA. These operators would require more information regarding the attractions, facilities and products available in the area.

Visitor Infrastructure

While inland trips into the desert are increasingly popular most operators do not use WGNP as often as they could. Almost all operators indicate that it does not currently offer much value as an attraction, mainly due to the lack of visitor infrastructure. One interviewee stated that WGNP was too far away from his base of operations and was only worth exploring as a full-day trip. Another one stated that for his clients “any stretch of desert is the same”, which is equivalent to say that from his perspective; there is nothing in the WGNP that differentiates it from other parts of the Eastern Desert. This is an obvious problem that results in inland operators using parts of the desert that are closer to their base of operations instead of the WGNP. Since they have to provide all visitor-related infrastructures, they are better off reducing their costs by choosing desert areas more easily accessible. Limited or no visitor infrastructure in the WGNP also makes it hard for local inland operators to increase the range and length of their nature-based and adventure products within the protected area. This in turn, complicates the development of the Southern Red Sea as a nature-based, soft-adventure destination.

Visitor Management Systems

The area lacks systems and plans to attract and manage a steady influx of visitors. For example, standards for environmental management have not been established yet and therefore, the few visitors to the area are not aware of their expected behavior. Also, due to security concerns, military authorizations are required for visitors to overnight or explore the desert, whether as part of an organized tour or on their own. Securing those authorizations is
time consuming and burdensome. There is growing evidence that camping in the desert is an activity that many visitors would be interested in undertaking while visiting the area. Therefore, this issue needs to be solved or streamlined to make the process of obtaining them more efficient and less time-consuming. Additionally, as the desire to offer products that involve more cultural interaction with local communities grows, it is necessary to provide guidelines for the development of community-based activities within the WGPA that respond to the expectations of visitors. In that regard, the development of a visitor management plan is urgently needed. These three issues must be addressed with the goal of turning the WGPA into an attraction that could act as an additional iconic site for tourism into the area.

Cultural Tourism Resources

**El-Shalateen**

El-Shalateen is a town near the border with Sudan that it is becoming increasingly famous as a tourist attraction for its Camel Market. The half-day tour to see the market is one of the most popular trips from the resorts on the coast. As an important trading post between Egypt and Sudan, the town presents a unique combination of Arab and African traditions that have the potential to be developed into a “living cultural heritage” attraction. Nevertheless, the area still needs to be developed as a “destination within a destination” and offer a wider array of products that could promote a longer length of stay and additional expenditure by visitors.

Tour operators sell the Camel Fair as an exotic and colorful opportunity for sightseeing and learning about Bedouin culture. The typical itinerary to Shalateen includes a visit to the Camel Market, an opportunity to take pictures and watch the process of bargaining, selling and transporting camels, lunch at a local restaurant and then go back to the resort. The tours however, lack any sort of interaction with local people, reinforcing the role of the visitor as a “spectator” rather than an actor in the production of the tourist experience. As a result, visitor expenditure on locally produced goods and services is minimal, thus limiting the economic impact on the local population.

The consulting team identified three main (and interrelated) marketing challenges faced by Shalateen to consolidate as a successful product:

**Undefined image.** There is currently not a systematic effort to develop a brand and image for Shalateen. While the Camel Market is clearly the main theme of the town from the tour operators’ perspective, no marketing or promotional material has been produced to date that builds an image for the town revolving around this important aspect. This is not to say that Shalateen should become a “camel-centered tourist attraction” but that the camel market becomes the center of a tourism development strategy just like it has been at the center of the economic life of the town.

**Limited product range.** Currently there are no tourist products offered to visitors in Shalateen. Only a few service providers cater to visitors, usually as a link in the supply chain created by a private tour operator. These service providers are usually restaurants and handicraft shops. However, there is enormous potential for the development of community-based tourism products that involve experiencing local life and interacting with local people. For example, a handicraft workshop where visitors could learn about the traditional techniques of Bedouin weaving or the traditional process of using herbal remedies for cosmetic and health treatments could promote an extension of visitors’ length of stay and promote an effective integration of local communities into the tourism supply chain. Also, the Camel Market could be developed into an experience that provides interpretation and helps visitor to better understand the process, as well as its importance for the local economy. There are plans to move the Camel Market to a purpose-built facility that was visited by the consulting team. It is our opinion that doing that would substantially reduce the appeal of the market for foreign visitors, who are looking for a traditional experience rather than a regulated one.

**Lack of community involvement.** Community involvement in the provision of tourism products and services is very limited. Since local people and traditions constitute one of the main attractions of the area, it would be important to actively involve them in the production of products that could add value to the destination. This approach does not only make market sense, it also makes social sense. Local communities need to perceive that tourism is an activity that benefits them (economically, socially and culturally) and does not represent a threat to their livelihoods, traditions and culture. If the local population starts perceiving tourism (and tourists) as an enclave of development that does not trickle down to them, it could result in a negative change in their attitudes towards the industry. Some of PA Consulting’s work in the Caribbean has been focused on implementing remedial action to curb local people’s hostility...
towards an industry, they claim, does not benefit them. The lessons learned from the Caribbean should serve as a cautionary tale to prevent a similar outcome in the Southern Red Sea.

Roman Mining Settlements

In the Southern Red Sea, enormous quantities of emeralds, gold, and Amyant were mined at the ancient settlements of Sukait, Nuqrus, Sukkari, and Zabara. These mining operations resulted in the establishment of large towns where several hundred people in each town and surrounding settlements worked to construct and operate mines, smelt, process vast quantities of ore, and smelt metals. Today, most of these are in precarious state of conservation, scattered around the Eastern Desert. None of these archaeological sites is currently being offered as part of the tours in offer in the Southern Red Sea. Of the over 12 diving, tour and resort operators interviewed for the purpose of developing this product assessment, only one is currently offering visits to these sites as part of a 5-day desert exploration trek. This is a highly specialized package that is not part of the regular menu of activities offered by this operator and has only been sold twice in the past. However, at least two operators expressed a desire to create packages that involve visits to and interpretation of a couple of these sites (in particular, Sukait).

The archaeological sites face most of the same problems faced by the WGPA: poor marketing and promotion, lack of visitor infrastructure and lack of management systems. In the case of these archaeological sites however, the lack of management systems is exacerbated by the lack of funds to undertake expensive consolidation and restoration work. Archaeological consolidation is an important aspect of visitor management as the pressure put by the consistent flow of people could have a devastating effect on the site’s physical integrity. However, restoration work is perhaps less important in this context for two reasons:

Cost

Archaeological restoration work is extremely expensive and controversial. The lack of archaeological evidence about the original aspect, uses and other characteristics of the site might lead to its “Disneylandization”. Moreover, restoration work is extremely expensive and probably only justified when there is evidence of growing visitor demand. Work conducted by PA Consulting Group in Central America, in the context of the Inter-American Development Bank-funded Mundo Maya Program, determined that the “archaeological restoration” component of the US$75,000,000 loan would be equivalent to almost 25% of the total budget. In none of the individual countries the investment in this item was below US$ 3,500,000 and it usually comprised the completion of already commenced restoration work.

Visitor Demand

The characteristics of both current and potential demand for tourism products in the area clearly show that visitors are not necessarily interested in sophisticated infrastructure or US-style facilities. For these markets, the sense of adventure in “discovering” an untouched site (with good quality interpretation) would certainly be preferable to a reconstruction. It is recommended that unless there are funds available to conduct archaeological consolidation work, these sites are not open to visitor use.

Human resources

Most hotels, resorts and tourism business in the area employ very few local workers. During our interviews with resort and tour operators it was agreed that they would prefer to employ local people, especially as they are cheaper because they can commute between their residence and the hotel and do not require long holidays and travel allowances to visit distant families. Most hotels and tour operators indicated, however, that no well-trained staff is available locally.

Resource valuation index

We have established a relative value for each of the tourism resources identified in the area. Our evaluation has used a demand-based approach based on current and potential visitors’ preferences and priorities rather than the use of the resource (supply-based) approach. This approach is based on the assumption that the higher the value of a specific resource, the higher its potential to attract visitors.

We have developed the valuation index based on work undertaken by the World Tourism Organization (WTO). This index consists of three different categories of attraction that are defined as follows:
• Category 1 -- These are tourism resources of exceptional traits and great meaning for the international tourism market. They are able to generate a significant influx of visitors by themselves.
• Category 2 -- These are resources able to generate an important influx of a particular type of visitors by themselves or additional types of visitors in combination with other nearby attractions.
• Category 3 -- These are resources presenting certain characteristics that could be of interest to visitors attracted to the destination for other reasons.

The value for each of the sites has been determined on the basis of field observation, the results from the visitor surveys, statistical information on visitation (when available), interviews with service providers and tour operators, and an analysis of packages sold by the main operators into the area. This latter analysis includes the survey of international tour operators for the adventure / natural / cultural markets in Europe conducted as part of the preparatory work for the preparation of the DMF.

Table 3 Resource Valuation Index

<table>
<thead>
<tr>
<th>Tourism resource</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red Sea Coast (and marine environment)</td>
<td>1</td>
</tr>
<tr>
<td>Wadi El-Gemal Protected Area</td>
<td>3</td>
</tr>
<tr>
<td>Al-Shalateen</td>
<td>3</td>
</tr>
<tr>
<td>Roman mining settlements</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: PA Government Services, Inc.

Conclusion of the analysis of tourism resources

The following conclusions could be drawn from the analysis of the tourism resources available in the Southern Red Sea:

• The region has strong potential for the development of cultural, adventure and nature-based tourism products given the range of natural and cultural resources available. However, most of these resources are currently underutilized and have not been turned into attractions.
• The main tourism resource of the area is the Red Sea Coast, which is considered a Category 1 attraction. The sound management of this resource is currently being challenged by issues related to indiscriminate fishing, urbanization of coastal areas due to tourism and poor waste management.
• At the moment, there is not an iconic, anchor natural or cultural attraction in the South Red Sea that could be considered at least, Category 2.
• In spite of these problems, the environment of the South Red Sea remains relatively undisturbed and pristine. This is considered the main comparative advantage of the region and constitutes the main “pull” factor for visitors.
• The WGPA is currently underutilized as a tourism attraction because of the lack of management systems, lack of visitor infrastructure and poor marketing and promotion. However, the WGPA has the potential to be developed into a Category 2 tourism attraction.
• Visits to see the Camel Market at El-Shalateen are currently one of the most popular day excursions available in the South Red Sea. There is great potential to develop it into a higher-value product that provides local people with possibilities to engage in the offer of tourism-related services.
• The Roman mining settlements scattered around the Eastern Desert and WGPA face several challenges to become tourist products. One of the most important one is the lack of funds for necessary consolidation work. Several tour operators are interested in including this sites in future desert trips.

• Local human resources are not well trained or have the educational base to be successfully inserted into the tourism industry. There also seem to be cultural traditions that make it difficult for local people to have more sedentary employment.

Tourism Products and Services Analysis
This section evaluates the performance of existing tourism products and services in the Southern Red Sea. The information presented below was compiled and researched through qualitative methods, including field observation and interviews with local service providers. The interviewing process took place from March through September 2006 and included diving operators, inland tour operators, resort developers and managers as well as local representatives of international tour operators in the Southern Red Sea region. See Annex B for a more detailed explanation of the methodology, process, and limitations of this study.

Accommodation
There are at least 17 resorts and coastal hotels constructed or under construction in the Southern Red Sea destination area. The most northerly ones belong to the Port Ghalib development area (including Coral Beach Dive Resort and the soon-to-be-opened Sun International) and the most southerly one is Lahami Bay Beach Resort & Gardens, 120 Kms. south of Marsa Alam. In addition to these, accommodation options in the South Red Sea also include dive camps, such as Tondoba Bay and the Red Sea Diving Safari Camps in Marsa Alam and Lahami Bay. At the moment, overnight accommodation in the desert is not permitted; therefore, the existing desert camp (Fustat Camp) only operates as a day camp.

Many of the existing resorts are owned by local companies who also operate in other coastal destinations along the Red Sea Coast such as Hurghada and the South Sinai. But while ownership falls in local hands, management does not. The largest resorts of the area are usually managed by multinational management companies such as British Millennium, German Iberotel and Kalimera, Italian Venta Clubs and Swiss Hotel Plan. These companies also have the particularity of being extremely specialized in their product offer, meaning that they only offer accommodation services. With the exception of one local camp operator, who is considering the possibility of expanding his operations to include bird-watching tours, none of the interviewed operators offers a wide menu of inland or water-based activities. While this situation favors the development of small and highly specialized business, it also makes marketing and sales rather complex and costly.

Because prices in this area tend to be higher than say, Hurghada, the expectations for quality are higher. However, the concept of “quality accommodation” is interpreted differently by different services providers depending on the market they serve.

Among the diving and inland operators there was agreement that “high standards” for their customer base usually means comfort and cleanliness, not necessarily luxury. For the resort operators, “high standards” usually meant comfort and availability of the traditional trappings of beach mass tourism (i.e. air-conditioning, international food and beverages, nighttime activities, etc.). However, it has become more and more clear that a shift in the two markets is occurring and each of them is moving into the other's direction. For example, diving operators noted that more and more divers were moving away from the basic accommodation originally offered in the area (primarily tents) and choosing more comfortable accommodation that includes air conditioning and bedding. Likewise, beach goers increasingly prefer accommodation with character and individuality rather than the cookie-cutter beach resort with no personality. Both resort owners and dive operators are responding to this market challenge with an adaptation of their products. In the case of resort-owners for example, one company is currently investing in a small, 50-room lodge that will be sold as an exclusive luxury hotel with a distinct brand. Also, a group of investors recently opened a small, 30-room hotel with a high quality of service. In a radical shift from the traditional modus-operandi of the area, this hotel will not offer all-inclusive packages but food will be sold “a-la-carte” separately. Diving operators are starting to offer a wider menu of accommodation possibilities to their customers, ranging from tents to luxury chalets. Those diving operators who are not adapting are having an increasingly hard time selling their packages, as stated by one of the interviewees.
Serious concerns were raised by diving, inland and even resort operators regarding the potential overdevelopment of the area. For most of them, policies pursued by the Tourism Development Authority (TDA) and the Red Sea Governorate (RSG) should be geared towards protecting the environmental uniqueness of the area. Moreover, it was widely perceived that these policies should also focus on reducing the supply of low-quality accommodation, thus avoiding prices (and quality) to deteriorate.

**Food services**

Food services in the area are generally only available in the resorts or hotels. An evaluation conducted by the consulting team at different resorts and camp dives in the Southern Red Sea confirmed that the variety and quality of food is diverse, although basically European. However, it seems that visitors’ interest for authentic, original products also extents to the realm of food. Many respondents indicated that customers inquire more and more for local food and express their surprise when this is not offered. Two respondents indicated that when local food is served, visitors get negatively surprised by the presentation of traditional Egyptian food. This situation however, seems to respond to a lack of interest from resort and hotel managers to experiment and develop a traditional local cuisine that could be properly presented to foreign visitors.

Most restaurants outside of the resorts cater basically to the local market and do not have the food handling and presentation skills necessary to instill confidence on foreign visitors. However, there is evidence that with proper training and in partnership with private operators, some of these restaurants could cater to the tourism market. For example, in Shalateen, visitors are taken to a local restaurant whose second floor has been adapted (in terms of cleanliness and physical distribution) to receive tourists. Camel meat and traditional bread is served along more international staples such as fried chicken, French fries and rice. The result is a semi-authentic experience that the current market certainly appreciates. Additional training and the development of an international standard local cuisine will facilitate integration of local producers to the tourism market as well as the reinforcement of a brand image for the destination.

**Transportation and Access**

Accessibility to the area is often considered one of the main problems for the development of a higher-value tourism industry in the destination. Currently, it is only possible to reach the Southern Red Sea via charter flights arriving from Europe into the Marsa Alam International Airport or via road from Hurghada (a journey taking between 5 to 7 hours, depending on final destination along the coast). Road connections to other tourist areas in Egypt are not allowed at the time of writing. This situation determines that the Southern Red Sea be poorly integrated with the rest of destinations and attractions around Egypt, thus making extensions very unpopular among visitors to the area. To illustrate this situation, they pointed at the fact that it took at least 6 hours to reach Luxor from Marsa Alam (the northernmost point in the Southern Red Sea Coast) via road, while no air access was available. The reason for this 6-hour trip (12 hours round trip) is that access to the Nile Valley from the Red Sea Coast is only possible through Safaga. Security concerns have determined that the road directly linking Marsa Alam to Edfu is off-limits to visitors as no convoy has been set up for this more direct route. Currently all tourist travel to the Nile Valley through the Eastern Desert takes place at fixed hours in convoys. These have been organized in light of the Luxor attacks of 1997.

Only two respondents indicated that their companies offered extensions from this area to the Nile Valley. None of the respondents currently offers extensions to the other areas in the Red Sea Coast. Not surprisingly, those two respondents were local representatives of two large international tour operators. Moreover, one of the respondents indicated that such extensions were only available to customers in their country of origin, with the stay in the Southern Red Sea being the extension to the trip to Luxor rather than the other way around. It is noticeable that most local operators believe that the region hosts enough resources and attractions to merit a trip without extensions to other areas of Egypt. Therefore, this relative isolation does not seem to worry them at this time. Limited accessibility to the area however, does pose a challenge for local operators to directly market their products, thus exacerbating their reliance on international tour operators.
Tours and Activities

With the exception of the beach-goers whose primary motivation to come to the Southern Red Sea is to relax and enjoy the beach, active pursuits are among the main activities undertaken in the area. A clear distinction can be drawn between diving and resort operations and inland tour operators. The former favor water-based, coastal activities such as open water diving, beach diving and snorkelling, while the latter favor excursions and land-based activities with a local community component. Since water-based activities are the predominant type, land-based excursions tend to be short in duration and scope. Diving packages sold by local operators are on average between 7 and 15 days long, while land-based excursions range on average from 4 hours to one full day. The table below summarizes the main activities outlined for each destination:

Table 4 Most Popular Activities by Destination

<table>
<thead>
<tr>
<th>Destination</th>
<th>Activity 1</th>
<th>Activity 2</th>
<th>Activity 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Red Sea</td>
<td>Diving / Snorkelling</td>
<td>4X4 tours in the desert</td>
<td>Stargazing tours (Astrotours)</td>
</tr>
<tr>
<td>Hurghada</td>
<td>Diving / Snorkelling</td>
<td>4X4 tours in the desert</td>
<td>Camel rides</td>
</tr>
<tr>
<td>South Sinai</td>
<td>Diving / Snorkelling</td>
<td>Camel rides</td>
<td>Cultural tours to St. Catherine’s</td>
</tr>
<tr>
<td>Nile Valley</td>
<td>Traditional cultural tours</td>
<td>Nile cruises</td>
<td></td>
</tr>
<tr>
<td>Western Desert</td>
<td>Desert safari excursions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: PA Government Services, Inc.

It is clear that the most popular activities in this and other coastal areas of Egypt are water-based. This is natural given that the Red Sea constitutes the main resource of the region. This information is consistent with the information obtained through the visitor surveys. However, the inability of tour operators to diversify the range of activities is determining cut-throat competition among service providers. According to information provided by one of the respondents, there are over 340 diving centers in Egypt creating an excess of supply than results in lower prices. While this situation favors the final consumer, it negatively affects the overall quality of the product. This lack of diversification also limits the creation of value added and tarnishes the image of the destination.

Generally speaking, diving operators and resorts do not offer community-based or cultural attractions as part of their activities while small inland tour operators do offer such activities. However, the former are increasingly including cultural tours in their menu of activities, whether directly operated by them or not. Some 60% of the interviewed diving operators were offering or planning to offer some non-water based cultural activity sometime next year. This activity was usually a visit to Bedouin tribes or to local towns (such as Shalateen or Quseyr). Based on the responses of local diving operators, this trend is likely to continue and increase in the coming years, as stiff competition is forcing them to add value to their core product.

Another interesting characteristic of the community-based, cultural product in the Southern Red Sea is that it is not operated either by local communities or in business partnership with them. Most of the tours including a visit to a local tribe or family do it on a salary or commission basis, with the locals receiving payment and not necessarily having a say on how the package is structured or sold. The table below summarizes the main activities outlined for each destination mentioned by the respondents:
Table 5  
Most Popular Community-based / Cultural Experience by Destination

<table>
<thead>
<tr>
<th>Destination</th>
<th>Activity 1</th>
<th>Activity 2</th>
<th>Activity 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Red Sea</td>
<td>Visits to local towns (Shalateen, Quseyr)</td>
<td>Visit to Bedouin families</td>
<td>Visits to archaeological and natural sites (in WGNP)</td>
</tr>
<tr>
<td>South Sinai</td>
<td>Cultural tours to St. Catherine’s</td>
<td>Visits to Bedouin villages</td>
<td>------</td>
</tr>
<tr>
<td>Nile Valley</td>
<td>Traditional cultural tours (sightseeing)</td>
<td>Visits to archaeological sites</td>
<td>Nile cruises (with Egyptologist)</td>
</tr>
</tbody>
</table>

Source: PA Government Services, Inc.

Explanations provided by our respondents seem to indicate that there is a desire to develop additional cultural attractions with a strong emphasis on local community involvement, particularly from local inland operators (although some local diving operators also expressed their interest). However, the lack of capacity and familiarity of local communities with the industry seem to be a constraint to the further development of community-based tourism initiatives. Also, the lack of an anchor cultural attraction or a series of minor but well presented attractions seems to be limiting the opportunities to create experiences to be sold to visitors.

An assessment conducted by the research team of a variety of adventure / cultural tours available (including a desert camp, camel ride, astro-tour, quad trip into the desert and visit to the camel market in Shalateen) found the following:

- Quality of interpretation is generally poor.
- Activities in the cultural itineraries are not interactive. They are limited to seeing the local people and not interacting with them ("human zoo"). This is particularly problematic in the case of visits to local Bedouin families or the camel market in El-Shalateen.
- Pre-tour briefing does not prepare visitors for a desert trip (particularly in the case of camel rides or quad trips). There is no education about the desert and its particularities, which leaves visitors with the impression that there is nothing unique about the Eastern Desert (Fustat Camp is a good exception).
- Prices are somewhat high for the quality received but might be justified by the remoteness of the place.

In general terms, the consulting team feels that adventure and cultural tours in the area replicate the pattern of medium-quality offered by the resorts. This might be explained by the fact that they rely on the clientele drawn to the area by the resorts and therefore, the market is not an incentive to improve the quality.

Information and guiding services

Our interviewees were unanimous regarding the importance of having qualified guides in their activities. This seems to be the consequence of a combination of strict demands from the international tour operators as well as growing market demands. There was a general agreement in the importance of the guide’s language skills in order to interact with visitors. Therefore, all interviewed operators stated that they employ a combination of local and foreign guides. The term local guide does not refer to people from the region necessarily but rather Egyptian guides, most of which come from either Luxor or Cairo. The use of local (Egyptian) guides is more common in the cultural tours than diving tours, although this is changing very quickly as more Egyptians become trained and certified to act as dive instructors. While experience is highly valued among tour operators, formal qualifications are still critical, as they have become a contentious issue with the authorities. Egyptian law establishes that only formally (i.e. university) trained and officially certified guides are allowed to work as such. Moreover, most of those guides are affiliated to the National Guides Union, which monitors compliance very closely.

Local communities see their access to the labor market restricted by the excessive regulation in the guiding market. Very few members of the different Bedouin tribes have access to the formal education necessary to become an official guide. Most of the respondents offering community-based tours educate and train the local tribesmen themselves. Usually this training involves customer service and the basics of how to interact with visitors but does not offer a path for the formalization of their skills.
The lack of interpretation facilities, particularly in the WGPA is usually identified as one of the main barriers to develop higher-value nature and cultural tours in the destination.

**Handicrafts**

The current range of items offered at the gift shops and boutiques in and around the resorts along the Southern Red Sea fall very short of meeting market demand. Respondents indicated that in general terms, visitors to the Southern Red Sea (either divers or beach-goers) do not buy many souvenirs. The list of most popular souvenirs includes items such as t-shirts, statuettes, papyrus and the traditional Pharaoh-themed products sold around Egypt. However, it is important to notice that inland operators indicated that their customers have an interest on traditional, authentic Bedouin handicrafts. Since most inland tours include a visit to Bedouin tribes or families, visitors are exposed to the handicrafts they produce. Nevertheless, it was widely acknowledged that there is not a well-developed handicraft sector in the area that could meet the needs or expectations of the market.

**Product pricing and economic impact**

Around 90% of respondents gave only indicative answers to this question. The remaining 10% saw this information as commercially confidential. This is understandable given the public nature of the product evaluation research. In general terms, prices per day vary greatly depending on the product, market and booking method. The following table summarizes the average daily expenditure quoted for the different products currently sold in the Southern Red Sea:

### Table 6 Average daily expenditure by product available – Southern Red Sea

<table>
<thead>
<tr>
<th>Product</th>
<th>Duration</th>
<th>Daily Expenditure (average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dive course (resort-based)</td>
<td>1 day</td>
<td>€ 20 - € 30</td>
</tr>
<tr>
<td>Accommodation (half-board)</td>
<td>Variable</td>
<td>€ 15 - € 30</td>
</tr>
<tr>
<td>Accommodation (full-board)</td>
<td>Variable</td>
<td>€ 25 - € 40</td>
</tr>
<tr>
<td>Excursion to Shalateen or Quseyr</td>
<td>1 day</td>
<td>€ 40 - € 50</td>
</tr>
<tr>
<td>Desert camp experience</td>
<td>½ day (afternoon)</td>
<td>€ 20 - € 35</td>
</tr>
<tr>
<td>Astro tour</td>
<td>3 hours</td>
<td>€ 15 - € 25</td>
</tr>
<tr>
<td>Diving package (inclusive of accommodation and full board)</td>
<td>Variable</td>
<td>€ 50 - € 55</td>
</tr>
<tr>
<td>Desert excursion (camel / quad with visit to Bedouin family)</td>
<td>½ day</td>
<td>€ 25 - € 50</td>
</tr>
</tbody>
</table>

Source: PA Government Services, Inc.

While clearly these results must be treated with caution given the relatively small sample size, they are somewhat predictable, in that prices tend to be on the lower end of the spectrum. However, it is interesting to notice that daily expenditure in cultural and adventure tours is roughly equal if not higher than diving and accommodation packages (on a daily expenditure basis). Since the question was formulated to local operators in terms of spending on their products and services, the prices quoted should reflect what they get from the international tour operator (or their local representatives) rather than what customers paid for their package. As a matter of fact, it is possible to notice a significant difference between the prices paid by tourists for their holiday (as indicated in the market surveys) and the average daily expenditure presented by our interviewees. In that regard, cultural and adventure tours seem to be more yielding on a per person basis than diving or resort accommodation. Excessive competition and dominance of international operators in those markets might partially explain this situation, as the difference between what visitors stated as the price of their holiday and what operators claim they received most certainly corresponds to the international tour operator’ share.

**Distribution Channels**

The distribution channels refer to the methods used by local tour operators to sell their products in the marketplace. In the case of the Southern Red Sea, it is possible to identify patterns based on specific products:
Diving packages
On average, 55% of all bookings from interviewed diving operators were made online last year. While percentages very greatly among individual operators, there is a clear indication that online bookings are becoming more and more common. The remaining percentage uses specialized diving operators or travel agencies.

Resort packages. The preferred booking method for this kind of product still is the travel agency. This segment of the market was perceived as particularly loyal to their travel advisor and relies on them more than other segments of the market.

Inland tour packages
Without exception, all of our interviewees indicated that direct booking was the only booking method available for this kind of trip. Booking takes place through the tour leader or local representative of the international tour operator at the resorts.

It is important to notice that in the case of inland tour packages, the “preferred” booking method is indeed the only available booking method. Based on information available about the number of visitors who choose to buy adventure, cultural and nature-based tours, it is clear that demand for such activities exist. The analysis of the distribution channels reflects a strong dependence on international tour operators to capture customers. This operator-dominated scenario is extremely price-sensitive as any attempt to attract customers directly or increase prices must be carefully planned bearing in mind potential conflict with them.

Conclusions of the analysis of tourism products and services
The following conclusions could be drawn from the analysis of the tourism products and services available in the Southern Red Sea:

• The current supply of accommodation is not of high quality (for international standards) and is not diversified. It consists mainly of resorts catering to the beach and diving market as well as camps and tents, mainly targeting the mid to lower-end of the diving market. There is a clear lack of accommodation with character, uniqueness and individuality that could appeal to more sophisticated segments of the market.

• Companies offering tourist products and services in the SRS are highly specialized and have not yet diversified their portfolio of products. However, this is changing as increased competition is forcing operators to create more added-value for their products.

• There are serious concerns about the potential overdevelopment of the area for both environmental and economic reasons. The rapid urbanization of the coast will lead to damage to the coral reefs. Equally important, oversupply of accommodation will irremediably lead to a deterioration of prices and therefore, the quality of the accommodation product. The right amount and kind of accommodation should be developed in the destination.

• Food services are adequate but generally unavailable outside of the resorts and hotels of the area. Additionally, there has not been an effort among operators to develop a traditional local cuisine that could be properly presented to visitors, either outside or within the resorts. This would reinforce the image of the destination and promote integration of local producer into the tourism supply chain.

• Access to the region and transportation from other destinations within Egypt is one of the main problems faced by the Southern Red Sea. Currently, access in only possible via charter flights or via road from Hurghada (5–7 hours). Security concerns limit the possibilities of connecting the Southern Red Sea with the Nile Valley and the reliance on charter flights (100% at the time of writing) limits independent travel but also causes the image of the destination to suffer.

• Water-based activities currently dominate the market. Inland excursions tend to be short in duration and scope (half or full day maximum). The beach-goers engage in both water-based and inland excursions. However, oversupply of diving and water-based facilities is causing prices and quality of the product to drop. While some community-based and cultural activities are available, these are usually poor in quality and market appeal.

• Local communities see their access to the guiding market severely limited by current regulations in the Egyptian law. The two main markets in the Southern Red Sea (diving and beach tourism) use a combination of local and foreign guides, although local guides refers almost exclusively to Egyptian guides from areas outside the Southern Red Sea.
The lack of interpretation facilities, particularly inside the WGPA is seen as a constraint to develop higher-value nature products in the area.

There is not a well-developed handicraft sector in the area that could meet the market’s demand for authentic and traditional items. However, there is potential among some of the Bedouin communities to develop such sector.

Prices received by local operators for different tours and packages to the Southern Red Sea (including diving and inland excursions) tend to be on the lower end of the spectrum. This is not to say that prices paid by visitors are necessarily low but that the percentage that ends in the hands of international tour operators is rather high. This seems to respond to the nature of the product and the fact that the international tour operator is currently responsible for all marketing and international travel costs. In that regard, natural and cultural tours are equally or more yielding on a per person daily basis than diving or beach accommodation packages. However, sales volume of these latter packages compensates for low prices.

The overwhelming majority of diving and beach packages are still sold through international tour operators, either online or through a travel agent. However, all inland tours are booked directly on-site as these are usually offered as options only upon arrival. This sales strategy allows inland operators to keep most of the money paid by the visitor for the tour but in return, reduces his ability to sell in advance and get more customers.

**Destination Image, Marketing and Promotion Strategies**

This section evaluates the current marketing and promotion strategies for the Southern Red Sea as well as the overall image of the destination. This latter information would be critical to develop a branding strategy for the region in the future. This section was compiled and researched through qualitative methods, including field observation and interviews with local service providers. The interviewing process took place from March through September 2006 and included diving operators, inland tour operators, resort developers and managers as well as local representatives of international tour operators.

**Marketing and Promotion Strategies**

There is currently no marketing or promotion campaign specifically designed for the Southern Red Sea. The Egyptian Tourism Authority (ETA) heavily promotes the “Red Sea Riviera” theme internationally as an umbrella for all the Red Coast, including the Southern Red Sea. The problem with this “blanket” approach to marketing and promoting the coast is that lumps together areas of low value (such as Hurghada) with areas of high value (such as South Sinai and the Southern Red Sea) without a branding strategy that clearly distinguishes them. Moreover, the theme of the “Red Sea Riviera” is primarily geared towards the promotion of the “sun and sea” product and does not promote attractions and products that might contribute to the diversification of markets.

The adoption of this product-specific rather than a destination-wide marketing strategy has resulted in the dispersion of efforts and has discouraged the development of a systemic approach to tourism promotion. This means that there are no organized efforts to attract a critical mass of visitors into the area but that each individual business must market its own product (s) to their own specific market. This “micro-marketing” approach is creating two very important problems in the region:

It is encouraging the vertical integration of the tourism supply chain along a specific product rather than favoring the creation of a horizontal value chain of tourism services. One of the obvious consequences is that operators tend to limit the range of activities their clients can undertake outside of their own supply chain. Simply put, resort operators want to keep the visitors as long as they can in the premises to maximize their marketing investment;

It is exacerbating the excessive reliance of the destination’s tourism industry on the international tour operators and management companies, who becomes responsible for undertaking international marketing activities on behalf of the local product (resort, tour operator and inland operator). This situation is particularly pronounced in the accommodation sector where it is not uncommon for resort developers to secure marketing and sales contracts with the management companies or tour operators before actual site development begins.

Investing in a destination-wide marketing approach (one which promotes all the different attractions and activities available in the Southern Red Sea) would attract a more sophisticated
type of visitor that could tailor his/her own itinerary, thus including several activities outside of the resort.

Destination Image and Branding

In general terms, this area has a good image in terms of security, health and service quality, particularly when compared to other coastal areas in Egypt. Several respondents mentioned that Marsa Alam has not been affected by the security problems faced by the South Sinai or the bad reputation for poorly managed mass tourism that characterizes Hurghada. Accessibility was constantly mentioned as an issue affecting the image of the Southern Red Sea in general, although it was also widely recognized that it contributed to its image of exclusivity. While it is clear that the Southern Red Sea does not have image problems related to security, health, price or basic infrastructure, it does not stand out as a high-quality destination. There was general agreement between inland tour operators and diving operators (although not among resort operators) that it was the fact that the Southern Red Sea is a new destination what made it appealing to international tour operators and visitors. However, it is felt that as development sprawls further south, this area is bound to become another low-quality, low-price destination. The quality of construction and the overall quality of service was not radically superior to what is currently offered in Hurghada or other coastal destinations.

Generally speaking, there is not a clear brand image for the Southern Red Sea separated from the rest of Egypt’s Red Sea coast. While it is recognized that there are elements distinguishing the Southern Red Sea from say, Hurghada and the South Sinai, there has not been a systematic effort to develop and market these areas as distinct products. The most cited qualities characterizing the Southern Red Sea were:

- Remote, isolated
- Good value for money
- Pristine and relatively undeveloped

The sense of remoteness and isolation is partially created by the difficulties in accessing the area. Good value for money is a result of the area’s ability to offer a moderately priced product vis-à-vis the sense of relative exclusivity, particularly when compared to other short-haul destinations (both within and outside of Egypt). Finally, a pristine and relatively undeveloped environment was perceived as one of the strongest selling points for all packages into the area. This is particularly important for the Southern Red Sea as a destination at an early stage of development.

These qualities were mentioned by almost all of the respondents, regardless of the market served. However, further analysis revealed two subset of qualities associated with each of the main markets currently attracted to the area. Resort operators, catering mainly to beach-goers, indicated that the lack of a distinct brand is less critical for their business as it is the relatively newness of a place what attracts this market. In that regard, they highlighted remoteness and good value for money as the main characteristics of this region. Diving operators on the other hand, indicated that the region has a well-established brand image as a diving destination. Many pointed to the origins of the Southern Red Sea as a diving destination as the reason for such an early positioning of the region in this competitive market. In that regard, they highlighted remoteness, isolation and pristine environment as the main characteristics of the region. They were quick to point out that overdevelopment and poor environmental management are undermining these characteristics and what they considered the main comparative advantage of the region.

A reputation as a nature-based, adventure or cultural destination was clearly absent in all of the responses. Even inland tour operators recognized that the destination is well-known for their coastal and marine resources and not the natural desert-based or cultural features. In that regard, it will be necessary to slowly build an image as a nature, adventure and cultural destination based on the same attributes mentioned above (pristine, remote and good-value for money).

Conclusions of the destination image, marketing and promotion analysis

The following conclusions could be drawn from the analysis of the Southern Red Sea’s destination image, marketing and promotion strategy:

- There is currently not a specific brand, marketing or promotion campaign specifically for the Southern Red Sea. The ETA promotes the “Red Sea Riviera” as an umbrella brand for a series of destinations of very different values.
The “Red Sea Riviera” brand is focused on a single product: sun and sea tourism. Therefore, this brand fails to meet the needs of a destination like the Southern Red Sea that wants to promote its cultural and natural attractions.

Due to the lack of a destination-wide marketing strategy, a “micro-marketing” approach prevails in the area, whereby specific companies are responsible to market their own products. This is exacerbating the reliance on international operators as they take responsibility for marketing and promotion of individual products.

This area has a good image in terms of security, health and service quality, particularly when compared to other coastal areas in Egypt among tour operators and travel trade. However, it is felt that as resort development sprawls further south, this area is bound to become another low-quality, low-price destination.

The most cited qualities characterizing the Southern Red Sea were: “remote, isolated”, “good value for money” and “pristine and relatively undeveloped”. These are the building stones for a brand for the destination. However, there has not been a systematic effort to develop and market this area as a distinct product.

The region has a well-established brand image as a diving destination in the international diving market.

The destination is well-known for their coastal and marine resources and not the natural desert-based or cultural features. In that regard, it will be necessary to slowly build an image as a nature, adventure and cultural destination based on the same attributes mentioned above (pristine, remote and good-value for money)

Destination Market Analysis

The consulting team engaged in a market research exercise with the goal to determine the main characteristics of the current visitors to the Southern Red Sea. While quantitative information about the current markets for the Southern Red Sea Coast is very important, it is the qualitative data that would better inform the process of developing a destination. In that regard, the research conducted by the LRS team has proven to be invaluable to help TDA and the different stakeholders who participated in the preparation of this DMP.

Overall market performance

The market data provided in this section was gathered using internationally accepted best practices in professional market research within a 30-day timeframe from late August until mid September 2006. It is presented in order to provide a quantified visitor demand and to develop market-driven approach to the DMP for the Southern Red Sea region. [See Annex B for a more detailed explanation of the methodology, process, and limitations of this study in “Tourism Market and Product Evaluation for the Southern Red Sea Coast of Egypt,” prepared by PA Consulting Group.]

This study has focused exclusively on the international tourism market. While there is evidence that domestic tourism to the area of study is growing, its impact on the overall tourism market is negligible at best. In that regard, the market performance analyzed in this section refers to the international market and it is intended to provide a baseline on visitor’s demographics, mode of travel, attitudes and other characteristics. These baseline indicators would serve to monitor program performance and to establish a visitor profile to the region. Tourism visitation to the Southern Red Sea is dominated by two segments of the market: divers and resort-based beach tourism. The main characteristics of these markets are presented below:

Demographic Information, Age

Most of those who completed the survey were between the ages of 30 and 49 years of age (63%), which based on interviews with tour operators and hotel managers, accurately reflects the age range of international visitors to the Southern Red Sea. 5% were 60 years of age or older, 16% were between 50-59 years of age, 14% were between 20-29 years of age and the smallest part of the market segment is comprised of young Europeans with youth (up to 19 years) representing just 2% of the international visitors to the region (see Figure 2).

Figure 2
Q1 Age Range of Visitors to South Red Sea

![Figure 2: Q1 Age Range of Visitors to South Red Sea](image)
Country of Residency
The majority of those who completed the survey were tourists currently residing within the European Union, with 45% percent of visitors living in Italy, 21% of visitors living in Germany and 13% residing in the United Kingdom (see Figure 3). The remaining 21% of visitors are currently residing in other Western or Eastern European countries with 6% of visitors from the Netherlands, 4% of visitors from Switzerland, and 2% of visitors from Belgium, Austria and Portugal respectively. Unlike the Northern Red Sea coast, this area isn’t heavy visited by Eastern European and Russian guests as they together made up less than 4% of the total market during the August-September 2006 holiday season.

Nationality
The overwhelming majority of those who participated in the survey were citizens of European Union member countries. Over 180 of the total 400 visitors surveyed were nationals of Italy with German nationals ranking 2nd with over 80 visitors and British citizens rounded out the top three with just under 55 visitors to the Southern Red Sea during the selected time period (see Figure 4). 21 visitors were from the Netherlands while 15 were nationals of Switzerland. 13 were Belgium nationals and the smallest portions of visitors were nationals of the following
countries: Russia (10), Austria (9), France (3), Czech Republic (3), Poland (3), Portugal (2), Ireland (1), Americas (1), Asia (1) and African nationals (6).

**Figure 4**

**Q 2b Nationality of Visitors to South Red Sea**

<table>
<thead>
<tr>
<th>Countries</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>200</td>
</tr>
<tr>
<td>Ireland</td>
<td>150</td>
</tr>
<tr>
<td>Great Britain</td>
<td>100</td>
</tr>
<tr>
<td>Germany</td>
<td>80</td>
</tr>
<tr>
<td>Belgium</td>
<td>50</td>
</tr>
<tr>
<td>Netherlands</td>
<td>30</td>
</tr>
<tr>
<td>Austria</td>
<td>20</td>
</tr>
<tr>
<td>Portugal</td>
<td>10</td>
</tr>
<tr>
<td>Switzerland</td>
<td>8</td>
</tr>
<tr>
<td>France</td>
<td>6</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>5</td>
</tr>
<tr>
<td>Poland</td>
<td>4</td>
</tr>
<tr>
<td>Russia</td>
<td>3</td>
</tr>
<tr>
<td>Asia</td>
<td>2</td>
</tr>
<tr>
<td>Americas</td>
<td>1</td>
</tr>
<tr>
<td>Africa</td>
<td>1</td>
</tr>
</tbody>
</table>

**Legal Family/Marital Status**
The majority of visitors to the Southern Red Sea are married individuals, which represent a total of 57% of the total market. 23% of the market was made up of single individuals and 19% of the market is composed of visitors who would classify themselves as “other” meaning that they are either domestic partners or of widow/widower status. These statistics support further findings that nearly 50% of the tourist market to the Southern Red is made up of travel parties of two individuals (see Figure 5). Many of these visitors are traveling to the region with their spouse or domestic partner.

**Figure 5**

**Q 3 Family Status**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage of Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>23%</td>
</tr>
<tr>
<td>Married</td>
<td>57%</td>
</tr>
<tr>
<td>Other</td>
<td>19%</td>
</tr>
</tbody>
</table>

**Current Occupational Status**
Over 64% of those surveyed reported that they are currently employed for a company or organization in their home countries. 19% percent of participants were business owners and/or key stakeholders in managing businesses. Not surprisingly, a smaller percentage of those surveyed were retirees and student populations from Europe representing just 6% and 8% respectively of the total survey population (see Figure 6).
The data reflects the low quantities of elderly and young independent travelers to the Southern Red Sea region and highlights the fact that the main clientele are thirty to forties year olds with a regular source of income. Additionally, 3% of those surveyed indicated their status as unemployed. However, the interviewers were able to determine that the majority of these cases represented housewives whom are responsible for childcare duties.

**Gender**

Survey respondents demonstrated that there is a slightly higher percentage of males visiting the Southern Red Sea during the selected time period with men representing 56% of the sample population and women representing 43% (see Figure 7).

**Education Levels**

Of the surveyed areas, those visitors with only a high school education level made up 36% with trade and technical school graduates making up 26% of the market. Together, these two segments make up over 60% of the visitor population. The data demonstrates that the majority of Southern Red Sea tourists are blue-collar workers coming from middle class households throughout Europe (see Figure 8). 25% of those surveyed had completed a university level bachelors degree and 10% of visitors held a Masters degree at the university level. The smallest groups of visitors are those holding a Ph D. doctoral degree at the university level representing just 3% of the surveyed population.
Household Income in Euros
The majority of survey participants earned an average household income of between 25,000 and 49,000 Euros accounting for 38% of the total market. The results of the visitor income survey support the previous indicators that the bulk of current Southern Red Sea tourists are middle class working professionals from Europe. The second largest portion of visitors (18%), reported earning 25,000 Euros or less per year. 15% of those surveyed reported earning between 50,000 and 74,000 Euros and 9% reported earnings between 75,000 and 99,000 Euros. The remaining 10% of respondents reported earnings in excess of 100,000 Euros. Hence, it is clearly demonstrated that the current target market in the Southern Red Sea isn’t a high-end luxury traveler with high amounts of disposable income but rather a price sensitive traveler that is seeking good value for their money and may be drawn to the all inclusive deals offered in the Southern Red Sea.

Travel Preferences
The purpose of this section is to set out the views and values of tourists visiting the Southern Red Sea Region. By asking them a series of questions as to their preferences, opinions and suggestions, one can gain valuable insight into the attitudes that shape the current market demand by European tourists coming into the region.

In your past travels have you already been to Egypt/The Middle East or North Africa/Africa? An overwhelming majority of visitors surveyed are repeat visitors to Egypt with 79% (see Figure 10) spending more than one holiday in the country. Hence, most visitors to the Southern Red Sea are repeat visitors that have been to this region before and thus are keen for new excursion...
and entertainment options. 44% of visitors surveyed have also traveled to the Middle East or North Africa before with many mentioning countries such as Turkey, Tunisia or Morocco as recent vacation destinations. Finally, 33% of visitors have been to African countries such as Kenya or Tanzania. This demonstrates that the majority of visitors are comfortable traveling within the Middle East and Africa despite negative press regarding security in the regions.

The findings of the data are further demonstrated in the illustrative visitor feedback below:

- “I first came to Egypt to see the antiquities but I happened to discover the Red Sea. I plan on coming back whenever possible for a quick beach holiday” (Male, aged 30-39/Italy)
- “This is my seventh time in Egypt. I plan on coming back year after year because of the pristine environment and great diving” (Male, aged 40-49/Great Britain)
- “I feel totally safe traveling in Egypt, I’d definitely recommend this spot to my friends” (Female, aged 30-39/Germany)

What are your main sources of travel information?
60% (see Figure 11) of those surveyed indicated that the Internet and travel websites provided the bulk of their travel information with the very few independent travelers in the region booking each component of their trip on-line. The data highlights the importance of marketing the Southern Red Sea Coast via Internet websites to foreign tourists, as this is the main outlet for future travelers to the region. Also noteworthy, 32% of visitors said that positive word of mouth regarding the natural beauty of the Southern Red Sea had attracted them to the region. As demonstrated in Figure 10, nearly 80% of visitors to the region had been to Egypt on holiday before and thus it isn’t surprising that 18% cited their own prior knowledge as a source of information for this particular holiday.

The role of the travel agent (30%) and tour operators (22%) also played a significant role in destination information dissemination. Furthermore, reading material such as articles found in the travel press represented 19% of respondent's information sources for their trip and tour guidebooks 15%. This information shows the importance of developing a marketing and promotion campaign, which will produce high-end advertisements and visual displays to attract visitors to the region. In order to reach these market segments, a familiarization trip for travel journalists and tour operators is a standard promotion tool used worldwide. The remaining 9% of visitors indicated that they had received the majority of their information from special interest clubs or organizations. Many of these clubs focus on the diving and nature-viewing (i.e. bird watching) enthusiasts and are growing in membership as these groups continue to spring up throughout Western Europe.
What type of standard lodging do you prefer on these trips?

The majority of survey participants (65%, see Figure 12) indicated that they preferred 4 to 5 star hotels while traveling in this particular region. The demand for small charm hotels or eco-lodges was 23%. Together, the demand for 4-5 star hotels and eco-lodges is quite high at 88% of the total market. The range of accommodation is growing along the Red Sea but currently doesn’t meet demand, as few high-end hotel options are available.

The findings of the data are further demonstrated in the illustrative visitor feedback below:

- “We prefer to stay at 4-5 star hotels in Egypt because we know that our rooms will be tidy and that the food will be good” - (Male, aged 40-49 / Germany)
- “My husband and I like to experience the unique cultural characteristics of our holiday destination. Eco-lodges give us a real taste of Egypt” - (Female, aged 30-39 / Italy)

In addition, 16% of visitors prefer 2-3 star accommodations on trips to Egypt. 8% of vacationers provide camping on the beach or in the desert with tents. 4% prefer inexpensive hotels and just over 4% prefer “other” types of accommodation. The “other” category includes many EU travelers and expats living in the Middle East seeking authentic experiences outside of their home cultures. They seem to be willing to spend around $150-300 per day per person for quality accommodation that meets their expectations.
What type of food do you prefer?

Results on the food preferences of visitors were widely dispersed among several options. 28% (see Figure 13) preferred Mediterranean while 27% preferred International cuisine. 26% of responses indicated Egyptian cuisine as the food they would like to enjoy during their stay in the Southern Red Sea. Additionally, 23% of visitors prefer a variety of ethnic food options while staying at the resorts. The smallest percentage of respondents (13%) indicated that they preferred a strictly European food-based menu. A general comment from visitors was that their primary concern was that food be safely prepared and fresh. It is clear that the market is definitely open to expanded regional food options such as Egyptian and Middle Eastern cuisine specialties, which could add an authentic flavor to their Southern Red Sea experience.

What type of meal arrangement do you prefer?

Half of the visitors surveyed (see Figure 14) prefer full room and board as part of the tour.
package while vacationing on the Southern Red Sea. These results capture the all-inclusive nature of the South Sea tourism market. In fact, there are currently few if any options for dining outside of the resort and due to the remote location, visitors do not have access to public transport or taxis to access outside food sources. 27% of guests indicated that they preferred a room plus half board option while 13% stated that room and full board with drinks as additional charge was the best option. The 13% preference for exclusion of drinks is indicative of those guests who normally consume alcoholic beverages with their meals and cocktail drinks aren’t currently included in all-inclusive packages offered in the region. Other responses were room and breakfast only (9%), the option for visitors to cook by themselves in their individual hotel rooms (3%) and camping and cooking outdoors Bedouin style with 3% of respondents.

**What types of activities and excursions do you prefer on such trips?**

Not surprisingly, 83% (see Figure 15) of visitors to the Southern Red Sea indicated that they preferred to participate in water-based activities such as snorkeling and diving during their trip. The survey results demonstrate that in this area, the dive market remains the primary one. The Red Sea Coast in general (and this area in particular) enjoys a very good reputation among the dive industry so its capacity is expanding southward toward Sudan. Rising EU dive memberships is also a factor for the growing dive industry.

Another well-established excursion option in the region is trips to Ancient Egyptian sites. 38% of those surveyed participated in inland excursions to places with antiquities. Since, many packages last 8-10 days many tourists opt to purchase activities inland such as visits to famous Nile Valley sites in Luxor, Aswan or even Cairo.

22% of those surveyed indicated an interest in participating in desert excursions in order to experience local traditions and understand their communities, culture and history. 21% of visitors demonstrated an interest in participating in visits to towns in Southern Egypt in order to observe local life and traditions.

Visitors expressed a feeling of isolation from the local community and expressed a desire to pay for excursions involving interaction with the local population. The findings of the data are further demonstrated in the illustrative visitor feedback below:

- “On this trip, I don’t even feel like I’m in Egypt. We’re totally isolated at the resort. I wish that there were more opportunities to interaction with real Egyptians instead of just Western tour guides” – (Male with wife aged 40-49/Italy)
- “I’d like to see more Egyptian women and see how they make local products with the option to buy some nice gifts for my friends” – (Female aged 20-29/Italy)
16% was shown for both desert visits by 4X4 or van and star gazing at night in the desert by taking the astrotour excursions offered in the region. 14% showed the desire to both experience horseback and camel riding in the desert and riding quads/dune buggies in the wild. The smallest portion of visitors (9%) demonstrated an interest in participating in strenuous walking or hiking in the wild. Currently there are very few excursions offered by tour operators in this area and summer months are too hot for strenuous desert travel.

What kind of souvenirs do you like to get?
34% (see Figure 16) of those visitors surveyed indicated that they would like to buy locally made handicraft items during their trip to the Southern Red Sea. Visitors described items from small decorative boxes to traditional dolls for children. 25% of visitors sought to buy herbs/spices or fragranced oils of some type form the region. The desire to buy jewellery and traditional clothing also proved quite popular with tourists in the region receiving 16% each. Together the top four (91% in total) most desirable products for tourists to buy as souvenirs and/or gifts demonstrated a strong desire to connect with the cultural uniqueness of the region and the majority of tourist sought to buy something that was authentically “Egyptian”.

Many visitors expressed disappointment with the lack of locally made products at their disposal. The visitors surveyed expressed a desire for traditional handicrafts, which reflect the social and cultural environment in which they were made, and a wish to better understand the social identity of the people who have made them. The majority of visitors to the Southern Red Sea has visited the country before and is now seeking traditional handicrafts that are unique in their rarity and have a much higher social value than mass-produced ‘contemporary’ crafts. The tourists have demonstrated their desire to be exposed and more importantly to buy ‘exotic’ and unusual cultural items.

The findings of the data are further demonstrated in the illustrative visitor feedback below:

- “I’ve heard that the species and herbs from this region are famous for their medicinal purposes and I’d like to bring some back with me” – (Female 30-39/Italy)
- “I like to buy traditional gifts from the region where I travel. The stores at the resorts only offer high-priced items from Luxor-I wish that we had access to local crafts and jewellery” - (Couple 50-59/Great Britain)

The remaining responses were broken down into a wide-range of souvenir items that are typically bought by tourists. 10% of respondents indicated a desire to purchase papyrus art and 10% expressed an interest in purchasing t-shirts. 7% of participants sought to purchase the famous Middle Eastern water pipe “shisha”, 3% sought postcards while other miscellaneous items and mugs represent 2% of responses respectively.

ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT
Part 1: Destination Management Plan for Enhancing the Competitiveness of the Southern Red Sea Region of Egypt
When you travel inland on excursions, what is your favorite form of transport?

It is clear from the results of the survey that visitors value safety and comfort when they venture inland on excursions. 36% (see Figure 17) of respondents felt most at ease in a 4x4 vehicle while 31% preferred a full size road bus during excursions offering amenities such as air conditioning and toilets. The third most frequent response was traveling by van with 16% of responses. 14% percent of tourists to the Southern Red Sea would like to see more car rental options for travelers seeking inland adventures and the remaining 3% of visitors indicated “other” as their preferred means of inland transport. This 3% accounts for visitors who would like to travel by camel or horseback into the desert to connect with the true life of desert people (i.e. adventure tourism seekers).

What is your travel party size (children included)?

The majority of respondents were traveling in couples. 49% (see Figure 18) indicated that their travel party consisted of two individuals. This group was made up predominately of married or partnered couples but a few individuals mentioned that they were traveling with a family member or friend other than their spouse. Hence, over half of visitors to the Southern Red Sea are couples and some of the marketing and promotional material should be directed toward this market segment. 15% of respondents were traveling with 3 members in their party while 10%
were with parties of 4 and 10% were also traveling alone with no companions. The 10% of individual travelers was made up of primarily avid divers who had come to the Southern Red Sea to experience safari boat excursions with an organized tour group. 9% were traveling in parties of 7 or greater. This group was composed mainly of student groups that had come to the region with professors from a variety of European universities in order to complete marine biology courses by first hand dives. Such groups come on a bi-yearly basis and primarily frequent eco-lodge establishments. 3% of visitors were traveling in parties of five and 2% were part of groups of six. The last two groups were composed primarily of Italians traveling in families with either young children or with extended family members.

Is this trip an all-in one package created by a tour operator?
The overwhelming majority of visitors (85%, see Figure 19) visited the Southern Red Sea as part of a package tour created by European tour operators. This statistic isn’t surprising given that transportation options are limited for the independent traveler in the region and that most flights into Marsa Alam are charted by tour operators. The remaining 15% of visitors indicated that their travel consisted of a non all-in one package. However, most of these visitors still arrived through a European tour operator to the area but they then chose to be more independent on the ground with the ability to pick and chose meal, transport and excursions options. The results of the survey reflect that at present, it is extremely difficult for the independent travel to reach the area from overseas as most tourist don’t want to waste vacation time on long arduous bus travel from Cairo or Luxor to the region. Hence, it is clear that all marketing and tourist product development must be done in partnership with the private sector in order to ensure success as the European tour operators are well established and are bringing 85% of the visitors to the region.

Where did you book and buy this trip?
The vast majority of visitors (78%, see Figure 20) indicated that they had booked this particular

![Figure 19](image1.png)

![Figure 20](image2.png)
trip to the Southern Red Sea using either a travel agent or booking directly through a tour operator. 19% responded that they had booked their package trip to the region by using the internet in their home or office. Combined, the two most popular responses make up 97% of the current tourism market.

This data is telling because it demonstrates once again that any successful destination management plan must fully engage the private sector tour operators and travel agents in order to be viable. Furthermore, this data indicates that marketing and promotional campaigns should be geared toward the internet as a significant portion of visitors are already booking trips to the Southern Red Sea via the internet and most of those surveyed (60%) cited the internet and or travel websites as their primary source of travel information. Thus, by engaging the private sector and advertising on on-line sources, the region is more likely to flourish and grow as a sought after sea and nature based attraction.

The smallest portion of the market (3%) cited that this trip to the region had been booked through clubs or associations in Europe. These special interest clubs are on the rise in Europe and include activities such as bird watching, diving and other nature based attractions. Although these groups currently bring a small portion of visitors to the Southern Red Sea, they will prove more lucrative revenues in the future as more nature based and eco-tourism attractions are developed to expand tourism beyond the traditional diving and beach tourism segments.

What is your main motivation for this trip to Egypt?

44% (see Figure 21) of those visitors surveyed stated that the primary motivation of their trip to the Southern Red Sea was diving. The results demonstrate that the Southern Coast is already an established dive location and its notoriety is growing. 38% of respondents sited a beach holiday as their primary motivation for visiting the Southern Red Sea. Since the tourists arrive for beach and dive holidays they generally are not oriented to pursuing inland activities. Probably most tourists who try the inland activities do so simply for the entertainment value, as a chance to get away from the coast, see a different environment and do something different. Some of the excursions do highlight the desert’s flora, fauna and local traditions, but most do not. The Southern Red Sea product for all the tourists is either the dive experience or the beach holiday. Others opt for sports activities [hiking, camel or horse riding], sightseeing from 4X4 vehicles, thrill seeking by riding quads or aerial sports, or enjoying Bedouin traditions and hospitality. 12% of visitors sited cultural heritage and antiquity viewing as their primary trip motivation. It is no surprise that Egypt continues to attract tourists for its famous cultural tourism and marketplace for the antiquities it offers along the Nile river valley. Many tourists visiting the Southern Red Sea have combined a trip to Luxor or Aswan with several days of rest and relaxation. As most of the visitors to the Southern Red Sea are repeat tourists in Egypt, it isn’t surprising that they are seeking to explore the traditional antiquities of Egypt while still enjoying a traditional beach holiday.

3% of tourists sited a visit to friends and/or family in Egypt as the primary motivation for their stay. This group was composed mainly of relatives and friends of either European hotel staff or
How long before you started this trip did you book it?

Figure 22 demonstrates that 28% of survey participants booked their travel to the region over 10 weeks prior to travel. This group was composed primarily of dive holiday visitors from Great Britain and Germany who spent the majority of their trip out to sea on dive safaris. However, the second highest response with 23% of respondents indicated that their trip to the Southern Red Sea was booked two weeks before departure. This 23% of travelers appeared to be composed primarily of Italian groups booking a quick and relatively last minute trip to round out the summer holiday season.

13% of visitors booked their trip less than one week before actual travel taking advantage of last minute deals offered by tour operators to keep occupancy rates up. This last minute travel offers an all-inclusive package at a reasonable price for visitors. 11% of participants had booked their trip 4 weeks before travel while 7% had booked their holiday 3 weeks before departure. The remaining results showed 5% for eight weeks, 4% for 10 weeks, 3% for six weeks, 2% for both five and seven weeks before travel while 2% couldn’t remember exactly when they had booked their travel to Egypt. Less than 1% had booked their trips 9 weeks in advance of travel. These results demonstrate the need to direct marketing and promotion efforts to those travelers who reserve well in advance as well as last minute travelers as their presence is ever increasing.

How many days are you away from home on this trip?

Over half of the visitors surveyed (53%, see Figure 23) spent an average of between one and seven days on the Southern Red Sea. 44% of visitors stayed between eight and fifteen days. This group of visitors could serve as the target population for promotion of land based excursions as after a week of snorkelling or diving, many are looking for additional recreational options during the second week of their stay. The smallest percentage of visitors (3%), said that they planned to stay in the area for over two weeks (16 days or more).
What’s the approximate full cost of the entire trip, airfare, lodging in Egypt, shopping, tips included, for just you?
24% (see Figure 24) of visitors spent between 700 and 900 Euros on their entire trip to the Southern Red Sea while 21% spent 1000 and 1200 Euro. 16% spent between 1300 and 1500 Euros on their trip. These results show that the main market in not high-end tourism but rather tourists seeking value for money; further demonstrating the price sensitivity of the market. Currently, the Southern Red Sea Coast provides an affordable holiday get away for middle class European couples and family with pristine marine life and beautiful desert. 7% had spent between 500 and 700 Euros. 7% also registered on the higher end of the spectrum spending between 1900 and 2100 Euros on the holiday. 6% of those surveyed indicated that they spent over 3000 Euros on this particular trip while 5% spent between 2100 and 2400 and 5% also spent between 1600 and 1800 Euros. 2% spent between 2500 and 3000 Euros.

Is this a multi-stop trip for you? Are you spending the night in other places in Egypt or in another country?
The vast majority of visitors (91%, see figure 25) participating in this survey stated that this trip to the Southern Red Sea coast did not include overnight trips to other tourist destinations in
Egypt nor did they visit other countries as part of the overall package. 9% of visitors did visit and overnight at other locations within Egypt or the Middle East. Most of these nine percent spent time on Nile cruises to Luxor or Aswan before heading to the resorts of the Southern Red Sea.

**Figure 25**
Q 24 Multi-Country Trip

<table>
<thead>
<tr>
<th></th>
<th>9%</th>
<th>91%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q24</strong></td>
<td><strong>Yes</strong></td>
<td><strong>No</strong></td>
</tr>
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</table>

**How much are you spending on all water versus and land based activities?**
For every 100 Euros spent on excursions by tourists in the Southern Red Sea 64% (see figure 26) was spent on water-based activities such as diving and snorkelling. It is not surprising that the majority of excursion money is spent on sea base activities considering the international recognition Egypt has gained in recent years as a diver's paradise. Divers are a special interest market that is the dominant one along the Red Sea coast. In some reports it is clear that the focus for this market is the marine environment and always will be, because the land environment for this market is of no interest. The divers arrange their travel either through specialty tour operators, or they purchase their packages from the mass-market operators. The market is almost entirely EU based. 36% of the total money spent on excursions was spent on land-based excursions such as camel rides, dune buggy adventures and Bedouin desert visits which is still significant.

**Figure 26**
Q 25 & 26 Differential Between Amount Spent on Land vs. Water Based Activities on the South Red Sea

<table>
<thead>
<tr>
<th>Percentage Spent on Water-Based Activities</th>
<th>Percentage Spent on Land Based Activities</th>
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<tbody>
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<td><img src="" alt="" /></td>
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<table>
<thead>
<tr>
<th>Amount Spent on Water-Based Excursions</th>
<th>Amount Spent on Land-Based Excursions</th>
</tr>
</thead>
<tbody>
<tr>
<td>36%</td>
<td>64%</td>
</tr>
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</table>

**Types on in-land excursions preferred**
Based on the 36% of visitors who indicated that they had or would participate in inland excursions at a variety of desert locations, the visitors were then asked to indicate the actual type of excursions they participated in. Although the time visitors are willing to spend inland is limited, the excursion operators are competing for the time and attention of visitors whose basic
motives are the beach holiday and the dive experience. However, the market for in-land tourism is steadily growing. 20% of those surveyed (see Figure 27) planned on taking a day trip from the resorts to see Egypt’s antiquities at Luxor or Aswan while 19% also wanted to take dune buggy rides into the desert hills. 18% of respondents planned on taking photography based excursions to protected areas and the greater desert region. 10% of visitors were planning to participate in star gazing via organized astro tours out to the desert and 11% of visitors wanted to take camel treks into the desert to explore the terrain. An additional 11% participated in desert trips by 4X4s. 9% of visitors experienced bird watching tours in the desert and Wadi Gemal Island. 9% of visitors also experience the famous Shalateen Camel market for a taste of local culture and an additional 10% dined with the Bedouins at an inland feast. 8% of visitors surveys had partaken in horseback riding either along the beach or inland to the desert. Only 6% of visitors decided to take hiking excursions in the desert hills while 3% wanted to participate in native encounters with local Bedouin tribes.

The findings of the data are further demonstrated in the illustrative visitor feedback below:

- “We’ve heard that there is great bird watching on Wadi Gemal Island but there wasn’t enough information on how to get there” (Female, 30-39/Netherlands)
- “We hope that the next time we come back, there will be more excursions options for those coming on beach holidays” (Male, 40-49/Germany)
- “This is a beautiful country and people but I’d like more interaction with locals and tours to meet villagers” (Male, 60+/Italy)
- “I would like to see more typically Egyptian trips being offered by tour operators” (Female, 30-39/Great Britain)
- “I which that trips options gave us the opportunity to interact with Egyptian women” (Female 20-29/Italy)

**Price paid in Euros for in-land excursions per person (tips included)**

Figure 28 captures the price paid for in-land excursions in the Southern Red Sea. The survey reflected that 32% of visitors surveyed spent 21-40 Euros, 20% spent 41-60 Euros, 12% spent 61-80 Euros, and 11% spent 121+ Euros on land-based excursions during their trip. It should be noted that most trips falling into this category consisted of excursions to the Nile Valley by bus (mostly Luxor). 11% spent 81 to 100 Euros and 5% spent 101 to 120 Euros on these land-based trips.
**Number of days booked before the in-land excursions activity**

The overwhelming majority of land base tours are booked once the tourist has already arrived at the Southern Red Sea resort. 75% (see Figure 29 on the following page) of those surveyed said that they booked these excursions 1 to 3 days before the actual excursions. 11% booked their in-land trips 7 to 10 days in advance and the European tour operators prearranged many of these excursions before the guests arrived in the region. 6% of tourists booked their trips 4 to 6 days in advance while 5% reserved their travel 15 days or more prior to the trip. 3% had their trips booked 11 to 14 days in advance.

**Did you overnight outside of your hotel during your in-land excursions?**

The vast majority of visitors didn’t overnight outside of their hotel with 93% (see Figure 30) returning to their resort at the end of the inland excursions. Just 7% of those who participated in inland excursions over-nighted outside of the hotel. The low numbers of visitors spending the night outside of the hotel during excursions is due in part to limited availability of safe, clean and reliable sources of desert accommodation.
What would you like to see changed, what would encourage you to visit again or recommend the Southern Red Sea Coast to friends/family?
22% of tourists surveyed (see Figure 31) indicated that better environmental protection of the reef and surrounding desert would encourage them to visit the area again. Visitors value the unique marine eco-system of this area and awareness of ecotourism is growing. Many sited poor signage regarding environmental protection of the reef and many felt that the reefs were being over-used by snorkels and divers alike.

The findings of the data are further demonstrated in the illustrative visitor feedback below:
“Environmental Protection is important to me. I’d like to see improved training to Egyptians to effectively manage the diving boats so as to limit destruction of the coral.”
- “Environmental Protection is important to me I’d like to see improved training to Egyptians to effectively manage the diving boats so as to limit destruction of the coral” (Male, 20-29/Belgium)
22% percentage of visitors surveyed also stated that they would like more interaction with the local community. Many state that they had not even seen one Egyptian woman during a two week long trip and that they felt completely isolated form the local culture. Hence, there is definitely a strong demand for more culturally oriented excursions for visitors that will allow them to experience first hand the tribal traditions of the region.

ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT
Part 1: Destination Management Plan for Enhancing the Competitiveness of the Southern Red Sea Region of Egypt
In fact, an additional 21% of visitors would like to see additional cultural heritage excursions that would allow them to get a taste of life in the desert. Many tourists were disappointed by the low quality of so-called oriental dance shows and felt that more entertainment an tourism products needed to be develop around the cultural of the region. After all, visitors are coming to Egypt not only for its beautiful waters but also to sample life in the orient and currently the market falls very short of providing this needed cultural interaction.

The findings of the data are further demonstrated in the illustrative visitor feedback below:

- “More animation shows at night of cultural dances, more excursion opportunities in to local towns” (Male 40-49/Germany)
- “More cultural excursions with real interaction” (Female 30-39/Italy)

10% of tourist to the Southern Red Sea would like to see increases access to locally made products in order to encourage them to visit again. Many expressed frustration that the resorts were completely void on any local flavor and that it was nearly impossible to purchase true handicrafts and other traditional items from the region. In fact, the many gift shops at the resorts are mostly filled with the same ancient Egyptian goods that have no relationship to the traditional Bedouin culture of the Southern Red Sea.

9% of visitors surveyed would like to see improvement in the waste disposal systems in the desert in and around the resorts. Removal of trash and debris is currently in efficient and the desert is littered with plastic bags and waste. Tourists are looking for pristine environments and littering and other waste issues are harmful to the industry.

6% of survey participants want to prevent the development of mass tourism in the area and are afraid that the region will become overdeveloped like Hurghada in the Northern Red Sea region. Hurghada has experienced coral reef damage and improper moorage and diving practices. As a result, many Europeans who had traditionally vacationed in that region are now traveling further south to avoid the masses and experience diving and snorkelling under more pristine conditions.

The findings of the data are further demonstrated in the illustrative visitor feedback below:

- “Keep the masses out and try to preserve the environment, you have something special here” (Male, 40-49/Netherlands)
- “Do not overdevelop the sites, stay true to the environment” (Male, 40-49/Great Britain)

4% of those surveyed would like to see improved food quality at the resorts with a wider menu being offered. In general, guests complained of poor variety and lack of freshness.

3% of visitors cited the Marsa Alam Airport as a source of frustration for travelers to the region. Poor air accessibility of Marsa Alam continues to limit growth in traffic. Visitors indicated that they would like more flight options from the airport. Currently, the airport has virtually no scheduled air service since EgyptAir dropped service there a few months ago. There are a few flights on a new airline from Cairo, but this service is not daily and is a propeller flight. Only a few charter flights from EU points operate and sell blocks of seats to different tour operators. The hotels are limited to making agreements only with those tour operators that can coordinate this limited air capacity with the bed capacity. So the air situation is a handicap for Southern Red Sea.

2% of visitors to the Southern Red Sea would like to see the development of nightlife in and around the resort areas to provide entertainment after dinner hours. However, the nightclub and bar scene may be difficult to develop due to the social norms of the conservative Muslim culture surrounding the hotels. The remaining 1% of those surveyed indicated that they would like to see the elimination of visa procedures for European travelers at the airport, which provide added costs for the traveler and are carried out with a great level of confusion.

A Comparison between the dive market and the resort-based beach market (the “beach-goers”)

The diving market is characterized by a strong dominance from visitors from Germany, the Netherlands and the United Kingdom. These visitors come to the Southern Red Sea attracted by the area’s pristine coral reefs and relative isolation (compared to other diving spots in Egypt such as Hurghada and Sharm El Sheikh).
Booking Timeframe and Actual Travel to the Southern Red Sea

The comparison (see Figures 32 & 33) between the trip booking habits of divers to beachgoers in the Southern Red Sea demonstrates that divers have a slightly higher percentage of long-term planning habits with 29% booking over 10 weeks in advance while beachgoers had only 24% planning over 10 weeks ahead of their trip. Conversely, beachgoers tended to book more at the last minute with around 25% booking their trip 2 weeks in advance of travel and 12% booking 1 week or less. The divers on the other hand, had only 20% booking their trips 2 weeks in advance of travel. From this data, one can see that divers tend to plan slightly farther in advance than the beachgoer market.
Comparison Between Full Cost of Trip per Person to the Southern Red Sea

The comparison (see Figures 34 & 35) between the cost of trips to the Southern Red Sea demonstrate that there is relative parity in the number of visitors who spend on the low and high end of the spectrum with 7% of beachgoers spending 300 Euros or more and 6% of divers spending the same. However, beachgoers are spending slightly higher amounts on average than divers to the region (i.e. 7% spending between 2100 and 2400 vs. 3% of the diving market spending the same). This may be explained by the slight tendency to book last minute when package tours may be more expensive and beachgoers spend more on inland excursions and souvenirs compared to the diving market.

![Figure 34: Diver Full Cost of Trip per Person](image1)

![Figure 35: Beachgoers Full Cost of Trip per Person](image2)
Comparison between Types of Inland Excursions Taken
The comparison between the types of inland excursions taken by beachgoers vs. divers (see Figures 36 & 37) demonstrates that the interests are relatively similar. However, there do exist slight variations. For example, a slightly higher percentage of beachgoers (21%) take excursions to Luxor or Aswan while only 18% of divers do these long-haul inland trips. As beachgoers have more available time for in-land based excursions, it isn’t surprising that they on average participate more in activities such as Bedouin Feats and photography tours.
Comparison Between What Would Encourage the Visitors to Return to the Southern Red Sea Coast

The comparison between the changes that visitors would like to see in order for them to return to the region present some significant differences between divers and beachgoers. For example, divers are notably more concerned about better environmental conservation and the prevention of mass tourism. However, beachgoers, while concerned about environmental issues, are more eager to see the development of cultural heritage excursion options (13% for beachgoers vs. 8% for divers) and to have access to locally made products.

Figure 38
Changes that Would Encourage the Divers to Return to the South Red Sea Coast

Figure 39
Changes that Would Encourage the Beachgoers to Return to the South Red Sea Coast
Conclusions on the evaluation of the current markets

- The overwhelming majority of visitors to the SRS are citizens of European Union member countries with Italians, Germans and British citizens making up the thrust of the market.
- The elderly and young independent travelers to the SRS are minimal and the bulk of tourists are employed business professionals ranging in age between 30 and 49 years that travel in couples or groups of three.
- The majority of Southern Red Sea tourists are blue-collar workers coming from middle class households throughout Europe composed primarily of high school or technical school graduates. The majority of survey participants earned an average household income of between 25,000 and 49,000 Euros.
- The Internet and travel websites provide the bulk of travel information for visitors to the SRS with the very few independent travelers in the region booking each component of their trip on-line. The data highlights the importance of marketing the Southern Red Sea Coast via Internet websites to foreign tourists, as this is the main outlet for future travelers to the region.
- The majority of survey participants indicated that they preferred 4 to 5 star hotels or small charm hotels and eco-lodges while traveling to the SRS. The range of accommodation is growing along the Red Sea but currently doesn’t meet demand, as few high-end hotel options are available.
- Half of the visitors surveyed prefer full room and board as part of their tour package while vacationing on the SRS. These results capture the all-inclusive nature of the South Sea tourism market. In fact, there are currently few if any options for dining outside of the resort and due to the remote location, visitors do not have access to public transport or taxis to access outside food sources.
- The overwhelming majority of visitors indicated that they preferred to participate in water-based activities such as snorkelling and diving during their trip. The survey results demonstrate that in the SRS, the dive market remains the primary one.
- Visitors have indicated an interest in participating in desert excursions in order to experience local traditions and understand their communities, culture and history. Visitors expressed a feeling of isolation from the local community and have a genuine desire to pay for excursions involving local interaction with the local population.
- A high percentage of visitors indicated that they would like to buy locally made handicraft items during their trip to the Southern Red Sea. The desire to buy jewelry, spices and traditional clothing also proved quite popular with tourists in the region. Together the top four most desirable products for tourists to buy as souvenirs and/or gifts demonstrated a strong desire to connect with the cultural uniqueness of the region and the majority of tourist sought to buy something that was authentically “Egyptian”.
- The majority of tourists to the SRS has visited the country before and is now seeking traditional handicrafts and new excursion experiences to keep them coming back year after year as a compliment to water-based activities.
- The vast majority of visitors indicated that they had booked this particular trip to the SRS using either a travel agent or booking directly through a tour operator. This data is telling because it demonstrates once again that any successful destination management plan must fully engage the private sector tour operators and travel agents in order to be viable.
- The majority of visitors surveyed stated that the primary motivation of their trip to the Southern Red Sea was diving. The results demonstrate that the South Coast is already an established dive location and its notoriety is growing. 38% of respondents sited a beach holiday as their primary motivation for visiting the SRS.
- The main market is not in high-end tourism but rather tourists seeking value for money; further demonstrating the price sensitivity of the market. Currently, the Southern Red Sea Coast provides an affordable holiday get away for middle class European couples and family with pristine marine life and beautiful desert.
- The vast majority of visitors didn’t overnight outside of their hotel while participating in land based excursions in the region. The low numbers of visitors spending the night outside of the hotel during excursions is due in part to limited availability of safe, clean and reliable sources of desert accommodation.
Divers indicated that better environmental protection of the reef and surrounding desert would encourage them to visit the area again. Visitors value the unique marine ecosystem of this area and awareness of ecotourism is growing. Many sited poor signage regarding environmental protection of the reef and many felt that the reefs were being over-used by snorkels and divers alike.

Beachgoers surveyed stated that they would like more interaction with the local community. Many state that they had not even seen one Egyptian woman during a two week long trip and that they felt completely isolated from the local culture. Hence, there is definitely a strong demand for more culturally oriented excursions for visitors that will allow them to experience first hand the tribal traditions of the region.

Visitors would like to see additional cultural heritage excursions that would allow them to get a taste of life in the desert. Many tourists were disappointed by the low quality of so-called oriental dance shows and felt that more entertainment and tourism products needed to be develop around the cultural of the region. After all, visitors are coming to Egypt not only for its beautiful waters but also to sample life in the orient and currently the market falls very short of providing this needed cultural interaction.

The comparison between the trip booking habits of divers and beachgoers in the Southern Red Sea demonstrates that divers have a slightly higher percentage of long-term planning habits while beachgoers tended to book more at the last minute.

Beachgoers provide the bulk of in-land tourists as they have more available time for in-land based excursions, it isn't surprising that they on average participate more in activities such as trips to Luxor, Bedouin Feats and photography tours.

Divers are notably more concerned about better environmental conservation and the prevention of mass tourism. However beachgoers, while concerned about environmental issues; are more eager to see the development of cultural heritage excursion options and to have access to locally made products.
Developing a Vision for the Southern Red Sea: A Strategic Outlook

Trends in Key European markets

The LiFE Red Sea consulting team was additionally engaged in qualitative research in the main tourist generating markets in Europe, particularly in the growing segments of adventure, culture and nature-based travel. The decision to focus the research on these markets lies on the opportunities presented to the Southern Red Sea by both its environmental and marketing characteristics.

As explained on section 2 Situational Analysis, the current market for the Southern Red Sea tourism product is composed of two easily distinguishable groups: divers and beach-goers. Both exhibit characteristics that might be used as the base to build the quality of the product and attract higher-yielding segment of the market.

The case of the beach-goers is particularly important because it shows an interesting development occurring in the international tourism market: the gradual incorporation of ecotourism’s principles and values into the mainstream, more traditional types of tourism. For example, our beach-goers are very environmentally, culturally and socially sensitive. As the results of the market survey and interviews with local tour and resort operators confirm, a large segment of the beach-goers are interested in interacting with local people and learning more about the local culture. The same can be told about the nature-based, adventure and cultural markets, as these have also been affected by this trend towards the expansion of the “balanced-consumer” segment.

This segment is characterized by a desire to combine multiple activities in their trips, including but not limited to nature observation, experiencing local culture, participating in adventure sports, sightseeing, relaxing at the beach; and a long etcetera.

Therefore, the natural and cultural resources of the area have the potential to turn the Southern Red Sea into a multi-product destination that caters to this type of increasingly complex customer. The market information provided in this section was gathered using internationally accepted best practices in professional market research with 20 companies in eight European markets (Austria, Finland, France, Germany, Italy, Netherlands, Spain and the UK). In order to keep the research effort focused, questions focused on 12 destinations in the Middle East and Africa that were considered to be competitive to, or offer useful comparisons for, the range of products that could be developed in the Red Sea project. Respondents were asked to discuss a range of topics, as set out in a questionnaire (with subjects specified by PA Consulting), in order to provide a profile of consumer behavior for these markets and ascertain the price structures of the packages they are offering. See Annex C for a more detailed explanation of the methodology, process, and limitations of this study, “Survey of tours, tour operators, lodges, air services, and key issues related to the European market for adventure, culture, and safari holidays,” prepared by Travel Research international.

Customer Profile

Demographic and Socio-economic characteristics

The most typical client group quoted was: people around middle age and older (say, 40 years of age and upwards), well-educated, above average incomes and experienced travelers. However, there were also wide variations around this typical tourist. Some of the most important points made by the respondents include:

- Older travelers avoid the summer peak, whereas slightly younger people do travel in the hottest months;
- Hiking tours can have an average age of around 30, whereas walking tours attract older (50+) clients;
- Some destinations (Tunisia, Turkey) have a younger client profile than others, mainly due to lower prices.
- Preferred party size

The more specialized the tour, the smaller the party seems to be. Typically, party sizes are around 15 – 20 people from the answers supplied, although the less-specialized operators will tend to have rather more per party – up to 25 or occasionally 30. An interesting trend mentioned by interviewed tour operators is that single travelers, including single female travelers, are becoming more common, although couples or small groups of friends are most typical.
**Holiday Information Sources**

Although from the tour operators’ perspective printed brochures is the most important source of information, coupled the Internet and word of mouth, it is clear that these markets preferred a wide variety of sources, more so than other more traditional markets. While the use of the Internet is clearly increasing across these markets, it seems like the dominant source of information on this type of holiday remains the printed brochure, and there are some important national differences. In the UK, the Internet tends to be more widely used than in continental Europe, and also newspapers and magazines were quoted as important sources also for British travelers. The large German market in particular is firmly wedded to the traditional combination of printed brochure and travel agent for both information and bookings. Again, however, there are variations within this general picture. For some people, the Internet was the dominant source of information. Word of mouth is also important, especially for the more specialized (and therefore generally rather smaller) tours.

Other points made include:

- Knowledgeable telephone sales staff and the conduct of seminars, information days, slide shows and meetings also act as important information sources;
- Coverage of destinations in the print media, such as the weekend newspapers and specialized travel magazines, often plant the seeds of interest which leads clients to pursue more information from brochures or on-line;
- Most tour operators predict that the use of on-line information sources is bound to rise in the next few years among these markets.

**Booking Methods**

It appears that there is a tendency for late bookings to become more frequent, a trend perhaps fuelled by the spread of last-minute offers on the Internet but this is still a minority approach. The traditional route through a travel agent remains by far the most common method. One or two tour operators said that many clients use direct bookings via the Internet, again to generalize, while the use of the Internet is substantial in the UK, in most other European markets the traditional reliance on brochure information followed up by bookings at travel agents remains the dominant method. This may in part reflect the fact that consumers require the comfort of a face-to-face arrangement implying a responsibility on an intermediary to deliver the tour as promised. Nevertheless, the following seem to be the typical patterns by country of origin:

- **Austria**: at least one month in advance;
- **Belgium**: three months before departure;
- **Finland**: 60% book within two months of departure;
- **France**: Most within two months of departure, and late bookings are on the rise;
- **Germany**: Variable, but around three months in advance seems typical;
- **Italy**: Typically less than one month in advance; late booking seems common in Italy with tour operators complaining that this causes them difficulties with airlines and hotels;
- **Netherlands**: Variable; families book up to one year ahead, hikers and those on short tours can be around one month ahead;
- **Spain**: around one month ahead;
- **UK**: Very variable, typically around two or three months ahead but late booking is on the rise.

**Travel Characteristics**

**Shopping Preferences**

Most operators interviewed were very emphatic about the issue of shopping of souvenirs. They indicated that while these markets are very interested in buying handicrafts unique to the areas they visit, the definitely do not want to be taken to souvenir shops, especially by guides who earn commissions from shop owners. This is common in countries such as Egypt – cited by some respondents as the worst country of those surveyed for this issue - Tunisia and Morocco. Any element of actual or implied coercion in visiting souvenir shops is anathema to most clients of specialized and up-market tours. Indeed, several tour operators have a firm “no shopping” policy. Handicraft shopping is preferred in a more spontaneous environment such as the one described above for the interaction with local communities.

**Food Preferences**

For these markets, good quality food seems to be high on their agenda but the range of food preferences varies, with some preferring their own national cuisine while others expect dishes...
from their chosen destination. Food preferences tend to favor the simple and, again, the focus
was on local produce and the policy of getting away from the pizza and pasta option – although
some visitors from southern European countries prefer the availability of their own style of food
and its absence could generate complaints. We cannot draw any firm conclusions on this point
from the research, other than that quality (and of course food hygiene) is a top priority.

**Lodging Preferences**

Lodging preferences broadly fell into two categories: the more mainstream segments on one
hand and the specialized (hard-core) adventure and nature-based segments on the other.
Nevertheless, it seems that all segments agree that at whatever grade, standards of hygiene,
cleanliness and quality are of crucial importance. In this respect, several tour operators
interviewed voiced concern over general standards in Egypt.

The mainstream segments prefer hotels or camps which ranged from mid-range 3-star to ultra
deluxe. Generally these segments opted for international style hotels. Clients tend to choose
their trips on expected accommodation, of whatever grade, to be up to their declared standards.
Among the specialized (hard-core) adventure and nature-based segments there was greater
variation although it was emphasized that the trip experience was paramount and therefore they
were not “buying” on accommodation; they look for a certain type of holiday, with an element of
exploration, and if they were visiting virgin territory there were no expectations of comfort. Most
of them favor accommodation that provide a local flavor, be it in small local hotels, lodges,
camps, village rooms or homestays. Lodges and hotels, and even camps, could be relatively
luxurious but in most cases individuality was stressed as very important. In general, a significant
number of operators noted the dearth of small, local characterful hotels that could be used in
Egypt. One company even made mention of trying to avoid hotels altogether and move clients
immediately into the desert.

**Tour Guides**

The quality of guides is very important for these markets – although several tour operators
mentioned that to find them was not easy. Different aspects were emphasized by different
interviewees, but all indicated that the tour guide was a crucial element in the success of a trip.

The majority of companies use local guides, some as staff members and others not, while a few
companies, notably for the German study group tours or Italian groups requiring an Italian
speaker, bring in their own specialists. Some emphasized that it was important to have a local
guide since this added to the “local feel” of a tour.

It is critical for guides to be able to speak the language of the group, and in almost all cases this
was achieved – English, French, German and Italian were mentioned. However, this was more
difficult in some destinations than others. In sub-Saharan Africa and Egypt, for example, it was
not always easy to find a guide who spoke the appropriate language.

Formal qualifications are generally regarded as of less importance than experience, the ability
to deal with people, and local knowledge. which may be a general knowledge of the country or
more specialized knowledge of the desert or mountain regions. In terms of people management,
many of the companies provided training for their guides and sent out representatives to help
with this and to monitor them. Frequently countries, by law, require local guides to be used at
tourist sites and for many companies it is these licensed guides that provide specialist
knowledge, such as Egyptologists at Egypt’s classical sites. Unfortunately, it is widely felt that
these guides tend to emphasize formal qualification over local knowledge. Nonetheless, for
some specialist trips, such as the German studienreise, great store is placed on German or
German-speaking lecturers and specialized guides and Studiosus, for example, has its own
quality management system that is used to train, license and oversee all its tour leaders.

**National Parks and Protected Areas**

What these markets expect of protected areas and/or National Parks to a large degree depends
on the type of adventure tour being undertaken: the more adventurous the tour, the less is
expected – or even wanted – in terms of sophisticated or organized infrastructure. Tourists
going trekking or climbing in remote deserts or mountains do not look for signposted trails or
visitor centres since being “away-from-it all” is the essence of their holiday. It is important,
however, that they encounter no signs of other tourists either in terms of previous encampments
or in meeting other groups, nor, of course, do they want to see any signs of degradation. (In this
connection, mention was made of Egypt’s White Desert where rubbish clearance is reported to
be poor.)

The true adventure tourist is generally of a particular type, and reported to be especially
environmentally-aware and sensitive to not despoiling their surroundings. Indeed, mention was
made of tourists complaining of local helpers burying rubbish rather than carrying it home. They
also tend to be particularly enquiring about environmental standards on a trek, such as the use of wood-burning stoves or rubbish disposal. In short, for this type of tourist, high environmental standards are expected, but a developed physical infrastructure is not.

In formal National Parks or conservation areas such as in southern Africa or Jordan, reasonable standards of park care, such as in terms of litter and rubbish disposal systems and animal protection are expected but, again, nothing too sophisticated in physical infrastructure. The soft-adventure tourist on the other hand welcomed more facilities. Some clients appreciate American-style facilities, such as visitor centers and information centers but this was not mentioned frequently and appeared to be not particularly relevant for the destinations covered. Guides, it was felt, replaced the need for signposted trails.

**Preferred Activities**

The typical European adventure, nature-based and cultural visitor pursue a wide range of active pursuits while on vacation. These are typically not “activity” vacations per se, but there is a clear preference for being “on the move” (as opposed to based on a more permanent location) for most of their holiday whether by foot, minibus, 4x4, camel, horse, bicycle or a variety of other means. The preferred activities in the Middle East/North Africa broadly concentrate on the natural environment of desert, mountain, and cultural sightseeing tours (soft adventure and nature-based tours). In sub-Saharan Africa the primary focus was on game viewing although the natural and cultural environments were also important draw-cards (more hard-core nature-based activities).

The table below summarizes the main activities outlined for each destination:

**Table 7 Most popular activities by destination**

<table>
<thead>
<tr>
<th>Destination</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>Hiking/walking/trekking, 4x4 tours into Sahara and mountains, mountain bike cycling, sightseeing iconic cities, camel riding, cultural tours, camping</td>
</tr>
<tr>
<td>Tunisia</td>
<td>Hiking/walking/trekking, 4x4 in desert, mountain and sand cycling, sightseeing and cultural tours, camel riding, camping</td>
</tr>
<tr>
<td>Jordan</td>
<td>Sightseeing of cultural sites, hiking/walking/trekking, 4x4 desert trips, hotel stays + excursions, beach</td>
</tr>
<tr>
<td>Turkey</td>
<td>Sightseeing of cultural sites, hiking/walking/trekking, cycling, boating, special interest tours in East, beach</td>
</tr>
<tr>
<td>Oman</td>
<td>4x4 tours, hiking/walking/trekking in desert and mountains, beach, cultural and scenic tours, hotel stays + excursions, camel safari</td>
</tr>
<tr>
<td>Dubai</td>
<td>Beach, shopping, 4x4 desert tours, dune skiing</td>
</tr>
<tr>
<td>Kenya</td>
<td>Game safari, bird watching, coast, hiking/walking/trekking, climbing, cycling, flight tour, cultural tours</td>
</tr>
<tr>
<td>South Africa</td>
<td>Game safari, sightseeing, hiking/walking/trekking, touring, biking</td>
</tr>
<tr>
<td>Namibia</td>
<td>Game safari, desert tours, hiking/walking/trekking, cultural and heritage tours, flight tour</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Game safari, hiking/walking/trekking (Mt. Kilimanjaro), cultural tour</td>
</tr>
<tr>
<td>Botswana</td>
<td>Game safari, hiking/walking/trekking, flight tour, cultural tour, bird watching</td>
</tr>
<tr>
<td>Egypt</td>
<td>Classical sightseeing, hiking/walking/trekking in desert, Nile cruises, felucca trips, beach, camel riding, diving, desert tours</td>
</tr>
</tbody>
</table>

Source: Travel Research International

**Interaction with Local Communities / Peoples**

These type of markets are generally looking for natural encounters with the local population rather than organized activities which they regarded as too touristic. This is not to say that cultural experiences are not important; indeed for many of them they were its essence. But what clients appreciated was authentic encounters such as going to remote villages, meeting local tribes, discovering un-planned-for local events, visiting festivals put on for local people, enjoying the natural and unspoiled environment etc. For these visitors, traveling with local guides who are able to tell them about local life and mixing with support teams is the true authentic experience; small groups traveling with camel drivers, muleteers, cooks, etc. was regarded as the genuine article.
These markets do not have a strong preference for organized entertainments. For the adventure specialists whose clients headed for the mountains or the desert, in particular, this was anathema and counter to the style of trip they were looking for. However, some of the more mainstream operators organize traditional tourist cultural exchanges and mention was made of visits to a papyrus factory, performances by Nubian dancers, Masai cultural performances and so on. Nevertheless, this seems to be a minority preference among these markets.

It is also worth mentioning that some of the operators supported local charities or schools, for example, and clients were generally interested to visit – and often support – these. Philanthropy ranks very high in the agenda of these markets.

Expenditure level

60% of respondents gave indicative answers to this question. The typical prices quoted by respondents for a tour to Egypt/North Africa and to sub-Saharan Africa are set out below (but note that most of these refer to tours of two weeks more typically than for one week – see Annex 4 for full details of respondents' answers).

**Table 8  Typical package tour prices quoted by interviewees (€)**

<table>
<thead>
<tr>
<th>Tour-Operator</th>
<th>Egypt / North Africa</th>
<th>Sub-Saharan Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>600-700</td>
<td>1,600</td>
</tr>
<tr>
<td>B</td>
<td>2,220-2,660</td>
<td>1,776-5,180</td>
</tr>
<tr>
<td>C</td>
<td>1,400-1,500</td>
<td>2,000-2,500</td>
</tr>
<tr>
<td>D</td>
<td>600-1,000</td>
<td>1,500</td>
</tr>
<tr>
<td>E</td>
<td>800-1,100</td>
<td>1,500-2,500</td>
</tr>
<tr>
<td>F</td>
<td>2,220</td>
<td>2,960</td>
</tr>
<tr>
<td>G</td>
<td>1,200-1,500</td>
<td>2,000</td>
</tr>
<tr>
<td>H</td>
<td>1,170-1,730</td>
<td>2,680-4,700</td>
</tr>
<tr>
<td>I</td>
<td>1,500</td>
<td>-</td>
</tr>
<tr>
<td>J</td>
<td>2,000-2,500</td>
<td>3,500-4,000</td>
</tr>
<tr>
<td>K</td>
<td>1,040-1,180</td>
<td>-</td>
</tr>
<tr>
<td>L</td>
<td>1,200-1,710</td>
<td>2,500-2,700</td>
</tr>
</tbody>
</table>

Approximate arithmetic mean (lows and highs)

- Egypt / North Africa: 1,330-1,610
- Sub-Saharan Africa: 2,200-2,960

Source: Travel Research International

Tours to southern Africa average, at the low end, around 65% more expensive than those to Egypt and North Africa, while at the high end they cost 84% more than up-market tours to these nearer destinations. This seems to be related to two factors: distance and image. Long-haul destinations tend to have higher prices (related to more expensive, less frequent flights, ground transportation, etc.) than short-haul destinations (such as Egypt / North Africa). However, Egypt and the Middle East do not seem to have as exciting an image as sub-Saharan Africa among the adventure/nature-based market.

**Levels of Satisfaction**

Client satisfaction is monitored systematically. Most of those companies surveyed claim high levels of satisfaction, as one would expect from a sample biased towards the higher-level, more specialized tour operators, for whose clients' issues pertaining to quality are taken as read. Most complaints appear to derive from third party services, such as the flights, that form part of the tour but may lie outside the control of the tour operator – at least on the day of delivery. Adventure tourists, while continuing to expect quality, security and hygiene, may be more flexible about accommodation standards, for example, if their tour takes place in remote areas which obviously do not contain luxury hotels.

Word of mouth recommendations are important characteristics of these markets, as is repeat business. However, while clients may repeat in terms of coming back to the same tour operator, they seem much less likely to repeat the same destination, partly because this type of tourist is more likely to explore the full range of destinations on offer than simply return to the same place year after year.

**Marketing and Promotion**

**Destination Images: Infrastructure, Price, Health and Security**

The better educated clients who seek these types of holidays tend to be relatively well-informed and know what to expect of a destination. However, some tour operators noted that less-
experienced clients need to be “educated” that standards of health and security may not be as high as at home. Additionally, several respondents stated their concerns over the often incorrect or inflated publicity that was put out on television, radio and newspapers which colored their clients’ views and which they had to work to correct. At the same time, it was noted that clients tend to be more resilient than they were ten years’ ago, particularly in the case of security issues.

Generally the main concerns expressed related to security issues in the Middle East and in relation to Muslim countries, and health concerns – and particularly malaria – in black Africa. The main points made in relation to each destination were as follows;

- **Botswana** is broadly well regarded from the point of view of service standards, with security rated better than Kenya and Tanzania, and is also regarded as relatively expensive;
- **Dubai** is generally rated as a very high quality, secure and expensive destination where health issues are a concern;
- There were varying views on **Egypt** – some tour operators say their clients are concerned by health and security issues whereas others rate these as satisfactory; hotel standards are generally good but there is concern over food hygiene. Generally it is regarded as good value for money;
- Prior to recent events **Jordan** had a good cultural image but in the light of recent events security is now a major concern;
- Health (particularly malaria) and security are of general concern for **Kenya**.
- On security and health concerns, **Morocco** is generally well regarded;
- Views on **Namibia** are somewhat varied but broadly there are no major concerns on health and security; generally regarded as one of the safer destinations in Africa;
- **Oman** offers a particularly stable image as a Muslim destination. One tour operator noted that they were moving their tours there to replace Yemen;
- For **South Africa** there are some concerns about security and high crime rates, but it is generally regarded as better developed than most other African countries;
- There are health worries about **Tanzania** and security concerns are also mentioned quite frequently;
- **Tunisia**’s security image is recovering and the destination is widely regarded as cheap;
- Security concerns do exist for **Turkey** due to Kurdish rebels but none of our respondents mentioned health worries.

**Brand Images: Market Recognition and Type of Tourism Expected**

Generally clients for adventure/cultural/safari holidays are not overly influenced by the image of a destination because they are not seeking the mass-market element – primarily the sun and sand product – of the destination concerned. Thus, for example, while Tunisia may have a mass market image as a result of the large numbers who go to the coast, for the adventure tourist who is going into the Tunisian desert, it is irrelevant that Tunisia presents this image. While many of the adventure/cultural/safari clients do want to visit important sites like Petra, they probably may not want to visit Aqaba to be among the mass market. Nevertheless the image of the destinations included in this research offered a range of characteristics. In summary, sub-Saharan Africa had a strong image for wildlife and game safaris, while Egypt, Jordan and to a lesser-degree Turkey, had a strong image for cultural attractions. Some points which emerged included:
• North Africa, Egypt and the Middle East are not as high on people’s “wish lists” and do not have as exciting an image as sub-Saharan Africa largely because of the large charter market - which tends to damage a destination’s reputation or at least its exclusive image;
• This is also now the case with East Africa.
• Southern Africa is regarded as much more exclusive;
• Oman is generally regarded as an exclusive and somewhat exciting and mysterious destination; it is also new and unknown;
• Dubai is regarded as up-market and expensive, but also mass-market; it is generally not of interest to the adventure/safari/cultural tourist;
• Botswana, and to a slightly lesser extent Namibia, are also regarded as exclusive and up-market;
• Egypt’s image has two distinct facets – the Nile has a good image offering unsurpassed cultural attractions while the Red Sea is viewed as a mass-market destination; dive tours on the Red Sea were well-regarded; one tour operator remarked that because Egypt is regarded as a cheap destination, it is difficult to sell up-market tours there;
• Turkey’s image is generally mass-market although one tour operator noted that the cultural side is strengthening; another noted a sharp decline in image with over-development, pollution problems, and an influx of low-spending tourists;
• Morocco’s recent popularity has made it a more mainstream destination and its image has declined; it does, however, still hold an exotic appeal;
• Tunisia is generally regarded as a mass-market, cheap destination.

Success Factors of Destinations

Clearly, the success of any destination is a combination of factors. Table 3 below gives some indication of the relative importance of different factors identified. These findings are indicative only and must be treated with caution.

A combination of natural features (such as desert, mountains, bush or beach) and a cultural appeal (either of the local cultural ambience of a given destination or actual sites of interest) were the prime draw cards identified. Iconic sites such as Petra or Muscat or Victoria Falls or Mount Kilimanjaro, added to the appeal, even for holidays based on away-from-it-all activities such as trekking or game viewing. However, price was frequently mentioned as a key item in the equation, and this was particularly apparent for some of the Middle East/North African destinations. Price was regularly coupled with proximity, which not only kept travel costs down through smaller distances and greater flight frequency, but it also affected the fact that people were prepared to travel smaller distances for shorter holidays.

It is worth mentioning that an image of exclusivity also plays its part. Oman, for example, was cited as particularly interesting because it is new on the tourism map and because it is regarded as an up-market destination. Equally, Botswana is regarded as exclusive and part of its attractions is its quality image.

Table 9 Most frequently cited success factors by order of importance

<table>
<thead>
<tr>
<th>Destination</th>
<th>Natural</th>
<th>Cultural</th>
<th>Price</th>
<th>Proximity</th>
<th>Climate</th>
<th>Other Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Tunisia</td>
<td>2</td>
<td>5</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Jordan</td>
<td>2</td>
<td>1</td>
<td>=3</td>
<td>=3</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Turkey</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Oman</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>3/4*</td>
</tr>
<tr>
<td>Kenya</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>South Africa</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>3*</td>
</tr>
<tr>
<td>Namibia</td>
<td>1</td>
<td>=2</td>
<td>=2</td>
<td>-</td>
<td>-</td>
<td>=2*</td>
</tr>
<tr>
<td>Tanzania</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Botswana</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2*</td>
</tr>
<tr>
<td>Egypt</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>-</td>
</tr>
</tbody>
</table>

*a New destination and exclusive; *b Safe destination in Africa; *c Efficient destination with European influence (German respondents); *d Exclusive

Source: Travel Research International
Marketability of the South Red Sea

This section focused on finding out how tour operators could successfully market and sell the Wadi Gemal Protected Area as an adventure, cultural and nature-based destination. Their answers provided invaluable insight into the current possibilities of the SRS to diversify its tourist product and move away from the current resort-development model.

South Red Sea Potential

90% of respondents expressed interest or strong interest in learning more about the proposed area, although many also stated that it would be unlikely to act as a stand-alone destination. The majority felt that the area would most probably be offered as an extension to existing holidays in the country. On the other hand, two respondents stated that they would only use this area on a self-contained basis.

Generally, there was caution expressed about the area's potential on the grounds that tour operators would need to know much more detail about the infrastructure, accommodation, features and facilities that the area would contain.

Other comments made included:

- There is wide general interest among tour operators for anything new, but at the same time any new destination such as this would have to add value to existing tour itineraries;
- There is a general consensus that this area should be kept as a low-volume, high-quality specialist destination aimed at the upper end of the market and untainted by the price-driven resorts on the coast;
- Many respondents said that their actual reaction to the area would depend on the quality and nature of the infrastructure;
- Tourists seeking desert experiences generally want to find un-crowded and natural areas, hence accommodation should be kept at low density;
- Some tour operators said that the area might be difficult to sell and that good information about its attractions and points of special interest would be needed in order to inform their client base.

Tour Routings and Integration with Other Destinations

The routings that tour operators say that they would use reflect their current offer. The highest number said that they would bring tourists from the Nile Valley; some said they would use the Red Sea resorts as an origin, and a few mentioned Sinai and also the western desert as possible origin points. It is important to notice that since most tour operators would sell this area in combination with other destinations in Egypt, integration (via road or air) is an important factor in the marketability of the SRS.

Where gateways were mentioned by respondents, Marsa Alam was the most often quoted.

Other points included:

- Access could be from Luxor, using the current road;
- Access could be from Aswan, but will there be a suitable road connection?

Length of Stay

80% of respondents answered this question with a proposed number of days. While the answers varied from a day excursion to as long as 8 -10 days, the most common answer suggested a length of stay in the area around 2 -3 days.

It was noticeable that most tour operators would require more details of what attractions, facilities and access the area would offer before committing themselves further, but that in general, they saw the area as offering the opportunity for a short extension to existing tours.

Conclusions on Current Trends in Key European Markets

The following conclusions could be drawn from the analysis of the current trends in the key adventure, nature-based and cultural markets in Europe. These conclusions are those that have implications in the development of the Southern Red Sea product:

- The profile of the typical visitor from these markets matches the description of the international eco-tourist provided by different organizations. It is clear that the SRS is not currently attracting the bulk of their customers from these ranks.
- While online information sources are becoming increasingly common, they usually serve as initial points of reference (as do coverage of destinations in print media) and printed brochures remain the more common source of information. Reservations and sales still
occur through the travel agent’s office. There is wide variation on the time of booking before travel, with 2 to 3 months being the norm. Tendency to late bookings is becoming more frequent.

- While there is a strong interest in buying handicrafts that are unique to the areas visited, any element of actual or implied coercion in visiting souvenir shops is frowned upon by these visitors. Shopping is preferred in spontaneous environments.

- The more mainstream segments of these markets (soft-adventure) tend to prefer international style accommodation and tend to choose their trips on lodging being up to their standards. The more specialized (hard-core) segments DO NOT buy their trips based on accommodation options but the quality of the overall experience. For both segments, individuality and character of the accommodation option are very important (be lodges, small hotels, camps or any other type). Low density is preferred than over-development.

- Quality of interpretation, particularly in the case of guides, is critical for these markets. There is a strong preference for local guides with a good knowledge of the area, thus able to provide a “local feel”. Language skills are paramount for tour operators.

- In natural protected areas, the specialized (hard-core) adventure tourists expect high environmental standards but not a developed or sophisticated physical infrastructure. Appropriate solid waste management is more important than US-style facilities. The mainstream segments (soft-adventure) on the other hand, welcomed more facilities such as visitor centers and interpretation centers.

- A wide range of active pursuits are preferred by these markets. However, their preference is not necessarily for “activity” vacations but for being constantly “on the move” (i.e. not based in one location). In Egypt and North Africa, activities broadly concentrate on enjoying the natural environment of the desert, mountain and cultural sightseeing.

- Visitors appreciate authentic encounters such as going to remote villages, meeting local tribes, discovering local events, visiting festivals put on for local people. Organized activities are regarded as “too touristic” and these markets do not have a preference for organized entertainment.

- Tours to southern Africa average, at the low end, around 65% more expensive than those to Egypt and North Africa, while at the high end they cost 84% more than up-market tours to these nearer destinations. This difference is due to distance, costs and image of the destinations. Egypt and the Middle East do not seem to have as exciting an image as sub-Saharan Africa among the adventure/nature-based market.

- These markets seem much less likely to repeat the same destination, partly because they are more likely to explore the full range of destinations on offer than simply return to the same place year after year.

- Egypt is generally regarded as good value for money among these markets. Hotel standards are considered to be good but there are concerns over food hygiene.

- North Africa, Egypt and the Middle East are not high on these market’s “wish lists” and do not have as exciting an image as sub-Saharan Africa largely because of the large charter market, which tends to damage a destination’s reputation or at least its exclusive image.

- The presence of an iconic site (an attraction Hierarchy 1) such as Petra, Victoria Falls or Mount Kilimanjaro is the prime draw card for these markets (pull factor). A combination of natural features (such as desert, mountains and beach) and a cultural appeal added to the appeal, even for holidays based on away-from-it-all activities.

- There is doubt about the extent to which Egypt will be able to deliver a more up-market and specialized product against the background of its image for relatively inexpensive holidays at the coast.

- Price was frequently mentioned as a factor in the success of a destination among these markets. However, this was more apparent for some of the Middle East / North African destinations than for the Sub-Saharan African destinations. It is interesting to notice that in the case of Egypt, price ranked higher than the attraction of its natural areas as a success factor.

- Most specialized tour operators expressed interest in learning more about the Wadi Gemal Protected Area but also stated that it would be unlikely to act as a stand-alone destination. It would most probably be offered as an extension to existing holidays in
the country. However, more information on the WGPA would be needed before they commit to anything.

- Proposed number of days that visitors would stay in the area ranged from 1 to 8, with the most common answer suggesting a length of stay of 2 – 3 days in the Southern Red Sea.

**Competitor Analysis**

This section focuses on analyzing the position of Egypt in general and the Southern Red Sea in particular vis-à-vis their main competitors. The analysis focused on a series of specific products that were considered to be competitive to, or offer useful comparisons for, the range of products that could be developed in the Red Sea project. In that regard, the specific products analyzed are:

- Adventure / safari / cultural tours from Europe
- Dive tour packages from Europe
- Eco-lodges

**Adventure / safari / cultural tours from Europe**

The requirement for this section of the research was to examine tour operator packages from a range of European markets to 12 destinations in the Middle East and Africa that were considered to be competitive to, or offer useful comparisons for, the proposed southern Red Sea project. A total of 128 tours were examined from over 50 different tour operators. The focus of the research was on cultural and/or adventure and/or safari tours at the mid- to upper-end of the market. However, a range of operators were selected and these encompassed both mainstream companies offering well-established itineraries as well as a specialist operators offering walking and trekking tours to off-the-beaten-track destinations, safaris on well-trodden paths and more unique routings, desert trips etc.

It is also worth noting that the most expensive and cheapest tours available for each destination are taken only from our sample; where a given country is shown as offering either the cheapest or most expensive tour, this does not imply that any one origin market is necessarily more or less costly than any other. Since every European origin market has a huge range of tours available to the leisure traveler, it is always possible to find very cheap or very expensive tours originating in all countries. Despite the large number of tours that we have sampled for this project, they represent only a very small proportion of the total tours on offer nationally.

**General Price Competitiveness**

As an easy basis for comparison, the following table summarizes the mean costs per night for package holidays to all twelve destinations analyzed:

**Table 10  Mean costs per night of package tours to selected destinations (£)**

<table>
<thead>
<tr>
<th>Destination</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dubai*</td>
<td>299</td>
</tr>
<tr>
<td>Botswana</td>
<td>274</td>
</tr>
<tr>
<td>Kenya</td>
<td>272</td>
</tr>
<tr>
<td>Tanzania</td>
<td>265</td>
</tr>
<tr>
<td>South Africa</td>
<td>259</td>
</tr>
<tr>
<td>Namibia</td>
<td>256</td>
</tr>
<tr>
<td>Oman</td>
<td>215</td>
</tr>
<tr>
<td><strong>Egypt</strong></td>
<td><strong>150</strong></td>
</tr>
<tr>
<td>Jordan</td>
<td>147</td>
</tr>
<tr>
<td>Turkey</td>
<td>121</td>
</tr>
<tr>
<td>Morocco</td>
<td>113</td>
</tr>
<tr>
<td>Tunisia</td>
<td>107</td>
</tr>
</tbody>
</table>

* Based on three tours only

Source: Travel Research International

Egypt’s general price competitiveness is very good vis-à-vis its main competitors in the North Africa / Middle East region. With the exception of Dubai (that does not offer any product that could be compared to Egypt) and Oman (a new player in the tourism scene), Egypt is the most expensive destination in this region for the average adventure / cultural / safari market.

**Average Price of Packaged Tours**

The following table provides a comparison of the different prices visitors pay for this kind of tours to the different destinations analyzed. As stated above, a series of factors related to ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT

Part 1: Destination Management Plan for Enhancing the Competitiveness of the Southern Red Sea Region of Egypt
distance, image and quality determine the final price of the packaged tour. It results clear that from a package price point of view, Egypt is perhaps the best positioned of all North Africa / Middle East destinations, with the exception of Oman. This could be explained by that country’s relatively new appearance in the international tourism marketplace.

Table 11  Average Package Prices (€)

<table>
<thead>
<tr>
<th>Destination</th>
<th>Package Prices Cheapest</th>
<th>Cheapest</th>
<th>Package Prices Most Expensive</th>
<th>Most Expensive</th>
<th>Package Prices – Land Only Cheapest</th>
<th>Cheapest</th>
<th>Package Prices – Land Only Most Expensive</th>
<th>Most Expensive</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>1,105</td>
<td>3,507 – 3,917</td>
<td>1,095</td>
<td>2,290 – 2,713</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Namibia</td>
<td>764</td>
<td>3,063 – 3,676</td>
<td>1,180</td>
<td>1,955 – 2,041</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>1,195</td>
<td>3,021 – 3,304</td>
<td>1,699</td>
<td>1,932 – 2,019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tanzania</td>
<td>1,885</td>
<td>2,816 – 3,137</td>
<td>1,364</td>
<td>1,689 – 1,706</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kenya</td>
<td>1,194</td>
<td>2,303 – 2,799</td>
<td>2,349</td>
<td>2,349 – 2,499</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oman</td>
<td>1,275</td>
<td>1,925 – 2,103</td>
<td>1,117</td>
<td>1,210 – 1,402</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Egypt</td>
<td>680</td>
<td>1,368 – 1,550</td>
<td>620</td>
<td>1,032 – 1,072</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jordan</td>
<td>870</td>
<td>1,235 – 1,317</td>
<td>792</td>
<td>796 - 872</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>395</td>
<td>1,092 – 1,250</td>
<td>208</td>
<td>478 - 546</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Morocco</td>
<td>509</td>
<td>1,091 – 1,216</td>
<td>602</td>
<td>1,254 – 1,448</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tunisia</td>
<td>424</td>
<td>849 – 1,002</td>
<td>911</td>
<td>911 - 970</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai</td>
<td>424</td>
<td>849 – 1,002</td>
<td>-----</td>
<td>-----</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: PA Government Services, Inc. with data provided by Travel Research International

The cost of nature, adventure, and cultural tours to Egypt are on average almost 300 Euros more expensive than those offered in Turkey and Morocco. The presence of such iconic attractions such as the Pyramids and the antiquities of the Nile Valley partially explain this situation. However, the recent but effective positioning of the Western Desert – the White Desert – and also inland Sinai have successfully attracted mid to high end specialist operators to the country.

**Trip Characteristics**

The following table compares some of the most important characteristics of this type of trips in each of the evaluated destinations.
### Table 12  Trip Characteristics

<table>
<thead>
<tr>
<th>Destination</th>
<th>Group Size</th>
<th>Guide Skills</th>
<th>Length of Stay</th>
<th>Accommodation</th>
<th>Transport</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>4.3 – 12.8</td>
<td>English</td>
<td>13.2</td>
<td>Hotel, tent, luxury camp, bungalow, tented lodge</td>
<td>4x4, minibus, boat, sir taxi, safari truck</td>
</tr>
<tr>
<td>Namibia</td>
<td>6.5 – 15.5</td>
<td>Mainly English but also German. Mostly locals</td>
<td>14.1</td>
<td>Hotel, tent, luxury camp, bungalow, bivouac, game lodge</td>
<td>4x4, minibus, train, car, converted truck, bus, walking</td>
</tr>
<tr>
<td>South Africa</td>
<td>7.7 – 15.8</td>
<td>Widespread use of local guides, mainly English</td>
<td>13.8</td>
<td>Hotel, game lodge, guesthouse, farm</td>
<td>Inland domestic air travel, Light aircraft, 4x4, train, bus, minibus, boat, open jeep, walking</td>
</tr>
<tr>
<td>Tanzania</td>
<td>5.3 – 14.4</td>
<td>Tour leader + local guides (English, French, Italian and German). Specialized guides (naturalists and mountain guides)</td>
<td>12.5</td>
<td>Mid-market to luxury hotels, tent, luxury camp, game lodge, hotel &amp; spa, mountain hut, inn</td>
<td>Minibus, 4x4, foot, light aircraft, boat</td>
</tr>
<tr>
<td>Kenya</td>
<td>5.2 – 12.8</td>
<td>Extensive use of local guides, mainly English</td>
<td>10.9</td>
<td>Hotel, game lodge, camp</td>
<td>4x4, minibus, train, light aircraft, horse, camel, walking</td>
</tr>
<tr>
<td>Oman</td>
<td>9.4 – 14.8</td>
<td>Mostly foreign guides speaking the language of the group - specialized</td>
<td>10.6</td>
<td>Hotel(2*-5*), traditional huts, camp, tents, gîte (communal) open</td>
<td>Bus, 4x4, camel, jeep, car, on foot</td>
</tr>
<tr>
<td>Egypt</td>
<td>8.5 – 16.9</td>
<td>Extensive use of local guides (English and other languages)</td>
<td>10.9</td>
<td>Hotel, tented camp, train, river boat, open air</td>
<td>4x4, minibus, train, plane, camel, jeep, bus, boat, walking</td>
</tr>
<tr>
<td>Jordan</td>
<td>8.8 – 17.8</td>
<td>Local guides + tour leaders (English, French and German)</td>
<td>10.1</td>
<td>Hotel(2*-5*), rest house, camp, Bedouin camp, pension</td>
<td>Bus, minibus, 4x4, boat, walking, horse, camel, ferry, plane</td>
</tr>
<tr>
<td>Turkey</td>
<td>7.8 – 15.6</td>
<td>Extensive use of local guides with several languages in offering</td>
<td>10.9</td>
<td>Hotel accommodation is predominant, with some camping also</td>
<td>Mainly bus or minibus, some walking</td>
</tr>
<tr>
<td>Morocco</td>
<td>6.0 – 15.7</td>
<td>Wide use of local guides, including specialized mountain guides (English, French, German)</td>
<td>12.1</td>
<td>Mid-market hotels, tents and camps, host family accommodation, open air</td>
<td>Bus, Minibus, 4x4, foot, private vehicle, boat, camel riding, train</td>
</tr>
<tr>
<td>Tunisia</td>
<td>10 – 17.3</td>
<td>Mostly tour leaders from the country of origin, a few local guides for support</td>
<td>9.7</td>
<td>Hotel(2*-4*), tent, troglodyte cave hotel, open air camp</td>
<td>Bus, 4x4, camel trek, minibus, ferry, on foot</td>
</tr>
<tr>
<td>Dubai</td>
<td>N/A</td>
<td>English, Italian, German</td>
<td>9.3</td>
<td>4 and 5 star hotels</td>
<td>Air, bus, 4x4, jeep</td>
</tr>
</tbody>
</table>

Groups size indicated reflect average minimum and average maximum respectively.
Length of stay is averaged from evaluated tours in days.

**Source:** PA Government Services, Inc. with data provided by Travel Research International

This analysis shows a slight variation in the two important characteristics of the trip to for the adventure / nature / cultural market in Europe. On average, groups are smaller and length of...
stay is higher to “ecotourism” destinations than to “soft-adventure” destinations. This is a product of the highly specialized nature of the product as well as the distance of “ecotourism” destinations from the main tourist generating markets. In effect, visitors to South and Eastern Africa are more likely to undertake less frequent but longer trips to these long-haul destinations. However, it is important to notice that trip characteristics to Egypt are closer to “ecotourism” destinations than the rest of soft-adventure destinations. Average length of stay to Egypt is second only to Morocco among “soft-adventure” destinations and comparable to Kenya among “ecotourism” destinations. Noticeable, the range of accommodation available at each destination seem to be similar for all of them, which illustrates the diversity of accommodation preferred by these markets. An emphasis on originality and uniqueness is clear across all destinations.

**Type of Flights Used**

The type of flights available to different destinations has an impact in its image and marketing strategy. The following table presents a summary of the different types of flights used by adventure / nature / cultural tour operators from Europe to build their packages:

<table>
<thead>
<tr>
<th>Destination</th>
<th>Type of Flight</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Scheduled</td>
</tr>
<tr>
<td>Botswana</td>
<td>100%</td>
</tr>
<tr>
<td>Namibia</td>
<td>100%</td>
</tr>
<tr>
<td>South Africa</td>
<td>100%</td>
</tr>
<tr>
<td>Tanzania</td>
<td>83%</td>
</tr>
<tr>
<td>Kenya</td>
<td>70%</td>
</tr>
<tr>
<td>Oman</td>
<td>100%</td>
</tr>
<tr>
<td>Egypt</td>
<td>79%</td>
</tr>
<tr>
<td>Jordan</td>
<td>82%</td>
</tr>
<tr>
<td>Turkey</td>
<td>56%</td>
</tr>
<tr>
<td>Morocco</td>
<td>56%</td>
</tr>
<tr>
<td>Tunisia</td>
<td>57%</td>
</tr>
<tr>
<td>Dubai</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: PA Government Services, Inc. with data provided by Travel Research International*

Charter flights seem to be more heavily used in destinations where the package usually includes a beach component such as Kenya (where Mombassa and other coastal areas are experiencing rapid growth), and the so-called “soft-adventure” destinations. There is a correlation between the percentage of travel taking place on charter flights and the price and overall appeal of a destination for these markets. It is important to notice that Egypt again ranks higher than most soft-adventure destinations in terms of scheduled flights available. However, this is not the case at all for the Southern Red Sea, where only charter flights are currently available.

**Main “Pull” Factor**

The “pull” factor is the characteristics (or characteristics) that make a destination particularly alluring to a particular market or markets. In the case of the adventure / nature / cultural market from Europe, these “pull” factors are usually associated to a region’s natural and cultural attractions. The following table presents a summary of the main pull factors per destination:
<table>
<thead>
<tr>
<th>Destination</th>
<th>Main Pull Factors – Overall Destination Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>Botswana’s principal attractions to the European tourist are its natural assets, and especially the game parks and the opportunities offered for wildlife and bird watching. Botswana is seen as a relatively unspoiled African destination with a reputation for providing an authentic African experience.</td>
</tr>
<tr>
<td>Namibia</td>
<td>Namibia’s main attractions are the national parks offering game and bird viewing. It also contains desert areas, a coastal strip which has the reputation of being relatively unknown and perhaps rather exotic. Additionally, the country has a colonial past which creates strong links and considerable interest in Germany.</td>
</tr>
<tr>
<td>Southern Africa</td>
<td>Main attractions include game viewing in the country’s national parks and/or private game reserves, the Garden Route along the southern coast and its wine-growing areas, several cities and large towns, visits to native townships, and the cultural and tribal diversity of this geographically very large country.</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Tanzania’s attractions fall into three categories. It is one of Africa’s finest safari locations with some of the most well-known National Parks offering opportunities for game viewing and bird watching. It also a prime attraction for hikers and climbers who see Africa’s highest mountain, Mount Kilimanjaro, as a key drawcard. In addition to this, there is the beach element on the island of Zanzibar.</td>
</tr>
<tr>
<td>Kenya</td>
<td>Kenya’s image and main tourist attraction is overwhelmingly wildlife, and wildlife safaris are at the center of their offer. National reserves such as the Masai Mara feature most commonly but also those to the north of Mount Kenya. Visits to tribal villages also feature in some of the more specialized tours. Kenya’s Indian Ocean coast is also a big attraction.</td>
</tr>
<tr>
<td>Oman</td>
<td>Oman is a relatively new and unknown destination for the European market where tourism is now being developed quite rapidly for the upper end of the market. The principal attractions are the still-pristine coast, the dramatic mountain and desert scenery of the hinterland, forts and castles, a range of flora and fauna, and the somewhat exotic image of an Arab culture.</td>
</tr>
<tr>
<td>Egypt</td>
<td>Egypt’s main attraction is its traditional Nile Valley product. The coastal resorts of the Red Sea and Sinai peninsula have become major destinations for Europeans seeking guaranteed sun. Specialist tours focus mainly on the Western desert and to inland Sinai.</td>
</tr>
<tr>
<td>Jordan</td>
<td>Jordan is perhaps the most similar to Egypt in terms of the range of attractions it has to offer. These include world class historical and religious sites, the natural attractions of the desert at Wadi Rum, and sea and diving at the Red Sea. Similarly to Egypt, it has also suffered various setbacks as a result of security concerns in the region.</td>
</tr>
<tr>
<td>Turkey</td>
<td>Tunisia is primarily a “sun and sand” destination. However, it also has classical sites of major significance, notably Carthage and El Djem, as well as the Sahara as its backdrop. There is some demand for cultural and adventure holidays but volumes are small in the face of the large numbers of beach visitors.</td>
</tr>
<tr>
<td>Morocco</td>
<td>Morocco, with its souks, medinas, casbahs and fabled cities, has the image of an exotic destination, readily accessible for short stay breaks for most European origin markets. Also, the natural landscape of the Atlas mountains, the Sahara and the Atlantic coast are powerful added attractions.</td>
</tr>
<tr>
<td>Tunisia</td>
<td>Turkey has successfully developed mass tourism (primarily in the coastal areas of the south west) based primarily on the “sun, sea and sand” type of holiday. Istanbul is also a major draw for European visitors, but the extensive historical, cultural and religious features that are available throughout the country draw relatively few international tourists.</td>
</tr>
<tr>
<td>Dubai</td>
<td>Dubai is a resort-based destination that has become something of a tourism phenomenon. For the European visitor it offers glitz, luxury and a mixture of the sophistication of the west with the exoticism of the east.</td>
</tr>
</tbody>
</table>

Source: PA Government Services, Inc. with data provided by Travel Research International

The issue of “pull” factors is a critical one for the development of a sustainable destination. Unless markets and consumers find something of value in the destination, they will not go there.
Most of the evaluated destinations located in South / Eastern Africa have in their natural environment the most obvious “pull” factor for the adventure / natural / and cultural markets in Europe. Most of them are clearly recognized as nature destinations and other complementary products (such as beach and cultural tourism) have been developed around this anchor product. In the case of the soft-adventure destinations however, the main “pull” factors are either their cultural attractions or the beach-based product. It is very important to notice however, that soft-adventure destinations including Egypt, Jordan, and Morocco are increasingly building a reputation for their desert-based product. For example, Egypt is becoming increasingly famous for excursions to the Western Desert and the mountainous desert of the South Sinai. This presents great opportunities for the Southern Red Sea Coast

Main Activities

The following table presents a summary of main activities currently offered by adventure / nature and cultural tour operators to the different evaluated destinations. It is important to notice that the activities presented below constitute those most commonly available in tours to each specific destination. It is important to bear in mind that each individual operator might vary this basic menu of activities with add-ons and different forms of customization.

<table>
<thead>
<tr>
<th>Destination</th>
<th>Cultural Activities</th>
<th>Adventure Activities</th>
<th>Nature Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td></td>
<td></td>
<td>Game viewing and bird watching, visits to National Parks</td>
</tr>
<tr>
<td>Namibia</td>
<td>Visits to colonial settlements (mostly German market)</td>
<td>Diving and trekking on coastal areas (Cape Town and Durban)</td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>Cultural tours of Cape Town and wine-growing regions</td>
<td>Game viewing, visits to National Parks and bird watching</td>
<td></td>
</tr>
<tr>
<td>Tanzania</td>
<td></td>
<td>Climbing and trekking Mount Kilimanjaro</td>
<td></td>
</tr>
<tr>
<td>Kenya</td>
<td>Horse and camel excursions in coastal areas</td>
<td>Game viewing in National Parks</td>
<td></td>
</tr>
<tr>
<td>Oman</td>
<td>Cultural tours of Muscat, Nizwa and Salalah</td>
<td>Exploring deserts, mountains, wadis, dunes and beaches</td>
<td></td>
</tr>
<tr>
<td>Egypt</td>
<td>Visits to heritage sites along the Nile Valley</td>
<td>Tours into the Western Desert and inland Sinai</td>
<td></td>
</tr>
<tr>
<td>Jordan</td>
<td>Sightseeing of religious and cultural sites</td>
<td>Desert exploration in Wadi Rum</td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>Focused on cultural and historic sites and buildings</td>
<td>Trekking and walking tours in scenic areas and attractions</td>
<td></td>
</tr>
<tr>
<td>Morocco</td>
<td>Cultural tours of main cities (Marrakech, Tangier, etc.)</td>
<td>Trekking and adventure tourism in High Atlas and Sahara</td>
<td></td>
</tr>
<tr>
<td>Tunisia</td>
<td>Cultural tours to villages and classical sites</td>
<td>Visits and trekking to the Sahara to experience the mountains, deserts, oases, etc.</td>
<td></td>
</tr>
</tbody>
</table>

Source: PA Government Services, Inc. with data provided by Travel Research International

There is an evident emphasis on nature-based travel on Sub-Saharan Africa (“ecotourism” destinations), while the emphasis is more on cultural and adventure travel in North Africa / Middle East destinations (soft-adventure destinations). With the exception of South Africa, which has a highly diversified tourism product, most “ecotourism” destinations’ activities revolve around nature observation and enjoyment. However, for most “soft-adventure” destinations such as Egypt, cultural and adventure activities (such as visits to archaeological sites, interaction with local peoples and desert exploration adventures) are the focus of the tours. It is
important to notice that unlike “ecotourism” destinations, the range of activities offered in soft-adventure destinations is wider and almost all packages include a beach component. The trend towards multi-activity holidays can be increasingly seen in traditional “ecotourism” destinations from East Africa such as Kenya and Tanzania.

Dive Tour Packages from Europe
For this section we examined tour operator dive packages to Egypt and to some of the world’s other main diving destinations. To do this we focused on specialist dive operators, although particular dive divisions of more mainstream operators were also included. In the light of the range of dive opportunities offered in the Southern Red Sea, we concentrated on dive packages that involved staying in on-shore accommodation, and excluded live-aboard dive boats which we concluded would be less relevant in this case. A total of 41 dive packages from eight different European origin markets and 19 different operators were covered. The data collected were based on a pro-forma supplied by PA Consulting.

NOTE OF IMPORTANCE: Making generalizations about the dive tour market is difficult owing to the often complex pricing arrangements that surround dive tour offers. Some include dives in the package costs, others exclude it; some include international flights, others exclude them, and so on. The average and typical values given in the following tables should therefore be read with these difficulties in mind.

General Price Competitiveness
As an easy basis for comparison, the following table summarizes the mean costs per night for package holidays to all four destinations analyzed. It also presents the average cost per dive at the selected destinations:

Table 16  Mean Cost per Night and Average Cost per Dive

<table>
<thead>
<tr>
<th>Destination</th>
<th>Mean Cost Per Night</th>
<th>Average Per Dive</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Pacific</td>
<td>316</td>
<td>N/A</td>
</tr>
<tr>
<td>Indian Ocean &amp; South East Asia</td>
<td>226</td>
<td>29.9</td>
</tr>
<tr>
<td>Caribbean</td>
<td>208</td>
<td>26.7</td>
</tr>
<tr>
<td>Egypt &amp; The Mediterranean</td>
<td>105</td>
<td>22.6</td>
</tr>
</tbody>
</table>

Source: PA Government Services, Inc. with data provided by Travel Research International

The average price of the tours sampled for this research in Egypt is the lowest of all studied destinations. This might seem to be a combination of shorter travel times, over-reliance on charter flights and the image of Egypt’s Red Sea Coast as a “good value for money” destination.

Average Price of Packaged Tours
The following table provides a comparison of the different prices visitors pay for packaged diving tours to the different destinations analyzed. As stated above, a series of factors related to distance, image and quality determine the final price of the packaged tour.

Table 17  Average Package Prices (€)

<table>
<thead>
<tr>
<th>Destination</th>
<th>Package Prices (including dive costs)</th>
<th>Dive Costs Only</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cheapest</td>
<td>Most Expensive</td>
</tr>
<tr>
<td>South Pacific</td>
<td>2,045</td>
<td>4,114</td>
</tr>
<tr>
<td>Indian Ocean &amp; South East Asia</td>
<td>1,002</td>
<td>2,678</td>
</tr>
<tr>
<td>Caribbean</td>
<td>1,390</td>
<td>1,570</td>
</tr>
<tr>
<td>Egypt &amp; The Mediterranean</td>
<td>432</td>
<td>992</td>
</tr>
</tbody>
</table>

Source: PA Government Services, Inc. with data provided by Travel Research International

From this analysis, it is clear that Egypt is at the bottom of the price spectrum, with prices for diving packages here ranging from a third to one half of the price of packages to competitor destinations.

Part 1: Destination Management Plan for Enhancing the Competitiveness of the Southern Red Sea Region of Egypt
destinations. However, there are big differences within Egypt and the SRS has managed to keep prices on the middle to upper range, comparable to those available in long-haul diving destinations such as the Caribbean and the Indian Ocean.

**Trip Characteristics**

The following table compares some of the most important characteristics of diving packages in each of the evaluated destinations:

<table>
<thead>
<tr>
<th>Table 18</th>
<th>Trip Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main Characteristics</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Destination</strong></td>
<td><strong>Length of Stay (days)</strong></td>
</tr>
<tr>
<td>South Pacific</td>
<td>10</td>
</tr>
<tr>
<td>Indian Ocean &amp; South East Asia</td>
<td>9.5</td>
</tr>
<tr>
<td>Caribbean</td>
<td>8.3</td>
</tr>
<tr>
<td>Egypt &amp; The Mediterranean</td>
<td>8.1</td>
</tr>
</tbody>
</table>

Source: PA Government Services, Inc. with data provided by Travel Research International

The average length of stay of divers in Egypt is the shortest of all compared destinations. This might be partially explained by the shorter journey time, making it possible for divers to take shorter but more frequent trips. It is noticeable that diving tours to all destinations tend to offer very few add-ons (such as inland trips and other type of excursion). Again, divers seem to be primarily interested in diving per se, and tend not to seek expedition, historical or cultural dimensions to their holidays in addition. However, packages to Egypt are among those that offer the fewer amount of add-ons of all evaluated destinations. This situation prevents the diving industry to effectively integrate to other sectors of the tourism supply chain.

As a generalization, it is noticeable with diving holidays that the accommodation standards used are sometimes fairly basic, with divers staying in dive lodges or dive bungalows; while comfortable, these are often not luxurious. Divers tend to opt for the quality of the diving location and experience as their first criterion – especially those who try different diving locations each year – with issues such as accommodation quality being a secondary consideration.

**Type of Flights Used**

The type of flights available to different destinations has an impact in its image and marketing strategy. The following table presents a summary of the different types of flights used by diving operators from Europe to build their packages:

<table>
<thead>
<tr>
<th>Table 19</th>
<th>Type of Flight Used</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Flight</strong></td>
<td><strong>Destination</strong></td>
</tr>
<tr>
<td>South Pacific</td>
<td>100%</td>
</tr>
<tr>
<td>Indian Ocean &amp; South East Asia</td>
<td>83%</td>
</tr>
<tr>
<td>Caribbean</td>
<td>80%</td>
</tr>
<tr>
<td>Egypt &amp; The Mediterranean</td>
<td>25%</td>
</tr>
</tbody>
</table>

Source: PA Government Services, Inc. with data provided by Travel Research International

Egypt’s reliance on charter flights is the highest of all evaluated destinations. This seems to be another consequence of the closer distance from the main generating markets. However, the current marketing strategy for the Red Sea Coast also emphasizes the sun and beach market,
which heavily depends on charter flights from the main operators in Europe. Since there seems to be a direct correlation between a destination’s over-reliance on charter flights and its image as a low-cost destination, it is little surprise that Egypt's diving prices have been driven down. This is especially worrying in the case of the Southern Red Sea, where 100% of flights are chartered.

**Main “Pull” Factor**
The “pull” factor is the characteristics (or characteristics) that make a destination particularly alluring to a particular market or markets. In the case of the diving market from Europe, these “pull” factors are usually associated to a region’s pristine environment, quality of marine life and sense of isolation for the practice of the activity. The following table presents a summary of the main pull factors per destination:

<table>
<thead>
<tr>
<th>Destination</th>
<th>Main Pull Factors – Overall Destination Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Pacific</td>
<td>Diving in the Pacific is for Europeans both a special experience and, by definition, one that attracts only a small minority of the overall dive market, given the distances and costs involved. The key attraction is always the dive experience per se – whether this is wreck diving in Micronesia or diving in the exceptional natural attractions of other parts of the Pacific region.</td>
</tr>
<tr>
<td>Indian Ocean &amp; South East Asia</td>
<td>Dive tours to these destinations are increasingly popular in Europe, particularly destinations such as the Maldives, which have a relatively well-developed network of charter services. These destinations are perceived as more exclusive and exotic than established diving destinations.</td>
</tr>
<tr>
<td>Caribbean</td>
<td>The Caribbean is a long-established dive destination for the European market and holidays both on the mainland and in the Caribbean islands feature strongly in most specialist tour brochures. While the region may have lost something of its cachet compared with newer and more exotic destinations, it nonetheless is regarded as a reliable dive destination.</td>
</tr>
<tr>
<td>Egypt &amp; The Mediterranean</td>
<td>Destinations in the Mediterranean do not feature strongly in the programs of most European dive. Diving in Egypt is a different matter and a range of inclusive tours to the Red Sea (and the coral of this area) are an important component of most specialist programs.</td>
</tr>
</tbody>
</table>

Source: PA Government Services, Inc. with data provided by Travel Research International

From this analysis, it results clear that Egypt is not perceived in the European diving market as an exclusive and exotic destination as some of the most distant, newer destinations evaluated. Quite the opposite, it is perceived as a nearby, reliable, and good quality destination that allows European divers to get certified relatively fast and cheap so that they can then go to the more distant (and expensive) destinations.

**Survey on Eco-lodges**
We carried out a survey of 12 lodges/eco-lodges in various countries, namely:

- Abu Camp, Okavango Delta, Botswana
- Chobe Safari Lodge, Chobe National Park, Botswana
- Ongava Lodge, Etosha National Park, Namibia
- Serra Cafema Camp, north-western Namibia
- Hoyo-Hoyo Tsonga Lodge, Kruger National Park, South Africa
- Malala Lodge, Hluhluwe and Umfolozi Game Reserves, South Africa
- Kikoti Safari Camp, Tarangire National Park, Tanzania
- Governor's Camp, Masai Mara Game Reserve, Kenya
- Eco-Lodge Dar Itrane, Atlas Mountains, Morocco
- Wadi Feynan Eco-Lodge, Dana Nature Reserve, Jordan
- Myland, Cirali, south-western Turkey
- Desert Lodge, Al Qasr, Egypt

The majority of these lodges is sold via tour operators and forms one element in a wider tour. Most, however, describe the types of tours available to guests who stay at the lodges. Abu Camp offers a 3-night safari for two people, and Governor’s Camp describes a program of 3 game drives per day together with options for walking tours, balloon safaris, visits to a local...
Masai village and to a local school. Most lodges simply describe the type of tours and trips that are associated with their guests without making such specific product offerings.

**Table 21 Prices per night or per tour**

<table>
<thead>
<tr>
<th>Lodge</th>
<th>Price</th>
<th>Supplements</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abu Camp, Botswana</td>
<td>US$ 6,170 – 6,295 per person for 3 days</td>
<td>US$ 2,160 single supplement</td>
<td>Price includes private flight transfers, elephant-back safaris and luxury accommodation. One of the most expensive lodges that we discovered.</td>
</tr>
<tr>
<td>Chobe Safari Lodge, Botswana</td>
<td>US$119 – 149 per room (US$131 – 164 for 2007) for the room only. Game drives US$29 – 33; boat cruises US$ 23-28; Fishing US$ 33-36 per hour.</td>
<td>Full board supplement is US$ 65 per person per day; transfers from nearby Kasane airport cost US$55 – 75 per person</td>
<td></td>
</tr>
<tr>
<td>Ongava Lodge, Namibia</td>
<td>US$ 342 – 382 per person per night sharing; tours included in daily rate</td>
<td>Single supplement costs US$195 – 199 per night</td>
<td>Described as an environmentally-sensitive lodge.</td>
</tr>
<tr>
<td>Serra Cafema Camp, Namibia</td>
<td>US$480 – US$528 per person per night sharing, all-inclusive. Tours included, minimum of 2-day stay recommended</td>
<td>Single supplement is US$247 per night</td>
<td>Very remote lodge in the extreme north-west of Namibia near to the border with Angola.</td>
</tr>
<tr>
<td>Hoyo-Hoyo Tsonga Lodge, South Africa</td>
<td>US$310 – 377 per person per night sharing, all-inclusive</td>
<td>Single supplement US$151 – 188 per night</td>
<td>Tours are included in the price. This is a relatively up-market lodge.</td>
</tr>
<tr>
<td>Malala Lodge, South Africa</td>
<td>US$38 per person per night self-catering; US$ 45 per person per night bed and breakfast; US$ 51 per person per night half board, all on a sharing basis</td>
<td>Single supplement US$ 4 per night</td>
<td>By implication the cost of tours is not included in the price. this is a relatively cheap and standard African game lodge.</td>
</tr>
<tr>
<td>Kikoti Safari Camp, Tanzania</td>
<td>US$198 per person per night sharing, full-board, all activities and tours included</td>
<td>Single supplement US$66 per night</td>
<td>Located in a well-known and quite intimate game national park and aimed at those able to undertake walking safaris</td>
</tr>
<tr>
<td>Governor’s Camp, Kenya</td>
<td>US$ 185 – 330 per person per night sharing, full-board, 3 daily game drives, transfers and laundry included</td>
<td>Single supplement US$100 – 105 per night, balloon safari US$ 395 per person, extra walks at US $95 per person</td>
<td>The original up-market tented camp in Kenya.</td>
</tr>
<tr>
<td>Eco-Lodge Dar Itrane, Morocco</td>
<td>€ 30 – 35 per person per night half board, of € 45 – 50 per night full board</td>
<td>Single supplement € 50 per night</td>
<td>A 5-night package including tours and transfers costs € 245 per person, same package € 550 – 780 includes intnl flight to/from Paris</td>
</tr>
<tr>
<td>Wadi Feynan Eco-Lodge, Jordan</td>
<td>US$ 62 per room for two people, US$ 49 per room for one person</td>
<td>Park entry fees are US$8.47 per person; Guides cost US$ 21 – 85 for 1-2 hours or one day respectively</td>
<td>Hikes included in room rate. Lodge opened in 2005 to promote environmentally-sensitive tours in Petra area.</td>
</tr>
<tr>
<td>Myland, Turkey</td>
<td>US$ 33 – 37 per person per night bed and breakfast</td>
<td>Single supplement US$ 15 per night</td>
<td>Based on the coast with a mention of guided trekking tours but no details given.</td>
</tr>
<tr>
<td>Desert Lodge, Al Qasr, Egypt</td>
<td>US$ 50 – 85 per person per night half board sharing.</td>
<td>Single supplement US$10 – 15 per night. Packed lunch US$ 8 per person; buffet lunch US$ 12 per person</td>
<td>Uses hydro- and solar power offering a non-standard product away from Egypt’s mainstream tourism product.</td>
</tr>
</tbody>
</table>

Source: Travel Research International

It is clear from this summary that prices and concepts vary considerably, but also that there is a clear environmental awareness among lodge operators.
Types of accommodation
The types of accommodation offered vary between luxury or standard tents, rondavels, standard lodge accommodation, and some traditionally-built lodges reflecting local architecture and materials.

Activities and main attractions
In the African lodges the main activities are built around game- and bird-watching. In the Middle East and North Africa, the primary activities are cultural, and often involve visits to archaeological sites, local settlements and scenic attractions. In most cases, the emphasis of the lodges is on the unusual, more active and non-mainstream tourism product and seems designed to appeal to tourists who seek more genuine local interactions with either local residents or local scenery and wildlife.

Local transport
In the African lodges the main form of transport is the 4x4, although there are also examples of local transport modes, such as the mokoros (traditional boats) of southern Africa, outboard canoes and in some cases ordinary boats and indeed elephants in one instance. There is also some emphasis placed on walking tours at several lodges.

Prices
Prices vary very substantially across this sample, ranging from economy accommodation at a little over US$ 30 per night in Turkey to a 3-day all-inclusive safari at a luxurious lodge in Botswana at over US$ 6,000 per person. In general, the lodges surveyed fall into three categories – up-market lodges in sub-Saharan Africa, mid-market lodges also in sub-Saharan Africa and much cheaper accommodation in the Mediterranean, North Africa and the Middle East.

Lodges’ sustainability affiliations
Virtually all of the lodges sampled are aimed at environmentally-sensitive tourism, but few present details on their websites of any explicit affiliations of this kind.

General remarks
Most of these lodges offer non-standard tourism with an overlay of ecological sensitivity to the more discerning tourist. In general, their appeal is to the more experienced, demanding and adventurous traveler, in consequence of which they will tend to attract the more specialized and more wealthy tourist (although some lodges remain relatively inexpensive and can be described as fairly “standard” game lodges).

Conclusions of the competitor analysis
The following conclusions can be drawn from the competitor analysis conducted among the 12 destinations that were considered to be competitors of, or present useful comparison with the proposed developments in the Southern Red Sea. (It is important to notice that one of the selected destinations—Dubai—was analyzed in regards of its successful management of hotel pricing. However, it is clear that the product offered by this new destination does not present comparison to what Egypt—and the Southern Red Sea in particular—has to offer.)

• The destinations evaluated could be clearly divided in two types: the “ecotourism” destinations and the soft-adventure destinations. The former are primarily located in Southern / Eastern Africa and the latter in North Africa / Middle East. These findings are consistent with the analysis of trends in the key European markets.

• While there is a general consistency among the prices of packaged tours to all these destinations, it is very clear that on average, prices and length of stay to “ecotourism” destinations are higher than soft-adventure destinations.

• From the soft-adventure destinations evaluated, Egypt is perhaps the best positioned one among the adventure / cultural / nature based markets from Europe, due to a combination of natural and cultural resources. It is also well positioned as “good value for money”.

• Egypt is NOT positioned as a cheap destination among the soft-adventure destinations of North Africa / Middle East. As a matter of fact, the mean cost per night of a packaged tour of this kind to Egypt is the highest among all the evaluated destinations (Egypt, Tunisia, Morocco, Jordan and Turkey).

• Likewise, the average cost of a packaged tour of this kind to Egypt is the highest among all evaluated soft-adventure destinations.

• On average, the length of stay of these visitors to Egypt is higher than most soft-adventure destinations, second only to Morocco. However, average length of stay is not as high as it is the case in most “ecotourism” destinations. Additionally, the wide range
of accommodation options and transportation are very similar in all destinations evaluated with a clear emphasis on “character, authenticity and uniqueness”.

- Egypt does not rely as much on chartered flights as other soft-adventure destinations from the North Africa / Middle East region. This might explain its favorable positioning vis-à-vis their competitors who on average, rely almost 45% on this type of flights. As discussed above, reliance on charter flights tend to depreciate the value of a destination.

- Egypt is perceived as containing more “pull” elements and attractions than most competitors. This variety of resources and products allows tour operators to craft packages including a combination of traditional activities such as sightseeing and sunbathing with more active pursuits such as exploring the desert and diving / snorkelling. These combination packages are very appealing to the soft-adventure market.

- Unlike “ecotourism” destinations, nature observation and visits to natural protected areas are not the focus of the itineraries and packages to soft-adventure destinations. However, there is always a small nature observation and enjoyment component that usually involves desert environments.

- Almost all packages in soft-adventure destinations include a beach or diving component in coastal areas. This is increasingly becoming the case in some “ecotourism” destinations in Eastern Africa such as Tanzania and Kenya, beach tourism is currently being developed and aggressively marketed.

- Regarding diving destinations for the European market, Egypt has a very good reputation for the quality of the diving and affordable prices. This is due to a combination of factors including distance from main markets, image of the destination and type of development on coastal areas.

- Egypt however, is at the bottom of the price spectrum with prices here ranging from a third to one half of the price of packages to competitor destinations. This situation could be explained by the shorter journey time but also by the overall image of the destination.

- The average price per dive in Egypt is on average, the lowest of all evaluated destinations. However, there are big differences within Egypt and the SRS has managed to keep prices on the middle to upper range, comparable to those available in long-haul diving destinations such as the Caribbean and the Indian Ocean.

- The average length of stay of divers in Egypt is also the shortest of all compared destinations. This might be partially explained by the shorter journey time, making it possible for divers to take shorter but more frequent trips.

- It is noticeable that diving tours to all destinations tend to offer very few add-ons (such as inland trips and other type of excursion). However, packages to Egypt are among those that offer the fewer amounts of add-ons of all evaluated destinations. This situation prevents the diving industry to effectively integrate to other sectors of the tourism supply chain.

- The less a diving destination relies on charter flights the more exclusive its image (and therefore, the higher the prices). 75% of all diving packages to Egypt rely on charter flights, while for the country’s competitors that percentage is 20% at most. For the most exclusive diving destination (South Pacific), the percentage was 0%.

- Egypt is not perceived in the European diving market as an exclusive and exotic destination as some of the most distant, newer destinations evaluated. Quite the opposite, it is perceived as a nearby, reliable, and good quality destination that allows European divers to get certified relatively fast and cheap so that they can then go to the more distant (and expensive) destinations.

- In regards to eco-lodges, the same general division can be drawn between those located in “ecotourism” destinations and those located in soft-adventure destinations. This division can be drawn based on the different type of activities / attractions and general prices. Egypt’s ecolodges squarely fall in the latter category.

- In “ecotourism” destinations (mainly Southern / East Africa) the main activities are built around game and bird-watching. In soft-adventure destinations (North Africa / Middle East) the primary activities are cultural and often involve visits to archaeological sites, local settlements and scenic attractions.
• In general terms, prices for ecolodges in Sub-Saharan Africa are in the up-market, luxury and high-end category whereas prices for those in North Africa / Middle East are much cheaper. It is interesting to notice that prices for the ecolodge surveyed in Egypt were the highest for soft-adventure destinations. In that regard, Egypt's ecolodges are uniquely positioned to take advantage of these characteristics.

• Interestingly enough, while all surveyed ecolodges aimed at environmentally-sensitive tourism, few presented details of any explicit affiliation with any certification system (Green Globe 21, etc.). This should be interpreted as an indicator of the little relevance that this systems have for the market.

SWOT Analysis

Based on all the preceding data and discussion, the following tables are a summary of the main strengths and weaknesses of the Southern Red Sea's current marketing and product development strategies, as well as the opportunities and threats posed by the dynamics of the external operating environment. It represents the key issues that characterize the Southern Red Sea's attractiveness and appeal as a visitor region for the priority markets and those issues that may currently inhibit sustainable tourism growth and development.

For methodological reasons, the consulting team developed individual SWOT analyses for both the market and marketing aspects and the product development aspects of the destination. While it is acknowledged that both aspects present several areas of overlapping, it was considered appropriate to separate them to present the whole range of issues influencing the development of tourism in the Southern Red Sea.
### Markets and Marketing SWOT Analysis

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>High percentage of repeat visitors</td>
<td>Low visitor expenditure outside of the resort</td>
</tr>
<tr>
<td>Good value for money</td>
<td>Low expenditure on locally produced services</td>
</tr>
<tr>
<td>Relatively exclusive compared to other destinations on the Red Sea Coast</td>
<td>Marketing is controlled by international tour operators and resort management companies</td>
</tr>
<tr>
<td>Demand for inland excursions and soft adventure</td>
<td>No distinctive brand for the destination, no promotion strategy in place</td>
</tr>
<tr>
<td>Demand for products with strong local cultural component (excursions, handicrafts)</td>
<td>High percentage of packaged tours (85%)</td>
</tr>
<tr>
<td>Highly environmentally sensitive market</td>
<td>Not attracting higher value customer with more money and higher education</td>
</tr>
<tr>
<td>Interest in spending time (overnight) outside of the resort</td>
<td>Lack of integrated marketing approach</td>
</tr>
<tr>
<td>Beachgoers are willing to spend money on activities outside of the resort</td>
<td>Marketing is narrowly focused on only two segments: divers and beachgoers (coastal based recreation)</td>
</tr>
<tr>
<td>High preference for accommodation with character and high quality</td>
<td>Image of the region is not diversified too much focus on the Red Sea</td>
</tr>
<tr>
<td>Long length of stay</td>
<td>Prices are low for international diving and soft adventure standards</td>
</tr>
<tr>
<td>Prices are higher for Egyptian standards and for the beach going market</td>
<td>Diving industry is segregated from the rest of the tourism supply chain, particularly in Egypt</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt is very well positioned as a soft-adventure destination in the European market</td>
<td>Egypt and the Southern Red Sea are not seen as “eco-tourism” destinations</td>
</tr>
<tr>
<td>Accommodation on the Southern Red Sea could meet the demands of the international soft-adventure market</td>
<td>Egypt does not have as exciting an image as Sub-Saharan Africa</td>
</tr>
<tr>
<td>Soft-adventure market is higher-yielding than the beach-going or diving market</td>
<td>Average length of stay of soft-adventure markets is low at specific sites</td>
</tr>
<tr>
<td>The European soft-adventure markets prefer activities concentrate on enjoying the dessert and the environment (mountains, monuments and cultural sightseeing)</td>
<td>Soft-adventure markets do not like to rely on charter flights. There present is perceived as reducing the value of a destination</td>
</tr>
<tr>
<td>Soft adventure markets appreciate encounters with local populations</td>
<td>Soft-adventure markets do not have a preference for organized entertainment</td>
</tr>
<tr>
<td>Soft adventure markets prefer combination packages that include a beach component</td>
<td>Soft-adventurers and eco-tourists are not likely to be repeat visitors to a destination</td>
</tr>
<tr>
<td>In the soft adventure market, Egypt is perceived as containing more pull factor than other MENA countries</td>
<td>For the soft-adventure market, low prices rank higher than the value of natural areas in Egypt as a success factor</td>
</tr>
<tr>
<td>For the soft-adventure market, nature observation is not the focus of their activities but rather experiencing a sense of “place”</td>
<td>Divers pay more for destinations that does not rely on charter flights</td>
</tr>
<tr>
<td>The Southern Red Sea location(short-haul) makes possible repeat visits from the diving market</td>
<td>Egypt not perceived as an exclusive diving destination but the Southern Red Sea is</td>
</tr>
<tr>
<td>Egypt’s ecolodges are the most expensive among soft-adventurers</td>
<td>Divers pay more for destinations that do not rely on charter flight</td>
</tr>
<tr>
<td></td>
<td>Egypt not perceived as an exclusive diving destination but Southern Red Sea is</td>
</tr>
<tr>
<td></td>
<td>Environmental certification systems have little or no recognition in the market</td>
</tr>
<tr>
<td></td>
<td>Prices paid for eco-lodges in Soft-adventure destination are lower than those paid in eco-tourism destinations</td>
</tr>
</tbody>
</table>
## Product Development SWOT Analysis

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pristine, undeveloped environment</td>
<td>Lack of iconic attraction for the soft-adventure tourists</td>
</tr>
<tr>
<td>Proximity to main tourist generating markets</td>
<td>Lack of commercial flights</td>
</tr>
<tr>
<td>Diverse cultural and natural attractions</td>
<td>Few options for independent travelers</td>
</tr>
<tr>
<td>Important “pull” factor for diving &amp; beach tourism along the Red Sea</td>
<td>Poor connectivity and difficult access from other tourist areas in Egypt</td>
</tr>
<tr>
<td>Availability of living heritage resources (i.e. herbs, spices, etc)</td>
<td>Poor environmental management practices (land &amp; water)</td>
</tr>
<tr>
<td>that could be transformed into products</td>
<td>Limited community involvement in product supply</td>
</tr>
<tr>
<td>Presence of protected areas set aside from development</td>
<td>Limited and poor quality of adventure, cultural and nature based product range</td>
</tr>
<tr>
<td>Adventure, cultural and nature activities are higher yielding</td>
<td>Lack of authenticity, uniqueness and characteristics of the accommodation product</td>
</tr>
<tr>
<td>than diving and beach packages on a per person basis</td>
<td>Unskilled local human resources</td>
</tr>
<tr>
<td>Higher quality of product overall than other coastal areas in Egypt</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing interest of soft-adventure market in Egypt</td>
<td>Overdevelopment and degradation of the environment</td>
</tr>
<tr>
<td>Egypt’s relatively good positioning within the soft adventure market</td>
<td>Lack of funding for archaeological consolidation of roman ruins</td>
</tr>
<tr>
<td>Investor interest in the region (particularly from Persian Gulf countries)</td>
<td>Continuation of the mono-product model along the Southern Red Sea coast</td>
</tr>
<tr>
<td>High quality of the current beach going market that could serve as a base</td>
<td>Growing price competition from other MENA destinations (including some within Egypt)</td>
</tr>
<tr>
<td>to build better south-adventure products</td>
<td>Growing number of charter flights into the Southern Red Sea</td>
</tr>
<tr>
<td>Development of Port Ghalib as a gateway to the south</td>
<td>Continuation of security restrictions to explore the desert</td>
</tr>
<tr>
<td>Strong interest of local operators in involving local community –based</td>
<td></td>
</tr>
<tr>
<td>attractions into itineraries</td>
<td></td>
</tr>
</tbody>
</table>
Destination Positioning - A Vision for the Southern Red Sea

The Southern Red Sea is clearly positioned to take full advantage of Egypt's relatively successful breaking into the soft-adventure market from Europe. The region hosts a diversity of tourism resources that if developed correctly, can become iconic tourist attractions that would increase the length of stay and money spent by visitors. At the same time, the characteristics of this market present a series of opportunities for local communities to get actively involved in the supply of tourism products and services.

However, the region should not abandon its current markets as they present a series of characteristics that make them useful as a base to build a higher-yielding customer base. Moreover, the current markets have stated a clear predilection for a less developed, more authentic environment in order to keep returning.

The key positioning strategy for the Southern Red Sea is to differentiate itself from other coastal areas in Egypt by reinforcing the value of its natural and cultural resources, in addition to the recreational value of the coastal-based beach product. In that regard, the area should implement marketing, investor promotion and product development strategies that build upon the following characteristics and attributes of the area:

Main Physical Features
- An iconic, category 2 nature-based tourism attraction (i.e. Wadi El-Gemal Protected Area)
- Pristine marine and inland environment
- Diverse and unique accommodation options
- Low density development both inland and on the coastal areas
- Variety of culturally authentic recreation (both day and nighttime activities) and shopping opportunities
- Friendly and sensitized local population
- Basic visitor infrastructure that does not overwhelm or compete with the natural and cultural environment
- Integration of the tourism infrastructure with the natural and cultural landscape

Destination Image / Personality
- Isolated, remote, untouched
- Relaxing, slow paced
- Adventurous, yet to be discovered
- A taste of the "real" Egypt, where it meets Black Africa
- Relatively upscale and sophisticated
- Socially and emotionally engaging
- Benefits of the Destination Experience for the Visitor
- Relaxing and rejuvenating
- Educational
- Emotionally and physically fulfilling

Positioning Statement
“The Southern Red Sea is the most successful soft-adventure destination in Egypt, recognized internationally for its pristine environment and the vibrant richness of its living cultural heritage. As a traditional gateway to Black Africa, the Southern Red Sea will provide an opportunity for visitors to experience a real taste of the multi-cultural history of Egypt.”

Destination Brand
“The Southern Red Sea... Where history and nature come to life...."
Implementing the Vision of the SRS as a Sustainable Tourism Destination: A Strategic Plan

This section will present a suggested strategic plan for TDA to implement the vision of the destination laid out in the previous chapter. As an agency in charge of product development and investment promotion but not necessarily tourism promotion, it would not be TDA’s responsibility to implement many of the strategic components of this plan. Many other agencies and stakeholders have tourism development and management responsibilities in this area. However, as the agency leading the creation of a tourism industry in the region, TDA could actively coordinate with other partners and provide the vision for the destination as well as the guidance needed to implement it. The following strategic components are henceforth, presented as guidelines for TDA to coordinate product development and marketing work with the relevant agencies.

Priority Markets Strategy

The following tables present a summary of the different segments and markets suggested as a priority for the South Red Sea in the short, medium and long term. These markets and segments have been identified through the assessment of the current demand, the main trends in key European markets and the SWOT analysis conducted for the market and marketing strategy for the destination. The approach proposed by the LIFE Red Sea project is a gradual one that builds upon existing markets to improve the quality of the product and increasingly attract higher-yielding segments. The basis of this approach is the relatively good customer base currently enjoyed by the Southern Red Sea.

Table 22 Priority Markets for the South Red Sea

<table>
<thead>
<tr>
<th>Segment</th>
<th>Source Market</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Italy</td>
</tr>
<tr>
<td>Diving</td>
<td>1 - ST</td>
</tr>
<tr>
<td>Sea and sun (beach goers)</td>
<td>1 - MT</td>
</tr>
<tr>
<td>Comfort adventure</td>
<td>1 - MT</td>
</tr>
<tr>
<td>Cultural explorers</td>
<td>1 - MT</td>
</tr>
<tr>
<td>Naturalists</td>
<td>2 - LT</td>
</tr>
</tbody>
</table>

Key:
1 = Primary
2 = Secondary
ST = Short-Term
MT = Medium Term
LT = Long Term

Source: PA Government Services, Inc.

Consolidation of current markets

Diving
This market is one of the most traditional ones for the South Red Sea. They come to this area (and pay relatively higher prices than in other areas of Egypt) to enjoy the pristine and relatively untouched marine environment of this area. Although most of them don’t, some do engage in inland activities that are expected to have a high adventure component to them. In order to consolidate and better serve this market, TDA should engage in a destination wide environmental management program for resorts and dive operators that guarantee the adequate conservation of the marine and land-based resources. Additionally, TDA should work with private sector stakeholders to develop standards for dive-specific accommodation options that respond to the needs and expectations of this market.

Sea and Sun (the beach-goers)
These markets currently constitute the bulk of visitors to the South Red Sea. They come to this area (and pay relatively higher prices than in other areas of Egypt) to enjoy the sense of isolation and peacefulness offered by this remote part of the country. Most of them have an interest for experiencing a sense of “place”, meaning an authentically South Red Sea experience. This includes more interaction with local people, a cleaner environment and a sense of isolation and remoteness. TDA should work with partner agencies to facilitate the development of community-based tourism experiences that capitalize in the area’s rich cultural
tradition as a gateway to Sudan and Black Africa. It should also promote the type of investment in accommodation and other tourism products that integrates better with the environment and conveys a feeling of authenticity. This effort could take the form of a set of specific guidelines and standards for alternative accommodation products and the conduction of special events to educate the investor community about the pros and cons of this type of development.

For the consolidation of markets it is important for TDA to devise mechanisms to prevent the overdevelopment of the coast with low quality accommodation products. This concern has been raised by both visitors and travel trade alike. A rational approach to land development would also set the foundations for capturing the higher-yielding segments of the soft-adventure market.

**Access to New Markets**

**Comfort Adventure**

This segment of the “soft-adventure” market is characterized by seeking engagement with new cultural and natural attractions, visiting sites and “discovering” areas off-the-beaten-path with a comfortable service. As such, it would be the ideal first segment to target as part of an effort to diversify the client base of the area. In order to successfully attract this segment, TDA should engage partner agencies (particularly EEAA through the Nature Conservation Sector) in the upgrade of attractions, in particular, the WGPA into a Category 2 attraction. This would include the development of appropriate interpretation and visitor facilities as well as the development of a sound business and visitor plan. Given that many areas of particular attraction to this segment of the market are located inside the WGPA, specific management and concession plans must be developed for these sites (including Wadi Gemal Island, Qulaan and the Roman Mining Settlements among others). Additionally, TDA should coordinate with the RSG for the development of Shalateen as an iconic cultural attraction that showcases the unique cultural heritage of a border town.

**Cultural Explorers**

This segment of the “soft-adventure” market is characterized by young to middle-aged people with no dependents, who seek to experience the “real” Egypt within a context of safety and familiarity. It would be a second segment to target once product development work in WGPA and Shalateen has been initiated and is proven to be more or less successful. Also, it would be important to provide an authentic experience that does not feel “too touristic” as could be the case in some of the resorts of the area in order to attract this segment. Therefore, alternative accommodation (boutique hotels, community-based lodging, etc.) will have to be available. At this stage, TDA should consider coordinating the arrival of scheduled flights with airlines as well as the Marsa Alam International Airport investor. This would allow the increasing arrival of more and more independent travelers from this segment and will lay the foundations for the arrival of increasingly specialized segments of the market.

**Naturalists**

Efforts to attract this segment (the most similar in the soft-adventure market to the hard-core “ecotourist”) should be implemented in the long run. However, because of the characteristics of travel of this market, it should not become the focus of the strategy but rather keep them in mind as a secondary market. At this point in the development of the destination, many of the services and products developed might serve as a “pull” factor for this segment, including a variety of low-density, high-quality accommodation; the consolidation of WGPA as a Category 2 tourism attraction; the consolidation of Shalateen as a living cultural heritage attraction; the existence of a variety of nature-based and cultural tours and itineraries; and the arrival of scheduled flights into Marsa Alam or any other airport in the area.

**Product Development Strategy**

As a demand-driven process, the development of the South Red Sea’s tourism product follows the priority markets strategy and not vice-versa. In that regard, we have prioritized strategic guidelines following the gradual development of the destination into a higher value one. The strategic guidelines are:

**Branding, marketing and investment guidelines for the Southern Red Sea**

A clear and targeted branding, marketing and investment strategy must be developed and implemented by TDA in order to promote the type of development that is consistent with the region’s proposed image. The development of this strategy should involve the participation of the Egyptian Tourist Authority (in charge of international promotion) as well as the private sector and EEAA. The strategy should include from the outset a consideration to the development if a
concession scheme within the WGPA for the development of sustainable tourism-related activities.

Nature-based and community-based product guidelines
A program for the development of community-based and nature-based tourism products should be designed and implemented to facilitate the access of local peoples into the tourism industry. There is evidence of a growing demand for this type of products among the priority markets. This program should be based on activities that communities already undertake and should tap into the region’s rich cultural and economic traditions. Products should span the entire length of the supply chain and include day-time and night-time activities. The latter are particularly relevant for the current market as recreation opportunities at night are limited. As part of this program, clear guidelines and standards (where appropriate) for product development and management should be implemented. This would be particularly important in the case of nature-based products to be developed within the WGPA.

Improved environmental management for tourism service providers
An industry-wide environmental management program should be a priority for the destination in order to better serve existing markets and tap into new ones. This program should not only focus on the hotel sector but also the diving industry, particularly the live-aboard segment as there is growing evidence of their contribution to the pollution of coastal waters. While the focus of the program should be the implementation of best practices and the adoption of an EMS, the focus should not be on environmental certification, as they do not enjoy great market recognition.

Upgrade of WGPA into a Category 2 tourism attraction
The development of visitor management systems as well as appropriate visitor infrastructure in the WGPA is critical at this stage of development in the South Red Sea. The lack of an iconic nature-based anchor attraction is preventing the further development of the area as a soft-adventure destination. If this situation is not improved, the region runs the risk of becoming another Hurghada, where there are plenty of desert-based excursions that are unregulated, characterized by low-quality and oversupply and has damaged the desert environment that serves as a base. Since there is an administrative overlapping between TDA and EEAA for some of the areas within the WGPA, active coordination will be necessary between these two agencies to achieve this.

Development of Shalateen into a Cultural Heritage Attraction
The development of Shalateen into a cultural heritage attraction is a priority given the increasing popularity of tours into the town to see the Camel Market. As currently presented, the town does not offer much value-added to current customers and does not have the appeal to attract higher-yielding segments of the market. TDA should coordinate with the SRG to develop a series of attractions revolving around the themes of the Camel Market and the town’s reputations as the gateway to Black Africa (Sudan). The development work should include a general urban revitalization program that respects traditional patterns of use of the space as well as beautification. The most important component however, should be the work in partnership the local municipality and the camel market association to upgrade the presentation and interpretation of the Camel Market for tourism uses as well as the organization of a Camel Festival that might attract visitors at specific dates for special events.

Diversifying accommodation options
A specific plan for the development of guidelines and standards for alternative accommodation should be one of TDA’s priorities in the short run. The lack of unique and characterfull accommodation constitutes one of the main bottlenecks for the development of a higher-value product and a reason of concern for the current markets. This plan must be developed in consultation with the private sector and international practitioners (i.e. eco-lodge and alternative accommodation developers themselves). Valuable lessons can be drawn from experiences developed in other international destinations. This plan should contemplate an educational component for local investors as many of them have expressed their unfamiliarity with the concept. In that regard, we strongly suggest the organization of a conference on alternative accommodation development that brings international best practices into Egypt.
Promoting access of local people into the tourism market

The participation of local people in the supply of tourism-related services is important for social, economical but also marketing considerations. Visitors to the South Red Sea are increasingly expressing their desire for interaction with local people, both inside or outside the resort. Currently, local people face several barriers to employment in the tourism industry due to educational, cultural and legal issues. In that regard, a program intended to assist local people to gain employment and improve their livelihoods through tourism would be one of the first steps in the promotion of a more sustainable tourism industry. This program should focus on three aspects: training for local people to work in the hotel / resort industry, develop a program for local “hosts” (a type of guiding certification so that local hosts can work with official tour guides) and hand-holding assistance for product development and marketing.

Institutional strengthening of TDA

As the lead agency, TDA needs to institutionalize the provision of market intelligence and strategic planning guidance not only to partners in the South Red Sea, but also in other coastal destinations where it has tourism development responsibilities. In that regard, the creation of a Sustainable Tourism department within TDA would provide the type of guidance necessary to respond to the challenges posed by a constantly changing international marketplace. The creation of this department will entail the development of a training and capacity building plan that could be implemented as part of the LIFE Red Sea project. While the final content of said training program should be coordinated and discussed with TDA, it should at a minimal include a market intelligence gathering component, a product development component and a tourism promotion investment component.
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LIFE Red Sea Project

ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT


MARCH 2008

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<td>Destination Management Committee</td>
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<tr>
<td>EEAA</td>
<td>Egyptian Environmental Affairs Agency</td>
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<td>EU</td>
<td>European Union</td>
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1. **EXECUTIVE SUMMARY**

1.1 **OBJECTIVES & METHODS**

The South Red Sea Coast Visitor Questionnaire and Product Evaluation Survey were implemented in two stages: from March to May, 2006 and from August 28 through September 12, 2006. The goal of the surveys was two-fold: a) to elicit information from tour operators currently selling resort-based packages, diving, nature-based and adventure excursions in the South Red Sea in order to develop a profile of the sustainable tourism products being offered in the region; and b) to assess tourist's attitudes towards current and potential tourism activities in the region.

As part of the visitor profile work, a total of 400 visitor surveys were conducted in the area. The target population consisted of foreign visitors and expatriates visiting the South Red Sea with the purpose of recreation. Sample population was primarily drawn from the local resorts and hotels. A random sampling of tourists was taken from resorts and excursion outings. Visitors were approached while at the resort and also following completed excursions to gauge their background, views/values and opinions. The theoretical margin of error of the findings is +/- 4%.

As part of the product evaluation research, the consultant interviewed a total of 12 tour operators, diving operators, hotel and camp owners and managers operating in the area of study. Particularly emphasis was put into interviewing people with actual management responsibilities or the owners themselves.

The surveyors used direct interviewing techniques. A detailed four-page questionnaire was used in (English, French, Italian, German and Russian). Five interviewers were used for this survey, each with fluency in European languages to provide additional clarification on questions per visitor requests.

The information provided in this report will help to develop linkages between demographic data and the tourists’ behaviour that should be used to justify product development planning, implementation and promotion. This approach is needed given the wealth of natural and cultural resources, the importance of environmental protection to the livelihood of the population and the opportunity to distribute revenues to local communities. A ‘sustainable tourism’ approach can not only meet these objectives but also expand the tourism mandate to ensure that all tourism (current and proposed) development contributes to the interest of stakeholders such as TDA and the goals of the LRS project.

1.2 **MAIN FINDINGS**

1.2.1 **Market Research Findings**

- Most of those surveyed were between the ages of 30 and 49 years of age, which based on interviews with tour operators and hotel managers, accurately reflects the age range of international visitors to the South Red Sea.

- 44% of those visitors surveyed stated that the primary motivation of their trip to the South Red Sea was diving. The results demonstrate that the South Coast is already an established dive location and its notoriety is growing. 38% of respondents sited a beach holiday as their primary motivation for visiting the South Red Sea. Since the tourists arrive for beach and dive holidays they...
generally are not oriented to pursuing inland activities but they are looking for new day trip excursion options.

- The vast majority of visitors 78% indicated that they had booked this particular trip to the South Red Sea using either a travel agent or booking directly through a tour operator. The overwhelming majority of visitors (85%) visited the South Red Sea as part of a package tour created by European tour operators. This isn’t surprising given that transportation options are limited for the independent traveler in the region and that most flights into Marsa Alam are charted by tour operators.

- Of the surveyed areas, those visitors with only a high school education level made up 36% with trade and technical school graduates making up 26% of the market. Together, these two segments make up over 60% of the visitor population. The data demonstrates that the majority of South Red Sea tourists are blue-collar workers coming from middle class households throughout Europe.

- The majority of survey participants earned an average household income of between 25,000 and 49,000 Euros accounting for 38% of the total market. The results of the visitor income survey demonstrate that the bulk of current South Red Sea tourists are middle class working professionals from Europe.

- 24% of visitors spent between 700 and 900 Euros on their entire trip to the South Red Sea while 21% spent 1000 and 1200 Euro. 16% spent between 1300 and 1500 Euros on their trip. These results show that the main market in not high-end tourism but rather tourists seeking value for money.

- 60% of those surveyed indicated that the Internet and travel websites provided the bulk of their travel information with the very few independent travelers in the region booking each component of their trip on-line.

- The majority of survey participants (65%) indicated that they preferred 4 to 5 star hotels while traveling in this particular region. The demand for small charm hotels or eco-lodges was 23%. Together, the demand for 4-5 star hotels and eco-lodges is quite high at 88% of the total market.

- Half of the visitors surveyed (50%) prefer full room and board as part of their tour package while vacationing on the South Red Sea. These results capture the all-inclusive nature of the South Sea tourism market. In fact, there are currently few if any options for dining outside of the resort and due to the remote location, visitors do not have access to public transport or taxis to access outside food sources.

- The challenge for the South Red Sea is to continue attracting more visitors based on its international reputation as an attractive destination while still meeting the demand to develop new tourism products in order to keep repeat visitors coming back and attracting first time visitors who want to return year after year. An overwhelming majority of visitors surveyed are repeat visitors to Egypt with 79% spending more than one holiday in the country. Hence, most visitors to the South Red Sea are repeat visitors that have been to this region before and thus are keen for new excursion and entertainment options.

- This market does not come for a hard-core ecotourism and adventure activities but rather the more traditional types of tourism such as sun and sand or diving.
As such, these traditional markets should be used as the base markets for development of new and innovative nature and culture heritage based tours.

- From the standpoint of product and image, the creation of an offer of good nature-based experiences combined with some genuine cultural and historical content will benefit the SRS by broadening its product range and its market appeal. This will have two key benefits: one is to upgrade and diversify the image of SRS and win back old customers for repeat visits. The other benefit is to attract new nature-base and adventure tourists coming not for the beach but for these inland experiences.

- Not surprisingly, 83% of visitors to the South Red Sea indicated that they preferred to participate in water-based activities such as snorkeling and diving during their trip. The survey results demonstrate that in the South Red Sea, the dive market remains the primary one.

- The results of the visitor profile clearly demonstrate that the market isn’t interested in the development of lengthy adventure tourism packages. The beachgoers to this region are familiar with the tourism products that Egypt has to offer and are attracted to the region by the beautiful coral and pristine beaches. However, the market has demonstrated that visitors are seeking a cultural experience to complement traditional beach activities.

- The SRS clearly is in need of new product development that will fill the current gaps in product offerings. 22% percentage of visitors surveyed stated that they would like more interaction with the local community. Hence, there is definitely a strong demand for more culturally oriented excursions for visitors that will allow them to experience first hand the tribal traditions of the region.

- An additional 21% of visitors would like to see additional cultural heritage excursions that would allow them to get a taste of life in the desert. Many tourists were disappointed by the low quality of so-called oriental dance shows and felt that more entertainment and tourism products needed to be develop around the culture of the region.

- The majority of visitors to the South Red Sea has visited the country before and is now seeking traditional handicrafts that are unique in their rarity and have a much higher social value than mass-produced ‘contemporary’ crafts. The tourists have demonstrated their desire to be exposed and more importantly to buy ‘exotic’ and unusual cultural items.

1.2.2 Product Assessment Findings

- The region has strong potential for the development of cultural, adventure and nature-based tourism products given the range of natural and cultural resources available. However, most of these resources are currently underutilized and have not been turned into attractions.

- The main tourism resource of the area is the Red Sea Coast, which is considered a Category 1 attraction. The sound management of this resource is currently being challenged by issues related to indiscriminate fishing, urbanization of coastal areas due to tourism and poor waste management.

- At the moment, there is not an iconic, anchor natural or cultural attraction in the South Red Sea that could be considered at least, Category 2.
The WGPA is currently underutilized as a tourism attraction because of the lack of management systems, lack of visitor infrastructure and poor marketing and promotion. However, the WGPA has the potential to be developed into a Category 2 tourism attraction.

Visits to see the Camel Market in El-Shalateen are currently one of the most popular day excursions available in the South Red Sea. There is great potential to develop it into a higher-value product that provides local people the possibility to engage in the offer of tourism-related services.

The Roman mining settlements scattered around the Eastern Desert and WGPA face several challenges to become tourist products. One of the most important bottlenecks is the lack of funds for necessary consolidation work. Several tour operators are interested in including this sites in future desert trips.

Local human resources are not well trained or have the educational base to be successfully inserted into the tourism industry. There also seem to be cultural traditions that make it difficult for local people to have more sedentary employment.

The current supply of accommodation is not of high quality (for international standards) and it is not diversified. It mainly consists of resorts catering to the beach and diving market as well as camps and tents, mainly targeting the mid to lower-end of the diving market. There is a clear lack of accommodation with character, uniqueness and individuality that could appeal to more sophisticated segments of the market.

Companies offering tourist products and services in the SRS are highly specialized and have not yet diversified their portfolio of products. However, this is changing as increased competition is forcing operators to create more added-value for their products.

There are serious concerns about the potential overdevelopment of the area for both environmental and economic reasons. The rapid urbanization of the coast will lead to damage to the coral reefs. Equally important, oversupply of accommodation will irremediably lead to a deterioration of prices and therefore, the quality of the accommodation product. The right amount and kind of accommodation should be developed in the destination.

Food services are adequate but generally unavailable outside of the resorts and hotels of the area. Additionally, there has not been an effort among operators to develop a traditional local cuisine that could be properly presented to visitors, either outside or within the resorts. This would reinforce the image of the destination and promote integration of local producers into the tourism supply chain.

Access to the region and transportation from other destinations within Egypt is one of the main problems faced by the South Red Sea. Currently, access in only possible via charter flights or via road from Hurghada (5 – 7 hours). Security concerns limit the possibilities of connecting the South Red Sea with the Nile Valley and the reliance on charter flights (100% at the time of writing) limits independent travel but also causes the image of the destination to suffer.

Water-based activities currently dominate the market. Inland excursions tend to be short in duration and scope (half or full day maximum). The beach-goers...
engage in both water-based and inland excursions. However, oversupply of diving and water-based facilities is causing prices and quality of the product to drop. While some community-based and cultural activities are available, these are usually poor in quality and market appeal.

- Local communities see their access to the guiding market severely limited by current regulations in Egyptian law. The two main markets in the South Red Sea (diving and beach tourism) use a combination of local and foreign guides, although local guides refers almost exclusively to Egyptian guides from areas outside the South Red Sea.

- The lack of interpretation facilities, particularly inside the WGPA is seen as a constraint to develop higher-value nature products in the area.

- There is not a well-developed handicraft sector in the area that could meet the market's demand for authentic and traditional items. However, there is potential among some of the Bedouin communities to develop such sector.

- Prices received by local operators for different tours and packages to the South Red Sea (including diving and inland excursions) tend to be on the lower end of the spectrum. This is not to say that prices paid by visitors are necessarily low but that the percentage that ends in the hands of international tour operators is rather high. This seems to respond to the nature of the product and the fact that the international tour operator is currently responsible for all marketing and international travel costs.

- Natural and cultural tours are equally or more yielding on a per person daily basis than diving or beach accommodation packages. However, sales volume of these latter packages compensates for low prices.

- The overwhelming majority of diving and beach packages are still sold through international tour operators, either online or through a travel agent. However, all inland tours are booked directly on-site as these are usually offered as options only upon arrival. This sales strategy allows inland operators to keep most of the money paid by the visitor for the tour but in return, reduces his ability to sell in advance and get more customers.

- There is currently not a specific brand, marketing or promotion campaign specifically for the South Red Sea. The Egyptian Tourism Authority (ETA) promotes the “Red Sea Riviera” as an umbrella brand for a series of destinations of very different values.

- The “Red Sea Riviera” brand is focused on a single product: sun and sea tourism. Therefore, this brand fails to meet the needs of a destination like the South Red Sea that wants to promote its cultural and natural attractions.

- Due to the lack of a destination-wide marketing strategy, a “micro-marketing” approach prevails in the area, whereby specific companies are responsible to market their own products. This is exacerbating the reliance on international operators as they take responsibility for marketing and promotion of individual products in the main tourist-generating markets.

- This area has a good image in terms of security, health and service quality, particularly when compared to other coastal areas in Egypt among tour operators.
and travel trade. However, it is felt that as resort development sprawls further south, this area is bound to become another low-quality, low-price destination.

- The most cited qualities characterizing the South Red Sea were: “remote, isolated”, “good value for money” and “pristine and relatively undeveloped”. These should be the building stones for a brand for the destination. However, there has not been a systematic effort to develop and market this area as a distinct product.

- The region has a well-established brand image as a diving destination in the international diving market.

- The destination is well-known for their coastal and marine resources and not the natural desert-based or cultural features. In that regard, it will be necessary to slowly build an image as a nature, adventure and cultural destination based on the same attributes mentioned above (pristine, remote and good-value for money).

1.3 RECOMMENDATIONS

1.3.1 Marketing & Promotion

While it is clear that the South Red Sea does not have image problems related to security, health, price or basic infrastructure, it does not stand out as a high-quality destination. Generally speaking, local operators recognize that there is not a clear brand image for the South Red Sea to separate itself from the rest of Egypt’s Red Sea coast. While all of them recognized that there are elements distinguishing the South Red Sea from say, Hurghada and the South Sinai, there has not been a systematic effort to develop and market these areas as distinct products.

Marketing should be directed to the selected target markets with an aggressive campaign that appeals to the mass tourism markets of Europe as well as the ‘specialty market’ tour operators in Europe. In order to penetrate the new specialty markets it will be essential to launch preliminary marketing activities that will gain immediate awareness in the international travel trade.

There are many regions of Egypt that deserve extensive marketing because of their world class attractions. Consequently the South Red Sea region receives only limited promotion and most of the expenditures focus on the dive market. It is necessary to launch a branding process to determine the SRS unique positioning statement. It is important during the early stages of tourism development in the South Red Sea that the destination establishes a strong brand image that highlights its remoteness, good value for money and the pristine natural environment. This is particularly important for the South Red Sea as a destination at an early stage of development.

Given the insights presented by this preliminary market data, it is clear that market research should be conducted on a quarterly basis for a more thorough view of the market. A collection of consistent data will strengthen present data and more accurately measure market trends, changes in visitor satisfaction and the ultimate impact of the LIFE Red Sea project on tourism development in the region.

All product development should occur with these findings in mind and should build on the existing South Red Sea image as a beach and dive location for European
travelers. As the market research results demonstrate, special interest travel to the region is very limited and as a result, local resort owner’s business models do not incorporate the niche based all-ecotourism packages into their strategies. The LIFE RS Project goals can be met within this current market structure without a radical shift in the base market. Hence, the LIFE RS project should use current markets to create sophisticated products to build successful tourism products that are economically viable and beneficial to local communities in both the long and short term. Hence, the focus of all marketing and product development activities should focus on the beach goer/diving tourist that is currently coming to the South Red Sea but is interested in participating in more day trips that focus on the nature and cultural heritage of the region. Although hard-core ecotourists may come to the area, they will not represent the core part of the market and thus all planning should be created in line with the existing market demand presented in this document.

1.3.2 Product Development

Red Sea Governorate

- Coordinate with military authorities and EEAA to streamline the process of obtaining authorizations to overnight and take groups into the desert. The goal of this coordination should be to make such authorizations more efficient and less time-consuming.

- Work along with the municipality of Shalateen to upgrade local infrastructure and work on the beautification of the area. It should also work with the Camel Market association to upgrade the experience and develop it into a product that meets the demands of the soft-adventure market.

- Develop a grant and technical assistance program to support the development of community-based attractions and products in the South Red Sea. This program should assist local associations to better integrate into the tourism market by offering products based on the cultural heritage of the area.

- Promote the development of basic infrastructure in Marsa Alam, so that the town could develop some services for visitors.

- Coordinate with military authorities as well as the Ministry of Tourism (MoT) the opening of the road from Marsa Alam to Edfu for tourists. The RSG could organize a convoy to accompany tourists to the Nile Valley, in partnership with private sector organizations and the MoT.

Tourism Development Authority

- Prepare a tourism investment strategy for alternative types of accommodation, including eco-lodges, boutique hotels, and community-based accommodation for the SRS. Strategy should be based on pre-existing plans for the physical development of the area, including the Land Use Management Plan.

- Conduct regular market research in order to gauge the preferences and levels of satisfaction of visitors to the SRS.

- Organize an investment promotion even that focuses on alternative accommodation. The event should a section on international case studies of
successful eco-lodges, boutique hotels and community-based lodging to educate local and international investors.

- Coordinate with the RSG, EEAA and the military the development of an investment and concession strategy for inland accommodation. This is particularly important given that good quality accommodation options need to be available in the desert in order to diversify the tourist product.

**Protectorates (EEAA)**

- Develop a visitor management plan for the WGPA with the goal to upgrade facilities and promote the development of the area as an iconic nature-based attraction

- Implement a marketing and informational campaign among local hotels and tour operators about the significance of WGPA. This campaign should have the goal to increase visitation originating from local hotels into the park

- Coordinate the preparation of a solid waste management program for the WGPA that includes private sector (both hotels and dive operations) and local communities.

- Develop an awareness raising campaign about environmental management for hotel guests and divers. The goal of the campaign should be to educate visitors about the environmental practices (good or bad) of local operators. Since most visitors to the SRS care about the environment, they are likely to put pressure on operators who are not implementing sound environmental management measures.
2. INTRODUCTION

2.1 BACKGROUND ON LIFE RED SEA (LRS PROJECT)

The primary objective of the USAID funded LIFE Red Sea (LRS) Project is to support conservation and preservation of biodiversity in selected areas of the Red Sea Protectorate. Recognizing that development of portions of this area for tourism and related industries is intended and underway, the project is also directed at guiding tourism development to be environmentally sustainable and to allow local communities to benefit from tourism-based use of natural and cultural resources.

Egypt with its 8.5 million tourists a year is a world famous cultural heritage destination (Nile Valley) and leisure/dive destination. From 1992 to 1997, tourism along the Northern Red Sea exploded from 281,000 to 996,000 tourists. In 1992, there were 5600 rooms, but by 1997 TDA had grown that number to 17,600 rooms. By 2004, the number of divers had more than doubled again to 2.5 million people.

Although Egypt is not an internationally known ecotourism destination, the country offers 25 protected areas and expects to declare more. Current eco-tourism operators and activities are concentrated in the national parks of the Sinai (Ras Mohamed, Bardawi, and St. Catherine’s) and in the Western Desert, where international tour operators are taking visitors to the oases of Bahariyya, Farafra, Dakhla, Kharga and Siwa, connecting to cultural heritage sites in the Nile Valley. Egypt’s desert trips have been growing since the government first started noticing them in 1984, and in 2004 15,000 divers took desert trips inland. The number was higher in 2005.

The Northern Red Sea Region (NRSR), particularly along the coast, has been a very successful tourism destination in terms of investment, development, and number of visitors. However, some of the NRSR has experienced landscape and habitat destruction and marine pollution as a result of construction. If the same problems occur in the SRSR, they will destroy its potential for eco-tourism development, for eco-tourists stay in pristine environments.

Although all government stakeholders have studied the area and wish to see a strong tourism base in the SRSR, they differ on approach. The result is a lack of inter-agency coordination, planning, and decision-making among the primary governmental authorities and LRS planning partners (EEAA, TDA and RSG). Therefore, a constructive dialogue and an agreed upon understanding of planning direction is a gap that needs filling.

In order to enhance Egypt’s competitiveness in the global nature-based and adventure market as well as assist the LRS project in its project approach, the consultants attempt to provide a research-based, comprehensive project strategy or blueprint for developing the SRSR.

2.2 PURPOSE OF THE STRATEGIC MARKETING RESEARCH

2.2.1 Market Evaluation

Specifically, in preparation for the development of a destination management plan for the South Red Sea Coast of Egypt, it is the project’s intention to base its “business case” on verifiable, quantitative and qualitative market facts. It is also the project’s intention to establish some preliminary base point indicators of visitor demographics,
attitudes and expectations that could be used to measure program performance and to establish a visitor profile for the region.

The Consultant’s role was to gather and present market facts using internationally accepted best practices in professional market research within a 30-day timeframe from late August until mid September 2006 in order to quantify visitor demand and to develop a market-driven approach to the destination management plan for the South Red Sea region. Please refer to Figure 1 below for a detailed map of the survey area.
2.2.2 Product Evaluation

The purpose of this section is to provide information about the characteristics of the main nature-based and adventure products currently being offered in the area of study. Additionally, the interview with travel trade in the area allowed us to use qualitative information to complement the quantitative information elicited through the visitor surveys, thus reducing the bias that is inevitable given the limitations of the sample. This evaluation was made from a marketing perspective (i.e. related to issues of distribution channels, product development and branding).

The results of this evaluation will also provide a baseline to evaluate the future growth of the SRS as a destination catering to a wider variety of markets, including the key segments of the soft-adventure, natural and cultural markets.
3. MARKET EVALUATION

3.1 INTERVIEW PLAN

The South Red Sea Coast Visitor Questionnaire was implemented from August 28 through September 12 2006. The goal of the questionnaire was to elicit information from European tourists currently seeking diving, nature-based and adventure excursions in the South Red Sea in order to develop a profile of nature-based, sustainable tourism products being offered in the region and to assess tourist’s attitudes towards current and potential eco-tourism activities in the region.

- Target Population

The interviewers conducted 400 surveys of customers of excursions and other nature-based activities. The target population consisted of foreign visitors and expatriates consuming nature-based and adventure tourism services in or near the study area. Sample population was primarily drawn from the local resorts and hotels.

- Location

The region surveyed consisted of resorts along several subsectors on the South Red Sea Coast. This region is defined as the sector Marsa Alam Airport/Port Ghalib to the south. This sector can be further subdivided into three sub sectors the upper one being from Marsa Alam town north to Port Galib and the international airport, the central sector extending south from Marsa Alam to Hamata, and the third [lower] sector extending below Hamata and including Shalateen. The region’s emerging anchor is the new resort town Port Ghalib. Its anchor is Port Ghalib, an integrated full service resort town under construction by a Kuwaiti group. It is a private development including urban areas designed around two marinas and an international airport that opened in 2004 to commercial flights. It will eventually attract an international clientele for beach, boating and dive tourism.

A random sampling of tourist was taken from the following resorts and excursion outings. Visitors were approach while at the resort and also following completed excursions to gage their background, views/values and opinions. The following provides a comprehensive list of the hotels and excursions covered:

Hotels/Resorts
- Coral Beach Diving Hotel- Port Ghalib, Marsa Alam
- Abo Nawas Resort – Marsa Shagra, Marsa Alam
- Brayka Bay Resort- Km 18, Marsa Shagra, Marsa Alam
- Kahramana Beach Resort Km 23, Marsa Shagra, Marsa Alam
- Cataract Marsa Alam Resort- KM 20 Marsa Alam Safaga Rd, Marsa Shagra
- Shagra Village - Km 113, Marsa Shagara, Marsa Alam
- Shams Alam Beach Resort- Km 45 El Ghosoun Rd., Wadi Gimal, Marsa Alam
- Calimera Habiba Beach - Km 23 Marsa Shagra-North Marsa Alam
- Iberotel Coraya Beach Resort – Marsa Alam Rd. Marsa Alam. Corraya Bay
- Elphistone Marsa Alam - Km 37 After the Airport, Downtown Marsa Alam
- Lahmi Bay Beach Resort & Gardens - Km 115. Wadi Lahami. Marsa Alam
Excursions

- Dune Buggy/Quad tour in the desert
- Trip to Luxor
- Snorkeling/Diving
- Shalateen Camel Market
- Bird watching
- Herbal/Crafts Shops

Methodology

In order to limit the communication problems posed by language barriers, the consultants oversaw the translation of the instrument into different languages according to the different target visitor populations identified in the testing phase of the survey instrument. The consultants then conducted a one-day training session with local surveyors identified by LIFE’s project office in order to determine their suitability to assist him/her conducting the survey.

In order to ensure maximum participation from hotel guests and excursion participants, project consultants met with the management team of the resort and leisure organizations in order to introduce the goals of the LIFE project and to provide a detailed description of the survey design and implementation plan. By completing these preliminary meetings with resort staff, the consultants were able to conduct the one on one survey with hotel guests without interference or protest. In fact, the results of this survey will be shared with local stakeholders so that local tourism officials receive optimum benefit from this market research assignment.

The surveyors used direct interviewing techniques. A detailed four-page questionnaire was used in (English, French, Italian, German and Russian). Five interviewers were used for this survey, each with fluency in European languages to provide additional clarification on questions per visitor requests. As a result, there were no language barriers which interfered with data collection. A sample interview guide is attached to this document in Appendix A.

Survey Constraints

- The timing of the survey (August and September 2006-end of the European high season), is reflected in some of the demographic information (i.e. Italians preferring to take holiday in the late summer months). However, the survey provides a snapshot of the views of tourists visiting the South Red Sea and can be taken as indicative of the market. In order to obtain more thorough results, market research should be conducted on a consistent basis in the region.

- The construction crews present in the Port Ghalib area had some bearing on responses regarding environmental protection and mass tourism development.

Schedule

The schedule for interviewing included a training session that was held on August 27th in Hurghada, Egypt at the Marriott and the Sunrise Hotels. The research team (1 lead researcher + four local researchers) then traveled to the following bases of operation to conduct the survey: Port Ghalib (August 29th to 31st), Kahramana Beach Resort (August 31st to September 5th), Shams Alam (September 5th to 9th) and Lahmy Bay (from September 9th to 12th). From each of these locations, interviews were conducted with hotel guests who had participated in excursions outside the hotel in order to gage their opinions and perspectives concerning these activities. These
excursions included water-based activities such as diving and snorkeling and land-based activities such as camel tours, dune buggy trips and visits to Bedouin camps.

### 3.2 DEMOGRAPHIC INFORMATION

The demographic environment is of considerable interest to the further development of tourism in the South Red Sea because it involves people, and people make up the livelihood of the market. This information will help to develop and draw conclusions about linkages between demographic data and the tourists’ behaviour that should be used to justify market development planning, implementation and promotion.

**Age Range of Visitors to South Red Sea**

Most of those who completed the survey were between the ages of 30 and 49 years of age (63%), which based on interviews with tour operators and hotel managers, accurately reflects the age range of international visitors to the South Red Sea. 5% were 60 years of age or older, 16% were between 50-59 years of age, 14% were between 20-29 years of age and the smallest part of the market segment is comprised of young Europeans with youth (up to 19 years) representing just 2% of the international visitors to the region (see Figure 2).

![Figure 2](image)

**Country of Residency of Visitors**

The majority of those who completed the survey were tourists currently residing within the European Union, with 45% percent of visitors living in Italy, 21% of visitors living in Germany and 13% residing in the United Kingdom (see Figure 3). The remaining 21% of visitors are currently residing in other Western European countries with 6% of visitors form the Netherlands, 4% of visitors from Switzerland, and 2% of visitors from Belgium, Austria and Portugal respectively. Unlike the Northern Red Sea coast, this area isn’t heavily visited by Eastern European and Russian guests as they together made up less then 4% of the total market during the August-September 2006 holiday season.
Nationality of Visitors to the South Red Sea

The overwhelming majority of those who participated in the survey were citizens of European Union member countries. Over 180 of the total 400 visitors surveyed were nationals of Italy with German nationals ranking 2nd with over 80 visitors and British citizens rounded out the top three with just under 55 visitors to the South Red Sea during the selected time period (see Figure 4). 21 visitors were from the Netherlands while 15 were nationals of Switzerland. 13 were Belgium nationals and the smallest portion of visitors were nationals of the following countries: Russia (10), Austria (9), France (3), Czech Republic (3), Poland (3), Portugal (2), Ireland (1), Americas (1), Asia (1) and African nationals (6).
Legal Family/Marital Status of Visitors

The majority of visitors to the South Red Sea are married individuals, which represent a total of 57% of the total market. 23% of the market was made up of single individuals and 19% of the market is composed of visitors who would classify themselves as “other” meaning that they are either domestic partners or of widow/widower status. These statistics support further findings that nearly 50% of the tourist market to the South Red is made up of travel parties of two individuals (see Figure 18). Many of these visitors are travelling to the region with their spouse or domestic partner.

![Figure 5: Q 3 Family Status](image)

Current Occupational Status of Visitors

Over 64% of those surveyed reported that they are currently employed for a company or organization in their home countries. 19% percent of participants were business owners and/or key stakeholders in managing businesses. Not surprisingly, a smaller percentage of those surveyed were retirees and student populations from Europe representing just 6% and 8% respectively of the total survey population (see Figure 6).
The data reflects the low quantities of elderly and young independent travelers to the South Red Sea region and highlights the fact that the main clientele are thirty to forties year olds with a regular source of income. Furthermore, there are few options for the type of student backpacker travel that is popular with many European students along the South Red Sea coast. Most tourists are limited to packages at all-inclusive resorts whose prices exceed student’s budgets. Additionally, 3% of those surveyed indicated their status as un-employed. However, due to the interactive nature of the survey design, the interviewer was able to determine that the majority of these cases represented housewives whom are responsible for childcare duties.

**Gender Ratio of Visitors to the South Red Sea Region**

Survey respondents demonstrated that there was a slightly higher percentage of males visiting the South Red Sea during the selected time period with men representing 56% of the sample population and women representing 44% (see Figure 7).

**Education Level of Visitors**

Of the surveyed areas, those visitors with only a high school education level made up 36% with trade and technical school graduates making up 26% of the market. Together, these two segments make up over 60% of the visitor population. The data demonstrates that the majority of South Red Sea tourists are blue-collar workers coming from middle class households throughout Europe (see Figure 8 on the following page). 25% of those surveyed had completed a university level bachelors degree and 10% of visitors held a Masters degree at the university level. The smallest group of visitors are those holding a Ph D. doctoral degree at the university level representing just 3% of the surveyed population.
Household Income in Euros of Visitors to South Red Sea in 2005

The majority of survey participants earned an average household income of between 25,000 and 49,000 Euros accounting for 38% of the total market. The results of the visitor income survey support the previous indicators that the bulk of current South Red Sea tourists are middle class working professionals from Europe. The second largest portion of visitors (18%), reported earning 25,000 Euros or less per year. 15% of those surveyed reported earning between 50,000 and 74,000 Euros and 9% reported earnings between 75,000 and 99,000 Euros. The remaining 10% of respondents reported earnings in excess of 100,000 Euros. Hence, it is clearly demonstrated that the current target market in the South Red Sea isn’t a high-end luxury traveler with high amounts of disposable income but rather a price sensitive traveler that is seeking good value for their money and may be drawn to the all inclusive deals offered in the South Red Sea.
3.3 **TRAVEL PREFERENCES**

The purpose of this section is to set out the views and values of tourists visiting the South Red Sea Region. By asking them a series of questions as to their preferences, opinions and suggestions, one can gain valuable insight into the attitudes that shape the current market demand by European tourists coming into the region.

**In your past travels have you already been to Egypt/The Middle East or North Africa/Africa?**

An overwhelming majority of visitors surveyed are **repeat visitors to Egypt with 79%** (see Figure 10) spending more than one holiday in the country. Hence, most visitors to the South Red Sea are repeat visitors that have been to this region before and thus are keen for new excursion and entertainment options. 44% of visitors surveyed have also traveled to the Middle East or North Africa before with many mentioning countries such as Turkey, Tunisia or Morocco as recent vacation destinations. Finally, 33% of visitors have been to African countries such as Kenya or Tanzania. This demonstrates that the majority of visitors are comfortable traveling within the Middle East and Africa despite negative press regarding security in the regions.

![Figure 10: Q 8 Previously Visited Countries in the Region](image)

The findings of the data are further demonstrated in the illustrative visitor feedback below:

“I first came to Egypt to see the antiquities but I happened to discover the Red Sea. I plan on coming back whenever possible for a quick beach holiday” (Male, aged 30-39/Italy)

“This is my seventh time in Egypt. I plan on coming back year after year because of the pristine environment and great diving” (Male, aged 40-49 /Great Britain)

“I feel totally safe traveling in Egypt, I'd definitely recommend this spot to my friends” (Female, aged 30-39/Germany)
What are your main sources of travel information?

60% (see Figure 11) of those surveyed indicated that the Internet and travel websites provided the bulk of their travel information with the very few independent travelers in the region booking each component of their trip on-line. The data highlights the importance of marketing the South Red Sea Coast via Internet websites to foreign tourists, as this is the main outlet for future travelers to the region. Also noteworthy, 32% of visitors said that positive word of mouth regarding the natural beauty of the South Red Sea had attracted them to the region. As demonstrated in Figure 10, nearly 80% of visitors to the region had been to Egypt on holiday before and thus it isn’t surprising that 18% cited their own prior knowledge as a source of information for this particular holiday.

The role of the travel agent (30%) and tour operators (22%) also played a significant role in destination information dissemination. Furthermore, reading material such as articles found in the travel press represented 19% of respondent’s information sources for their trip and tour guidebooks 15%. This information shows the importance of developing a marketing and promotion campaign, which will produce high-end advertisements and visual displays to attract visitors to the region. In order to reach these market segments, a familiarization trip for travel journalists and tour operators is a standard promotion tool used worldwide.

The remaining 9% of visitors indicated that they had received the majority of their information from special interest clubs or organizations. These types of visitors are coming to the region through numerous clubs and associations in the EU which organize travel programs usually in combination with specialty operators. Many of these clubs focus on the diving and nature-viewing (i.e. bird watching) enthusiasts and are growing in membership as these groups continue to spring up throughout Western Europe.
What type of standard lodging do you prefer on these trips?

The majority of survey participants (65%, see Figure 12) indicated that they preferred 4 to 5 star hotels while traveling in this particular region. The demand for small charm hotels or eco-lodges was 23%. **Together, the demand for 4-5 star hotels and eco-lodges is quite high at 88% of the total market.** The range of accommodation is growing along the Red Sea but currently doesn’t meet demand, as few high-end hotel options are available.

The quality range of existing capacity along the SRS extends from 3-star international hotels down to very inexpensive camps. Some European tour operators and foreign hotel groups are participating in the management and marketing of some of the projects. A suites hotel is nearing completion at Lahami Bay.

The findings of the data are further demonstrated in the illustrative visitor feedback below:

“**We prefer to stay at 4-5 star hotels in Egypt because we know that our rooms will be tidy and that the food will be good**” - (Male, aged 40-49 / Germany)

“**My husband and I like to experience the unique cultural characteristics of our holiday destination. Eco-lodges give us a real taste of Egypt**” - (Female, aged 30-39 / Italy)

In addition, 16% of visitors prefer 2-3 star accommodations on trips to Egypt. 8% of vacationers provide camping on the beach or in the desert with tents. 4% prefer inexpensive hotels and just over 4% prefer “other” types of accommodation. The “other” category consists of EU travelers and expats living in the Middle East seeking exotic, genuine experiences outside of their home cultures. They can spend $150-300 per day per person, and rely heavily on word-of-mouth and on specialty tour operators emphasizing very high standards in terms of the content of itineraries, use of highly educated guides, and very distinctive lodging and food arrangements. Key motivations include educational value, distinctiveness or exotic flavor, exploration of a different culture, and travel in challenging and scenic environment. Many such
tourists seek additional experiences such as spa services or meditation classes, cooking instruction or arts and crafts demonstrations. The quality of overnight lodging is very important for this clientele in terms of comfort, style distinctiveness and even cultural meaning.

Any type of food you prefer?

Results on the food preferences of visitors were widely dispersed among several options. 28% (see Figure 13) preferred Mediterranean while 27% preferred International cuisine. 26% of responses indicated Egyptian cuisine as the food they would like to enjoy during their stay on the South Red Sea. Additionally, 23% of visitors prefer a variety of ethnic food options while staying at the resorts. The smallest percentage of respondents (13%) indicated that they preferred a strictly European food-based menu. A general comment from visitors was that their primary concern was that food be safely prepared and fresh. It is clear that the market is definitely open to expanded regional food options such as Egyptian and Middle Eastern cuisine specialties, which could add an authentic flavor to their South Red Sea experience.

What type of meal arrangement do you prefer?

Half of the visitors surveyed (50%, see Figure 14) prefer full room and board as part of their tour package while vacationing on the South Red Sea. These results capture the all-inclusive nature of the South Sea tourism market. In fact, there are currently few if any options for dining outside of the resort and due to the remote location, visitors do not have access to public transport or taxis to access outside food sources.

27% of guests indicated that they preferred a room plus half board option while 13% stated that room and full board with drinks as additional charge was the best option.
The 13% preference for exclusion of drinks is indicative of those guests who normally consume alcoholic beverages with their meals and cocktail drinks aren’t currently included in all-inclusive packages offered in the region. Other responses were room and breakfast only (9%), the option for visitors to cook by themselves in their individual hotel rooms (3%) and camping and cooking outdoors Bedouin style with 3% of respondents.

What types of activities and excursions do you prefer on such trips?
Not surprisingly, 83% (see Figure 15) of visitors to the South Red Sea indicated that they preferred to participate in **water-based activities such as snorkeling and diving** during their trip. The survey results demonstrate that in the South Red Sea, the dive market remains the primary one. Egypt is now a world famous dive destination including the South Red Sea coast. The dive segment already knows about the lower Red Sea coast’s extraordinary marine attractions and the industry is promoting them as the Marsa Alam destination with its own airport. The sector’s image in the dive world appears strong. For the dive industry the Red Sea enjoys a very good reputation so its capacity is expanding southward toward Sudan. Rising EU dive memberships is also a factor for the growing dive industry. Egypt’s South Red Sea coast has a reputation as not being so crowded as Sinai or the Hurghada areas where divers mix with beach vacationers.

Another well-established excursion option in the region is trips to Ancient Egyptian sites. 38% of those surveyed participated in inland excursions to places with antiquities. Since, many packages last 8-10 days many tourists opt to purchase activities inland such as visits to famous Nile Valley sites in Luxor, Aswan or even Cairo.

22% of those surveyed indicated an interest in participating in desert excursions in order to experience local traditions and understand their communities, culture and history. 21% of visitors demonstrated an interest in participating in visits to towns in South Egypt in order to observe local life and traditions. Visitors expressed a feeling of isolation from the local community and have a genuine desire to pay for excursions involving local interaction with the local population.

The findings of the data are further demonstrated in the illustrative visitor feedback below:

“Oh this trip, I don’t even feel like I’m in Egypt. We’re totally isolated at the resort. I wish that there were more opportunities to interaction with real Egyptians instead of just Western tour guides” – (Male with wife aged 40-49/Italy)

“I’d like to see more Egyptian women and see how they make local products with the option to buy some nice gifts for my friends”- (Female aged 20-29/Italy)

16% was shown for both desert visits by 4X4 or van and star gazing at night in the desert by taking the astro tour excursions offered in the region. 14% showed the desire to both experience horseback and camel riding in the desert and riding quads/dune buggies in the wild. The smallest portion of visitors (9%) demonstrated an interest in participating in strenuous walking or hiking in the wild. Currently there are very few excursions offered by tour operators in this area and summer months are too hot for strenuous desert travel.

**What kind of souvenirs do you like to get?**

34% (see Figure 16) of those visitors surveyed indicated that they would like to buy locally made handicraft items during their trip to the South Red Sea. Visitors described items from small decorative boxes to traditional dolls for children. 25% of visitors sought to buy herbs/spices or fragranced oils of some type form the region. The desire to buy jewelry and traditional clothing also proved quite popular with tourists in the region receiving 16% each. **Together the top four (91% in total) most desirable products for tourists to buy as souvenirs and/or gifts demonstrated a strong desire to connect with the cultural uniqueness of the**
region and the majority of tourist sought to buy something that was authentically “Egyptian”.

However, the current range of items offered at the gift shops and boutiques in and around the resorts along the South Red Sea fall very short of meeting market demand. In fact, many visitors expressed disappointment with the lack of locally made products at their disposal. The visitors surveyed expressed a desire for traditional handicrafts, which reflect the social and cultural environment in which they were made, and a wish to better understand the social identity of the people who have made them. The majority of visitors to the South Red Sea has visited the country before and is now seeking traditional handicrafts that are unique in their rarity and have a much higher social value than mass-produced ‘contemporary’ crafts. The tourists have demonstrated their desire to be exposed and more importantly to buy ‘exotic’ and unusual cultural items.

The findings of the data are further demonstrated in the illustrative visitor feedback below:

“I’ve heard that the species and herbs from this region are famous for their medicinal purposes and I’d like to bring some back with me” – (Female 30-39/Italy)

“I like to buy traditional gifts from the region where I travel. The stores at the resorts only offer high-priced items from Luxor-I wish that we had access to local crafts and jewelry” - (Couple 50-59/Great Britain)

The remaining responses were broken down into a wide-range of souvenir items that are typically bought by tourists. 10% of respondents indicated a desire to purchase papyrus art and 10% expressed an interest in purchasing t-shirts. 7% of participants sought to purchase the famous Middle Eastern water pipe “shisha”, 3% sought postcards while other miscellaneous items and mugs represent 2% of responses respectively.
When you travel inland on excursions, what’s your favorite form of transport?

It is clear from the results of the survey that **visitors value safety and comfort when they venture inland on excursions**. 36% (see Figure 17) of respondents felt most at ease in a 4x4 vehicle while 31% preferred a full size road bus during excursions offering amenities such as air conditioning and toilets. The third most frequent response was traveling by van with 16% of responses. 14% percent of tourists to the South Red Sea would like to see more car rental options for travelers seeking inland adventures and the remaining 3% of visitors indicated “other” as their preferred means of inland transport. This 3% accounts for visitors that would like to travel by camel or horseback into the desert to connect with the true life of desert people (i.e. adventure tourism seekers).

What is your travel party size (children included)?
The majority of visitor respondents were traveling in couples. 49% (see Figure 18) indicated that their travel party consisted of two individuals. This group was made up predominately of married or partnered couples but a few individuals mentioned that they were traveling with a family member or friend other than their spouse. Hence, over half of visitors to the South Red Sea are couples and some of the marketing and promotional material should be directed toward this market segment. 15% of respondents were traveling with 3 members in their party while 10% were with parties of 4 and 10% were also traveling alone with no companions. The 10% of individual travelers was made up of primarily avid divers who had come to the South Red Sea to experience safari boat excursions with an organized tour group. 9% were traveling in parties of 7 or greater. This group was composed mainly of student groups that had come to the region with professors from a variety of European universities in order to complete marine biology courses by first hand dives. Such groups come on a bi-yearly basis and primarily frequent eco-lodge establishments. 3% of visitors were traveling in parties of five and 2% were part of groups of six. The last two groups were composed primarily of Italians traveling in families with either young children or with extended family members.

Is this trip an all-in one package created by a tour operator?

The overwhelming majority of visitors (85%, see Figure 19) visited the South Red Sea as part of a package tour created by European tour operators. This statistic isn't surprising given that transportation options are limited for the independent traveler in the region and that most flights into Marsa Alam are charted by tour operators. The remaining 15% of visitors indicated that their travel consisted of a non all-in one package. However, most of these visitors still arrived through a European tour operator to the area but they then chose to be more independent on the ground with the ability to pick and chose meal, transport and excursions options. The results of the survey reflect that at present, it is extremely difficult for the independent travel to reach the area from overseas as most tourist don’t want to waste vacation time on long arduous bus travel from Cairo or Luxor to the region. Hence, it is clear that all marketing and tourist product development must be done in partnership with the private sector in order to ensure success as the European tour operators are well established and are bringing 85% of the visitors to the region.
Where did you book and buy this trip?

The vast majority of visitors (78%, see Figure 20) indicated that they had booked this particular trip to the South Red Sea using either a travel agent or booking directly through a tour operator. 19% responded that they had booked their package trip to the region by using the Internet in their home or office. Combined, the two most popular responses make up 97% of the current tourism market.

This data is telling because it demonstrates once again that any successful destination management plan must fully engage the private sector tour operators and travel agents in order to be viable. Furthermore, this data indicates that marketing and promotional campaigns should be geared toward the internet as a significant portion of visitors are already booking trips to the South Red Sea via the internet and most of those surveyed (60%) cited the internet and or travel websites as their primary source of travel information. Thus, by engaging the private sector and advertising on on-line sources, the region is more likely to flourish and grow as a sought after sea and nature based attraction.

The smallest portion of the market (3%) cited that this trip to the region had been booked through clubs or associations in Europe. These special interest clubs are on the rise in Europe and include activities such as bird watching, diving and other nature based attractions. Although these groups currently bring a small portion of visitors to the South Red Sea, they will prove more lucrative revenues in the future as more nature based and eco-tourism attractions are developed to expand tourism beyond the traditional diving and beach tourism segments.

What is your main motivation for this trip to Egypt?

44 % (see Figure 21) of those visitors surveyed stated that the primary motivation of their trip to the South Red Sea was diving. The results demonstrate that the South Coast is already an established dive location and its notoriety is growing. 38% of respondents sited a beach holiday as their primary motivation for visiting the South Red Sea. Since the tourists arrive for beach and dive holidays they generally are not oriented to pursuing inland activities. Probably most tourists who try the inland activities do so simply for the entertainment value, as a chance to get away from the coast, see a different environment and do something different. Some of the excursions do highlight the desert’s flora, fauna and local traditions, but most do not. The South Red Sea product for all the tourists is either the dive experience or the beach holiday. Others opt for sports activities [hiking, camel or horse riding],
sightseeing from 4X4 vehicles, thrill seeking by riding quads or aerial sports, or enjoying Bedouin traditions and hospitality.

12% of visitors sited cultural heritage and antiquity viewing as their primary trip motivation. It is no surprise that Egypt continues to attract tourists for its famous cultural tourism and marketplace for the antiquities it offers along the Nile river valley. Many tourists visiting the South Red Sea have combined a trip to Luxor or Aswan with several days of rest and relaxation. As most of the visitors to the South Red Sea are repeat tourists in Egypt, it isn’t surprising that they are seeking to explore the traditional antiquities of Egypt while still enjoying a traditional beach holiday.

3% of tourists sited a visit to friends and/or family in Egypt as the primary motivation for their stay. This group was composed mainly of relatives and friends of either European hotel staff or engineers working on the many construction projects in and around the Port Ghalib area. 2% of respondents sited business as their motivator for this trip and this group was composed mainly of travel industry representatives or expatriate engineers/designers consultants for further resort development projects in the area. 1% sited “other” as their motivation and this group consisted primarily of those visitors that sought a quiet get-away which provided them with quiet time to spend reading and relaxing. Less than 1% sited meeting or conferences as the motivation for this trip. This handful of individuals was composed of those who had come to some sort of business activity on the North Red Sea and had taken the opportunity to explore the region a bit more.

How long before you started this trip did you book it?

Figure 22 demonstrates that 28% of survey participants booked their travel to the region over 10 weeks prior to travel. This group was composed primarily of dive holiday visitors from Great Britain and Germany who spent the majority of their trip out to sea on dive safaris. However, the second highest response with 23% of
respondents indicated that their

trip to the South Red Sea was booked two weeks before departure. This 23% of travelers appeared to be composed primarily of Italian groups booking a quick and relatively last minute trip to round out the summer holiday season. 13% of visitors booked their trip less than one week before actual travel taking advantage of last minute deals offered by tour operators to keep occupancy rates up. This last minute travel offers an all-inclusive package at a reasonable price for visitors. 11% of participants had booked their trip 4 weeks before travel while 7% had booked their holiday 3 weeks before departure. The remaining results showed 5% for eight weeks, 4% for 10 weeks, 3% for six weeks, 2% for both five and seven weeks before travel while 2% couldn’t remember exactly when they had booked their travel to Egypt. Less than 1% had booked their trips 9 weeks in advance of travel. These results demonstrate the need to direct marketing and promotion efforts to those travelers who reserve well in advance as well as last minute travelers as their presence is ever increasing.
How many days are you away from home on this trip?

Over half of the visitors surveyed (53%, see Figure 23) spent an average of between one to seven days on the South Red Sea. While 44% of visitors stayed between eight to fifteen days. This group of visitors could serve as the target population for promotion of land base excursions as after a week of snorkeling or diving, many are looking for additional recreational options during the second week of their stay. The smallest percentage of visitors (3%), said that they planned to stay in the area for over two weeks (16 or more days).

What’s the approximate full cost of the entire trip, airfare, stay in Egypt, shopping, tips included, for just you?

![Figure 24](Q 23 Full Cost of Trip per Person)

24% (see Figure 24) of visitors spent between 700 and 900 Euros on their entire trip to the South Red Sea while 21% spent 1000 and 1200 Euro. 16% spent between 1300 and 1500 Euros on their trip. These results show that the main market in not high-end tourism but rather tourists seeking value for money; further demonstrating the price sensitivity of the market. Currently, the South Red Sea Coast provides an affordable holiday get away for middle class European couples and family with pristine marine life and beautiful desert. 7% had spent between 500 and 700 Euros. 7% also registered on the higher end of the spectrum spending between 1900 and 2100 Euros on the holiday. 6% of those surveyed indicated that they spent over 3000 Euros on this particular trip while 5% spent between 2100 and 2400 and 5% also spent between 1600 and 1800 Euros. 2% spent between 2500 and 3000 Euros. While high-end tourism is still in its infancy, the Oasis Hotel at Marsa Alam and 50-room Suites Hotel at Lahami Bay [the Berenice Tea Club] are examples of new capacity that will target higher income markets including the ‘cream’ of the dive and beach markets. They are providing full service accommodation and selecting foreign partners to tap these markets.

Is this a multi-stop trip for you? Are you spending the night in other places in Egypt or in another country?

The vast majority of visitors (91%, see figure 25) participating in this survey stated that this trip to the South Red Sea coast did not include overnight trips to other tourist destinations in Egypt nor did they visit other countries as part of the overall package. 9% of visitors did visit and overnight at other locations within Egypt.
or the Middle East. Most of these nine percent spent time on Nile cruises to Luxor or Aswan before heading to the resorts of the South Red Sea.

How much are you spending on all water versus and land based activities?

For every 100 Euros spent on excursions by tourists in the South Red Sea 64% (see figure 26) was spent on water-based activities such as diving and snorkeling. It is not surprising that the majority of excursion money is spent on sea base activities considering the international recognition Egypt has gained in recent years as a diver’s paradise. Divers are a special interest market that is the dominant one along the Red Sea coast. In some reports it is clear that the focus for this market is the marine environment and always will be, because the land environment for this market is of no interest. The divers arrange their travel either through specialty tour operators, or they purchase their packages from the mass-market operators. The market is almost entirely EU based.
36% of the total money spent on excursions was spent on land-based excursions such as camel rides, dune buggy adventures and Bedouin desert visits which is still significant.

Types on in-land excursions taken by visitors

Based on the 36% of visitors who indicated that they had or would participate in inland excursions at a variety of desert locations, the visitors were then asked to indicate the actual type of excursions they participated in. Although the time visitors are willing to spend going inland is limited, the excursion operators are competing for the time and attention of visitors whose basic motives are the beach holiday and the dive experience. However, the market for in-land tourism is steadily growing. 20% of those surveyed (see Figure 27) planned on taking a day trip from the resorts to see Egypt’s antiquities at Luxor or Aswan while 19% also wanted to take dune buggy rides into the desert hills. 18% of respondents planned on taking photography based excursions to protected areas and the greater desert region. 10% of visitors were planning to participate in star gazing via organized astro tours out to the desert and 11% of visitors wanted to take camel treks into the desert to explore the terrain. An additional 11% participated in desert trips by 4X4s. 9% of visitors experienced bird watching tours in the desert and Wadi Ghemal Island. 9% of visitors also experience the famous Shalateen Camel market for a taste of local culture and an additional 10% dined with the Bedouins at an inland feast. 8% of visitors surveys had partaken in horseback riding either along the beach or inland to the desert. Only 6% of visitors decided to take hiking excursions in the desert hills while 3% wanted to participate in native encounters with local Bedouin tribes.

The findings of the data are further demonstrated in the illustrative visitor feedback below:

“We’ve heard that there is great bird watching on Wadi Ghemal Island but there wasn’t enough information on how to get there” (Female, 30-39/Netherlands)
“We hope that the next time we come back, there will be more excursion options for those coming on beach holidays” (Male, 40-49/Germany)

“This is a beautiful country and people but I’d like more interaction with locals and tours to meet villagers” (Male, 60+/Italy)

“I would like to see more typically Egyptian trips being offered by tour operators” (Female, 30-39/Great Britain)

“I wish that trips options gave us the opportunity to interact with Egyptian women” (Female 20-29/Italy)

Price paid in Euros for in-land excursions per person-tips included

Figure 28 captures the price paid for in-land excursions in the South Red Sea. The survey reflected that 32% of visitors surveyed spent between 21 and 40 Euros on land-based excursions during their trip. 20% spent between 41 and 60 Euros while 12% spent between 61 and 80 Euros on land based trips. 11% spent 121 Euros or more on land based travel. It should be noted that most of trips falling into this category consisted of excursions to the wonders of the Nile valley by bus to Aswan or Luxor. 11% spent 81 to 100 Euros on these land based trips and 5% spent between 101 and 120 Euros.

Number of days booked before the in-land excursions activity

The overwhelming majority of land base tours are booked once the tourist has already arrived at the South Red Sea resort. 75% (see Figure 29 on the following page) of those surveyed said that they booked these excursions 1 to 3 days before the actual excursions. 11% booked their in-land trips 7 to 10 days in advance and the European tour operators prearranged many of these excursions before the guests arrived in the region. 6% of tourists booked their trips 4 to 6 days in advance while 5% reserved their travel 15 days or more prior to the trip. 3% had their trips booked 11 to 14 days in advance.
Did you overnight outside of your hotel during your in-land excursions?

The vast majority of visitors didn’t overnight outside of their hotel with 93% (see Figure 30) returning to their resort at the end of the inland excursions. Just 7% of those who participated in inland excursions over-nighted outside of the hotel. The low numbers of visitors spending the night outside of the hotel during excursions is due in part to limited availability of safe, clean and reliable sources of desert accommodation.

Opinion question-What would you like to see changed, what would encourage you to visit again or recommend the South Red Sea Coast to friends/family?

22% (see Figure 30) of tourists surveyed indicated that better environmental protection of the reef and surrounding desert would encourage them to visit the area again. Visitors value the unique marine eco-system of this area and awareness of ecotourism is growing. Many sited poor signage regarding environmental protection of the reef and many felt that the reefs were being over-used by snorkels and divers alike.
The findings of the data are further demonstrated in the illustrative visitor feedback below:

“Environmental Protection is important to me I’d like to see improved training to Egyptians to effectively manage the diving boats so as to limit destruction of the coral” (Male, 20-29/Belgium)

22% percentage of visitors surveyed also stated that they would like more interaction with the local community. Many state that they had not even seen one Egyptian woman during a two week long trip and that they felt completely isolated from the local culture. Hence, there is definitely a strong demand for more culturally oriented excursions for visitors that will allow them to experience first hand the tribal traditions of the region.

In fact, an additional 21% of visitors would like to see additional cultural heritage excursions that would allow them to get a taste of life in the desert. Many tourists were disappointed by the low quality of so-called oriental dance shows and felt that more entertainment in tourism products needed to be develop around the cultural of the region. After all, visitors are coming to Egypt not only for its beautiful waters but also to sample life in the orient and currently the market falls very short of providing this needed cultural interaction.

The findings of the data are further demonstrated in the illustrative visitor feedback below:

“More animation shows at night of cultural dances, more excursion opportunities in to local towns” (Male 40-49/Germany)

“More cultural excursions with real interaction” (Female 30-39/Italy)

10% of tourist to the South Red Sea would like to see increases access to locally made products in order to encourage them to visit again. Many expressed frustration that the resorts were completely void on any local flavor and that it was nearly impossible to purchase true handicrafts and other traditional items from the region. In fact, the many gift shops at the resorts are mostly filled with the same ancient
Egyptian goods that have no relationship to the traditional Bedouin culture of the South Red Sea.

9% of visitors surveyed would like to see improvement in the waste disposal systems in the desert in and around the resorts. Removal of trash and debris is currently inefficient and the desert is littered with plastic bags and waste. Tourists are looking for pristine environments and littering and other waste issues are harmful to the industry.

6% of survey participants want to prevent the development of mass tourism in the area and are afraid that the region will become overdeveloped like Hurghada in the Northern Red Sea region. Hurghada has experienced coral reef damage and improper moorage and diving practices. As a result, many Europeans who had traditionally vacationed in that region are now traveling further South to avoid the masses and experience diving and snorkeling under more pristine conditions.

The findings of the data are further demonstrated in the illustrative visitor feedback below:

“Keep the masses out and try to preserve the environment, you have something special here” (Male, 40-49/Netherlands)

“Do not overdevelop the sites, stay true to the environment” (Male, 40-49/Great Britain)

4% of those surveyed would like to see improved food quality at the resorts with a wider menu being offered. In general, guests complained of poor variety and lack of freshness.

3% of visitors cited the Marsa Alam Airport as a source of frustration for travelers to the region. Poor air accessibility of Marsa Alam continues to limit growth in traffic. Visitors indicated that they would like more flight options from the airport. Currently, the airport has virtually no scheduled air service since Egyptair dropped service there a few months ago. There are a few flights on a new airline from Cairo, but this service is not daily and is a propeller flight. Only a few charter flights from EU points operate and sell blocks of seats to different tour operators. The hotels are limited to making agreements only with those tour operators that can coordinate this limited air capacity with the bed capacity. So the air situation is a handicap for South Red Sea.

2% of visitors to the South Red Sea would like to see the development of nightlife in and around the resort areas to provide entertainment after dinner hours. However, the nightclub and bar scene may be difficult to develop due to the social norms of the conservative Muslim culture surrounding the hotels. The remaining 1% of those surveyed indicated that they would like to see the elimination of visa procedures for European travelers at the airport, which provide added costs for the traveler and are carried out with a great level of confusion.

3.4 THE DIVING MARKET AND THE BEACH MARKET – A COMPARISON

Comparison Between Booking Timeframe and Actual Travel to the South Red Sea
The comparison (see Figures 32 & 33) between the trip booking habits of divers to beachgoers in the South Red Sea demonstrates that divers have a slightly higher percentage of long-term planning habits with 29% booking over 10 weeks in advance while beachgoers had only 24% planning over 10 weeks ahead of their trip. Conversely, beachgoers tended to book more at the last minute with around 25% booking their trip 2 weeks in advance of travel and 12% booking 1 week or less. The divers on the other hand, had only 20% booking their trips 2 weeks in advance of travel. From this data, one can see that divers tend to plan slightly farther in advance than the beachgoer market.

Comparison Between Full Cost of Trip per Person to the South Red Sea
The comparison (see Figures 34 & 35) between the cost of trips to the South Red Sea demonstrate that there is relative parity in the number of visitors who spend on the low and high end of the spectrum with 7% of beachgoers spending 300 Euros or more and 6% of divers spending the same. However, beachgoers are spending slightly higher amounts on average than divers to the region (i.e. 7% spending between 2100 and 2400 vs. 3% of the diving market spending the same). This may be explained by the slight tendency to book last minute when package tours may be more expensive and beachgoers spend more on inland excursions and souvenirs compared to the diving market.

Comparison Between Types of Inland Excursions Taken
The comparison between the type of inland excursions taken by beachgoers vs. divers (see Figures 36 & 37) demonstrates that the interests are relatively similar. However, there do exist slight variations. For example, a slightly higher percentage of beachgoers (21%) take excursions to Luxor or Aswan while only 18% of divers do these long-haul inland trips. As beachgoers have more available time for in-land based excursions, it isn’t surprising that they on average participate more in activities such as Bedouin Feats and photography tours.

Comparison Between What Would Encourage the Visitors to Return to the South Red Sea Coast

ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT
The comparison between the changes that visitors would like to see in order for them to return to the region present some significant differences between divers and beachgoers. For example, divers are notably more concerned about better environmental conservation and the prevention of mass tourism. However, beachgoers, while concerned about environmental issues, are more eager to see the development of cultural heritage excursion options (13% for beachgoers vs. 8% for divers) and to have access to locally made products.
4. CONCLUSIONS OF THE VISITOR PROFILE RESEARCH

The following conclusions can be drawn from the analysis of the current visitor profile survey. The following information should be taken into direct consideration during the tourism planning and product development phase.

- The elderly and young independent travelers to the SRS are minimal and the bulk of tourists are employed business professionals ranging in age between 30 and 49 years that travel in couples or groups of three.

- The majority of South Red Sea tourists are blue-collar workers coming from middle class households throughout Europe composed primarily of high school or technical school graduates. The majority of survey participants earned an average household income of between 25,000 and 49,000 Euros.

- The Internet and travel websites provide the bulk of travel information for visitors to the SRS with the very few independent travelers in the region booking each component of their trip on-line. The data highlights the importance of marketing the South Red Sea Coast via Internet websites to foreign tourists, as this is the main outlet for future travelers to the region.

- The majority of survey participants indicated that they preferred 4 to 5 star hotels or small charm hotels and eco-lodges while traveling to the SRS. The range of accommodation is growing along the Red Sea but currently doesn’t meet demand, as few high-end hotel options are available.

- Half of the visitors surveyed prefer full room and board as part of their tour package while vacationing on the SRS. These results capture the all-inclusive nature of the South Sea tourism market. In fact, there are currently few if any options for dining outside of the resort and due to the remote location, visitors do not have access to public transport or taxis to access outside food sources.

- The overwhelming majority of visitors indicated that they preferred to participate in water-based activities such as snorkeling and diving during their trip. The survey results demonstrate that in the South Red Sea, the dive market remains the primary one.

- Visitors have indicated an interest in participating in desert excursions in order to experience local traditions and understand their communities, culture and history. Visitors expressed a feeling of isolation from the local community and have a genuine desire to pay for excursions involving local interaction with the local population.

- A high percentage of visitors indicated that they would like to buy locally made handicraft items during their trip to the South Red Sea. The desire to buy jewelry spices and traditional clothing also proved quite popular with tourists in the region. Together the top four most desirable products for tourists to buy as souvenirs and/or gifts demonstrated a strong desire to connect with the cultural uniqueness of the region and the majority of tourist sought to buy something that was authentically “Egyptian”.

- The majority of tourists to the SRS has visited the country before and is now seeking traditional handicrafts and new excursion experiences to keep them coming back year after year as a compliment to water-based activities.
The vast majority of visitors indicated that they had booked this particular trip to the SRS using either a travel agent or booking directly through a tour operator. This data is telling because it demonstrates once again that any successful destination management plan must fully engage the private sector tour operators and travel agents in order to be viable.

It is clear that all marketing and tourist product development must be done in partnership with the private sector in order to ensure success. European tour operators are well established and are bringing 85% of the visitors to the region as part of a packaged tour.

The majority of visitors surveyed stated that the primary motivation of their trip to the South Red Sea was diving. The results demonstrate that the South Coast is already an established dive location and its notoriety is growing. 38% of respondents cited a beach holiday as their primary motivation for visiting the South Red Sea.

The main market is not high-end tourism but rather tourists seeking value for money; further demonstrating the price sensitivity of the market. Currently, the South Red Sea Coast provides an affordable holiday get away for middle class European couples and family with pristine marine life and beautiful desert.

The vast majority of visitors didn’t overnight outside of their hotel while participating in land based excursions in the region. The low numbers of visitors spending the night outside of the hotel during excursions is due in part to limited availability of safe, clean and reliable sources of desert accommodation.

Divers indicated that better environmental protection of the reef and surrounding desert would encourage them to visit the area again. Visitors value the unique marine eco-system of this area and awareness of ecotourism is growing. Many cited poor signage regarding environmental protection of the reef and many felt that the reefs were being over-used by snorkels and divers alike.

Beachgoers surveyed stated that they would like more interaction with the local community. Many state that they had not even seen one Egyptian woman during a two week long trip and that they felt completely isolated from the local culture. Hence, there is definitely a strong demand for more culturally oriented excursions for visitors that will allow them to experience first hand the tribal traditions of the region.

Visitors would like to see additional cultural heritage excursions that would allow them to get a taste of life in the desert. Many tourists were disappointed by the low quality of so-called oriental dance shows and felt that more entertainment and tourism products needed to be develop around the cultural of the region. After all, visitors are coming to Egypt not only for its beautiful waters but also to sample life in the orient and currently the market falls very short of providing this needed cultural interaction.

The comparison between the trip booking habits of divers and beachgoers in the South Red Sea demonstrates that divers have a slightly higher percentage of long-term planning habits while beachgoers tended to book more at the last minute.
- Beachgoers provide the bulk of in-land tourists as they have more available time for in-land based excursions, it isn’t surprising that they on average participate more in activities such as trips to Luxor, Bedouin Feats and photography tours.

- Divers are notably more concerned about better environmental conservation and the prevention of mass tourism. However beachgoers, while concerned about environmental issues; are more eager to see the development of cultural heritage excursion options and to have access to locally made products.
5. PRODUCT EVALUATION

5.1 INTERVIEW PLAN – QUALITATIVE RESEARCH WITH TOUR OPERATORS AND HOTEL OWNERS

The interview plan was implemented from August 28 through September 12. For the purpose of this report, we are also using interviews conducted among private operators, hotel owners and members of the travel trade in March and April 2006. Those interviews were conducted as part of the process of determining the best approach to develop the DMF. While not conducted with a structured questionnaire as the rest, these interviews also provided a wealth of information related to the characteristics of the product and the markets. In that regard, only answers related to the questions shown in the written questionnaire have been included.

- Target Population

The consultants interviewed a total of 12 tour operators, diving operators, hotel and camp owners and managers operating in the area of study. Particularly emphasis was put into interviewing people with actual management responsibilities or the owners themselves.

- Methodology

The consultants used direct interviewing techniques. An interview guide (in Arabic and English) was presented to interviewees and used during the interview. The use of the Arabic version of the guide was not as widespread as originally thought. Most hotel owners and travel trade spoke English fluently or were foreigners themselves. The responses were then compiled by question trying to highlight the common issues and main differences. A complete list of interviewees is attached to this report as Annex XX.

- Schedule

Our schedule for interviewing included the following bases of operation: Port Ghalib (28th to 31 of August), Kahramana Beach Resort (August 31st to September 5th), Shams Alam (September 5th to 9th) and Lahmy Bay (from September 9th to 12th). From each of these locations, the consultants conducted interviews to operators located in the surrounding areas. These operators include diving operators and land-based tour operators. The consultants also interviewed representatives of national tour operators selling excursions in the area that have operations and marketing booths in those resorts.

- Additional Research

Additional research was conducted in Cairo on March and April of 2006, as evidence of national tour operators offering packages to the area became clear. The results of this additional research have been aggregated to the answers provided in this study.

5.2 COMPANY INFORMATION

Basic Data
A.1 Company offers diving, adventure or nature-based tours to South Sinai, Nile Valley, Hurghada (and surrounding area), Western Desert, South Red Sea and/or Outside Egypt?

Most of the respondents are small or medium-size business with operations only in the South Red Sea or along other areas of the Red Sea Coast. It is possible to identify two broad segments of tourism operators in this area: 1) the diving operations and resort chains, which operate on coastal destinations such as Hurghada, the South Red Sea and the Sinai and offer primarily water-based activities, and 2) the inland tour operators, which operate only in the South Red Sea, offer adventure tours and work in partnership with the local Bedouin communities. The only exceptions to this trend are the local representatives of big international tour operators (such as Thomas Cook and Turisanda / HotelPlan), which offer cultural and “adventure” activities locally and elsewhere in Egypt.

It is important to notice that there is a clear specialization of activities and products offered by each of the operators in the area (i.e. water-based vs. inland tours) as well as the geographic distribution of their operations. With the exception of one local diving operator, who is considering the possibility of expanding his operations to include bird-watching tours, none of the interviewed operators offers a wide menu of inland and water-based activities. While this situation favors the development of small and highly specialized business, it also makes marketing and sales rather complex and costly.

5.3 DESTINATION CHARACTERISTICS

Preferred activities

B.1 For each destination that you serve, which are the top 3 activities (e.g. hiking, bird watching, horse or camel riding, 4X4 tours, etc.)

Given the characteristics of the companies interviewed, it is not surprising that active pursuits were described as the main activities by the respondents. Again, a clear distinction can be drawn between diving and resort operations and inland tour operators. The former favor water-based, coastal activities such as open water diving, beach diving and snorkeling, while the latter favor excursions and land-based activities with a local community component. Since water-based activities are the predominant type, land-based excursions tend to be short in duration and scope. Diving packages sold by local operators are on average between 7 to 15 days long, while land-based excursions range on average from 4 hours to 1-full day. The table below summarizes the main activities outlined for each destination.

Table 1: Most Popular Activities by Destination

<table>
<thead>
<tr>
<th>Destination</th>
<th>Activity 1</th>
<th>Activity 2</th>
<th>Activity 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Red Sea</td>
<td>Diving / Snorkeling</td>
<td>4X4 tours in the desert</td>
<td>Stargazing tours (Astrotours)</td>
</tr>
<tr>
<td>Hurghada</td>
<td>Diving / Snorkeling</td>
<td>4X4 tours in the desert</td>
<td>Camel rides</td>
</tr>
<tr>
<td>South Sinai</td>
<td>Diving / Snorkeling</td>
<td>Camel rides</td>
<td>Cultural tours to St. Catherine’s</td>
</tr>
</tbody>
</table>
It is clear that the most popular activities in this and other coastal areas of Egypt are water-based. This is natural given that the Red Sea constitutes the main resource of the region. This information is consistent with the information obtained through the visitor surveys.

However, the inability of local and national tour operators to diversify the range of activities is determining cut-throat competition among service providers. According to information provided by one of the respondents, there are over 340 diving centers in Egypt creating an excess of supply than results in lower prices. While this situation favors the final consumer, it negatively affects the overall quality of the product and the image of the destination. A similar situation can be found in the accommodation sector. Several of the respondents indicated that the lack of a developed entrepreneurial culture determined that once an activity or product shows evidence of commercial success, it is quickly imitated. Regardless of whether is lack of entrepreneurial culture or common sense, it is clear that lack of diversification of the product is a factor limiting the creation of value added in the destination.

B.2 For each destination you serve, which are the most popular community-based attractions / cultural experiences?

Again, the same difference found between diving / resort operators and inland operators was found in this section. Generally speaking, diving operators and resorts do not offer community-based or cultural attractions as part of their activities while small inland tour operators do offer such activities. However, it is very important to notice a trend among diving operators in the region, who are increasingly including cultural tours in their menu of activities. Some 60% of the interviewed diving operators were offering or planning to offer some non-water based cultural activity sometime next year. This activity was usually a visit to Bedouin tribes or to local towns (such as Shalateen or Quseyr). Based on the responses of local diving operators, this trend is likely to continue and increase in the coming years, as stiff competition is forcing them to add value to their core product. Another interesting characteristic of the community-based, cultural product in the SRS is that is not operated by local communities or in business partnership with them. Most of the tours including a visit to a local tribe or family do it on a salary or commission basis, with the locals receiving payment and not necessarily having a say on how the package is structured or sold.

It is important to notice that, with the exception of Thomas Cook and Turisanda / HotelPlan, no tour operator interviewed offers this kind of activity outside of the South Red Sea. The table below summarizes the main activities outlined for each destination mentioned by the respondents:

<table>
<thead>
<tr>
<th>Destination</th>
<th>Activity 1</th>
<th>Activity 2</th>
<th>Activity 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nile Valley¹</td>
<td>Traditional cultural tours (sightseeing)</td>
<td>Nile cruises</td>
<td></td>
</tr>
<tr>
<td>Western Desert²</td>
<td>Desert safari excursions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: PA Government Services, Inc.

1 Based on information provided by only two respondents.
2 Based on information provided by one respondent only.
Table 2: Most Popular Community-based / Cultural Experience by Destination

<table>
<thead>
<tr>
<th>Destination</th>
<th>Activity 1</th>
<th>Activity 2</th>
<th>Activity 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Red Sea</td>
<td>Visits to local towns (Shalateen, Quseyr)</td>
<td>Visit to Bedouin families</td>
<td>Visits to archaeological and natural sites (in Wadi Gimal Park)</td>
</tr>
<tr>
<td>South Sinai</td>
<td>Cultural tours to St. Catherine’s</td>
<td>Visits to Bedouin villages</td>
<td>------</td>
</tr>
<tr>
<td>Nile Valley</td>
<td>Traditional cultural tours (sightseeing)</td>
<td>Visits to archaeological sites</td>
<td>Nile cruises (with Egyptologist)</td>
</tr>
</tbody>
</table>

Source: PA Government Services, Inc.

Explanations provided by our respondents seem to indicate that there is a desire to develop additional cultural attractions with a strong emphasis on local community involvement, particularly from local inland operators (although some local diving operators also expressed their interest). However, the lack of capacity and familiarity of local communities with the industry seem to be a constraint to the further development of community-based tourism initiatives. Also, the lack of an anchor cultural attraction or a series of minor but well presented attractions seems to be limiting the opportunities to create experiences to be sold to visitors.

5.4 QUALITY AND COMFORT

Accommodation & Food

B.3 What broad levels of quality / comfort do your clients expect in hotels and campsites in the main destinations served, e.g. lodging, food service, hygiene?

Some 90% of the respondents indicated that their clients expect high standards of service, particularly in the South Red Sea, as this region is perceived as slightly more exclusive than other areas in the Red Sea Coast. Because prices in this area tend to be higher than say, Hurghada, the expectations for quality are higher. This, however, does not mean that the quality expected is high for international coastal-based tourism.

Reactions to this question fell broadly into two main categories. Among the diving and inland operators there was agreement that “high standards” for their customer base usually means comfort and cleanliness, not necessarily luxury. For the resort operators, “high standards” usually meant comfort and availability of the traditional trappings of beach mass tourism (i.e. air-conditioning, international food and beverages, nighttime activities, etc.). However, it has become more and more clear that a shift in the two markets is occurring and each of them is moving into the other’s direction. For example, diving operators noted that more and more divers were moving away from the basic accommodation originally offered in the area (primarily tents) and choosing more comfortable accommodation that includes air conditioning and bedding. Likewise, beach goers increasingly prefer accommodation with character and individuality rather than the cookie-cutter beach resort with no personality. Both resort owners and dive operators are responding to this market

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3 Based on information provided by only two respondents.
challenge with an adaptation of their products. In the case of resort-owners for example, one respondent is currently investing in a small, 50-room lodge that will be sold as an exclusive luxury hotel with a distinct brand. Also, a group of investors recently opened a small, 30-room hotel with a high quality of service. In a radical shift from the traditional modus-operandi of the area, this hotel will not offer all-inclusive packages but food will be sold “a-la-carte” separately. Diving operators are starting to offer a wider menu of accommodation possibilities to their customers, ranging from tents to luxury chalets. Those diving operators who are not adapting are having an increasingly hard time selling their packages, as stated by one of the interviewees.

It is interesting to notice that at this point, accommodation is only available on coastal areas. Due to security concerns, military authorizations are required for visitors to overnight or explore the desert, whether as part of an organized tour or on their own. Several respondents indicated that securing those authorizations is time consuming and burdensome. There is growing evidence that camping in the desert is an activity that many visitors would be interested in undertaking while visiting the area. At least one of the interviewees indicated that they would start offering camping packages with overnight next year. In addition, several local operators are in the position to develop high-quality and unique camping experiences in the Eastern Desert and particularly, within the Wadi El-Gimal National Park (WGNP). Therefore, the issue of military authorizations needs to be solved or streamlined to make the process of obtaining them more efficient and less time-consuming.

Tour Guides

B.4 What type of guide do you use (local, foreign, language abilities, formal qualifications, company staff members)?

Our interviewees were unanimous regarding the importance of having qualified guides in their activities. This seems to be the consequence of a combination of strict demands from the international tour operators as well as growing market demands. There was a general agreement in the importance of the guide’s language skills in order to interact with visitors. Therefore, all interviewed operators stated that they employ a combination of local and foreign guides. The term local guide does not refer to people from the region necessarily but rather Egyptian guides, most of which come from either Luxor or Cairo. The use of local (Egyptian) guides is more common in the cultural tours than diving tours, although this is changing very quickly as more Egyptians become trained and certified to act as dive instructors. While experience is highly valued among tour operators, formal qualifications are still critical, as they have become a contentious issue with the authorities. Egyptian law establishes that only formally (i.e. university) trained and officially certified guides are allowed to work. Moreover, most of those guides are affiliated to the National Guides Union, which monitors compliance very closely.

Local communities see their access to the labor market restricted by the excessive regulation in the guiding market. Very few members of the different Bedouin tribes have access to the formal education necessary to become an official guide. Most of the respondents offering community-based tours educate and train the local tribesmen themselves. Usually this training involves customer service and the basics of how to interact with visitors but does not offer a path of for the formalization of their skills.
National Parks & Protected Areas

B.5 What characteristics / standards do your clients expect of National Parks and Protectorates (e.g. literature available, signposted trails, environmental standards)

Not surprisingly, given the characteristics of the main products/activities offered in the areas, marine parks are the most visited protected area in the South Red Sea. In general terms, while most customers expected high standards of management of protected areas, not all of them expected sophisticated or organized infrastructure, although some interpretation was required. There was general agreement that the amount and quality of literature available on the region’s protected areas was limited, inadequate and poorly distributed. This situation made it difficult for operators sell these protected areas to their customers. A notable educational effort takes place at Fustat Camp, where as part of the program, an excellent educational video is shown to visitors to inform them about the characteristics of the WGNP.

Regarding the environmental standards, the answers fell into two broad categories: diving operators, whose customers expect high standards of environmental management in the marine parks and inland tour operators, whose customers are not usually aware they are visiting a protected area and therefore, do not know what standards to expect.

In the case of the marine parks (including the Dolphin House and Elphinstone Reef), standards are high due in part to the “environmental” fee charged to divers there. Divers are a particularly environmentally-aware segment of the market and mention was made of many of them raising concerns about the final destiny of the money paid to dive in those sites. Many respondents suggested a more transparent management of the environmental fee, as many divers feel disappointed to pay and find evidence of environmental degradation. This situation has led many to believe that the fee is not being used as effectively as possible. However, the general perception is that the sites are adequately managed.

In the case of the terrestrial protected areas and in particular the WGNP, standards for environmental management have not been established yet and therefore, the few visitors to the area are not aware of their expected behavior. In general though, many operators feel that WGNP currently does not offer value added as a protected area and that many of its features could be offered to visitors elsewhere in the desert.

Another point was made on the issue of waste management in the region in general and protected areas in particular. Our interviewees reported several complaints about the littering practices in the desert and coastal waters as well as the poor waste management practices implemented by the local authorities. These reports are consistent with the findings of the visitor surveys.

5.5 BRANDING AND MARKETING

Destination Image

B.6 How would you describe the image of the destinations you offer in terms of security, health, service quality, prices and basic infrastructure?

Because most of the interviewees operate solely in the South Red Sea or are responsible for their companies’ operations there, the answers focused only on this area.
In general terms, operators agree that this area has a good image in terms of security, health and service quality, particularly when compared to other coastal areas in Egypt. Several respondents mentioned that Marsa Alam has not been affected by the security problems faced by the South Sinai or the bad reputation for poorly managed mass tourism that characterizes Hurghada. Accessibility was constantly mentioned as an issue affecting the image of the South Red Sea in general, although it was also widely recognized that it contributed to its image of exclusivity (see next section B.7). Inland tour operators were more likely to mention the issue of lack of visitor infrastructure in the WGNP than diving or resort operators. This is related to the fact that the latter do not rely on the quality of inland attractions for selling their packages and products. However, the lack of basic infrastructure was also mentioned by resort operators as a factor contributing to lowering the price of their product.

While it is clear that the South Red Sea does not have image problems related to security, health, price or basic infrastructure, it does not stand out as a high-quality destination. There was general agreement between inland tour operators and diving operators (although not among resort operators) that it was the fact that the South Red Sea is a new destination what made it appealing to international tour operators and visitors. However, it is felt that as development sprawls further south, this area is bound to become another low-quality, low-price destination. The quality of construction and the overall quality of service was not radically superior to what is currently offered in Hurghada or other coastal destinations.

Visitor as well as access infrastructure (particularly in the WGNP), are two additional problems currently faced by the South Red Sea. Limited accessibility to the area (almost exclusively through charter flights) poses a challenge for local operators to directly market their products, thus exacerbating their reliance on international tour operators. Likewise, limited or no visitor infrastructure in the WGNP makes it hard for local inland operators to increase the range and length of their nature-based and adventure products within the protected area. This in turn, complicates the development of the South Red Sea as a nature-based, adventure destination as it lacks an anchor attraction with those characteristics.

B.7 How would you describe the brand image of your main destinations in terms of recognition in your market for the quality and type of tourism that your clients expect (e.g. mass tourism, exclusivity, etc.)

Just as in the case of question B.6, all of the answers to this question related exclusively to the South Red Sea. The answers to this question could be separated in two: 1) answers related to the general brand image of the region and b) answers related to the character of the destination for two important and dominant markets.

Generally speaking, local operators recognize that there is not a clear brand image for the South Red Sea separated from the rest of Egypt’s Red Sea coast. While all of them recognized that there are elements distinguishing the South Red Sea from say, Hurghada and the South Sinai, there has not been a systematic effort to develop and market these areas as distinct products. The most cited qualities characterizing the South Red Sea were:

- Remote, isolated
- Good value for money
- Pristine and relatively undeveloped
The sense of remoteness and isolation is partially created by the difficulties in accessing the area. Currently, it is only possible to reach the South Red Sea via charter flights arriving from Europe into the Marsa Alam International Airport or via road from Hurghada (a journey taking between 5 to 7 hours, depending on final destination along the coast). Road connections to other tourist areas in Egypt are not allowed at the time of writing. Good value for money is a result of the area's ability to offer a moderately priced product vis-à-vis the sense of relative exclusivity when compared to other short-haul destinations (both within and outside of Egypt). Finally, a pristine and relatively undeveloped environment was perceived as one of the strongest selling points for all packages into the area. This is particularly important for the South Red Sea as a destination at an early stage of development.

These qualities were mentioned by almost all of the respondents, regardless of the market served. However, further analysis revealed two distinct subset of qualities associated to each of the main markets currently attracted to the area. Resort operators, catering mainly to beach-goers, indicated that the lack of a distinct brand is less critical for their business as it is the relatively newness of a place what attracts this market. In that regard, they highlighted remoteness and good value for money as the main characteristics of this region.

Diving operators on the other hand, indicated that the region has a well-established brand image as a diving destination. Many pointed to the origins of the South Red Sea as a diving destination as the reason for such an early positioning of the region in this competitive market. In that regard, they highlighted remoteness, isolation and pristine environment as the main characteristics of the region. They were quick to point out that overdevelopment and poor environmental management are undermining these characteristics and what they considered the main comparative advantage of the region.

A reputation as a nature-based, adventure or cultural destination was clearly absent in all of the responses. Even inland tour operators recognized that the destination is well-known for their coastal and marine resources and not the natural desert-based or cultural features.

Serious concerns were raised by diving, inland and even resort operators regarding the potential overdevelopment of the area. For most of them, current policies pursued by the Tourism Development Authority (TDA) and the Red Sea Governorate (RSG) could damage the environmental uniqueness of the area. Moreover, it was widely perceived that these policies would create an unnecessary increase in the supply of low-quality accommodation, causing prices (and quality) to deteriorate.

Success Factors

B.8 What are the two main success factors in each of your main destinations?

Similarly to the previous question, respondents focused their attention on the South Red Sea. The answers for this question mirrored those given in relation to the brand image of the destination (showing a very important co-relation between them). Given that each of the interviewed operators serve distinct markets (especially in the case of diving operators), there were not definitive answers. Moreover, it is clear that for the local operators, the current success of the South Red Sea is a combination of factors. A combination of the pristine natural features of the area and price were the prime success factors mentioned by almost all respondents.
The remote and relatively undeveloped nature of the South Red Sea was perceived by all respondents as perhaps the most important success factor. The pristine environment of the area was important for both diving operators (who mentioned the good quality and relative isolation of dive sites) and resort operators (who emphasized uncrowded and unspoiled beaches). Price as a success factor was usually referred to as “good value for money”. This doesn’t necessarily mean that packages to the South Red Sea are necessarily cheaper for the final consumer but that the overall quality of the experience justified the price of the package.

Answers about these success factors should be read in the context of the overdevelopment that characterizes other Egyptian coastal destinations, particularly Hurghada. As a short-haul destination for the European market, the Red Sea is significantly cheaper than other coastal destinations further away from those markets. Therefore, the South Red Sea with its pristine beaches and unspoiled marine and terrestrial environment offers a better quality of experience for roughly the same price.

It is important to notice that indiscriminate development along the South Red Sea Coast would undermine what is now perceived as the main success factors of the area. Moreover, price as a success factor in this region will only be sustainable in the long run is development is severely limited and competition from other destinations deterred. Since this latter factor is impossible to control, the South Red Sea will need to diversify and create added value for its product range, thus keeping prices at current or higher levels. Promoting the right amount and kind of development will ensure that these success factors are preserved and remain yielding benefits.

**Market Performance**

*C.1 How successful have you been in selling trips into the Wadi El-Gimal National Park (WGNP) in the past? Please list 3 main reasons.*

Less than 30% of respondents indicated to have sold or tried to sell trips into the WGNP. Our sample of interviewees included few inland operators and most diving and resort operators do not offer inland tours. However, most respondents were unaware of the fact that the WGNP includes a marine portion where many popular attractions are located. Among these attractions we find the Wadi Gimal and Qulaan Islands, as well as secluded public beaches such as Qulaan and Ras Hankorab. Several diving and resort operators currently offer day trips to these beaches and islands without realizing they are entering the WGNP.

Inland trips into the desert are increasingly popular. A local inland operator indicated that on average, he takes 50 visitors per day into the desert during the high season. The owners of a desert-based camp, who offer a half-day educational, cultural and nature-based experience, receive on average 500 guests per day. However, most inland operators indicated that while there is a growing demand for desert-based products (particularly from resort guests), they do not use WGNP as often as they could. Almost all respondents indicated that it does not currently offer much value as an attraction, mainly due to the lack of visitor infrastructure. One interviewee stated that WGNP was too far away from his base of operations and was only worth exploring as a full-day trip. Another one stated that for his clients: “any stretch of desert is the same”, which is equivalent to say that from his perspective, there is nothing in the WGNP that differentiates it from other desert areas. The three main reasons cited for not selling trips into the WGNP were:

- Lack of visitor infrastructure, primarily interpretation facilities
- Limited amount of time available for inland excursions
- Limited information on the WGNP and the attractions contained in it

It is particularly noticeable that most diving and resort operators would require more information regarding the attractions, facilities and products available in the WGNP. This information would help them better understand and market the unique characteristics of the Protectorate.

The lack of visitor infrastructure in the park is an obvious problem that results in inland operators using parts of the Eastern Desert that are closer to their base of operations instead of the WGNP. Since they have to provide all visitor-related infrastructure themselves, inland operators are better off reducing their costs by choosing desert areas more easily accessible to them. The issue of limited amount available for inland excursions (and to a lesser extent the issue of limited information on the protected area and its attractions) are related to the marketing strategy in place for this area. The current marketing strategy is disorganized and product-specific rather than destination-wide. This means that there are no organized efforts to attract a critical mass of visitors into the area but each individual business must market its own product (s) to their own specific market. This “micro-marketing” approach tends to favor the vertical integration of the tourism supply chain along a specific product rather than favoring the creation of a horizontal value chain of tourism services. One of the obvious consequences is that operators tend to limit the range of activities their clients can undertake outside of their own supply chain. Simply put, resort operators want to keep the visitors as long as they can in the premises to maximize their marketing investment.

Investing in a more destination-wide marketing approach (one which promotes all the different attractions and activities available in the South Red Sea) would attract a more sophisticated type of visitor that could tailor his/her own itinerary, thus including several activities outside of the resort.

Product Integration

C.2 Are you currently able to sell extensions from this area to (a) the Nile Valley or (b) any other areas in the Red Sea Coast?

Only two respondents indicated that their companies offered extensions from this area to the Nile Valley. None of the respondents currently offers extensions to the other areas in the Red Sea Coast. Not surprisingly, those two respondents were local representatives of two large international tour operators. Moreover, one of the respondents indicated that such extensions were only available to customers in their country of origin (Italy), with the stay in the South Red Sea being the extension to the trip to Luxor rather than the other way around. Our two respondents also indicated that the difficult access and poor connectivity of the South Red Sea with the rest of regions in Egypt determined that extensions were not at all popular among their costumers. To illustrate this situation, they pointed at the fact that it took at least 6 hours to reach Luxor from Marsa Alam (the northernmost point in the South Red Sea Coast) via road, while no air access was available. The reason for this 6-hour trip (12 hours round trip) is that access to the Nile Valley from the Red Sea Coast is only possible through Safaga. Security concerns have determined that the road directly
linking Marsa Alam to Edfu is off-limits to visitors as no convoy has been set up for this more direct route⁴.

It is noticeable that most respondents believe that the region hosts enough resources and attractions to merit a trip without extensions to other areas of Egypt. In that regard, while the integration of the product with the rest of destinations in the country is poor, this is a factor that does not seem to worry local operators at this early stage of development.

5.6 CUSTOMER PROFILE

Demographic characteristics

D.1 *What are the broad demographic and socio-economic characteristics of your customers (e.g. nationality, families, couples, young, middle-aged, income levels, employment characteristics, etc.)?*

With very few exceptions, the typical client group quoted by the respondents exhibited the following characteristics:

- Around middle-aged and younger (between 25 and 50 years old)
- Traveling mostly in couples or small groups. Large groups were the exception and could be mostly found among divers.
- Middle to low-middle income levels. More upper-middle income levels could be found among divers than people attracted to the area by the beach.
- Mid-level of education, professional degrees being the norm with few university or graduate degrees.
- Mostly coming from Italy, Germany, the United Kingdom, the Netherlands, France and to a lesser extent Swiss (this is mostly a niche market for some diving operators)
- A high level of repeat visitors to the area (on average 35% of their customers are repeat visitors)

It is interesting to notice that the few exceptions found to this profile were mainly found in the South South Red Sea (Wadi Lahami). A resort based there enjoys a slightly older, more educated and higher-end clientele than the rest of resorts in the area. This situation seems to be the consequence of specific marketing efforts conducted by the resort owner and manager and it is not characteristic of the region.

Sources of Information

D.2 *Typically, what are the main sources of information that your clients use to research this type of holiday with you (e.g. requesting printed brochures, researching your site on-line, in person at travel agencies, etc.)?*

⁴ Currently all tourist travel to the Nile Valley through the Eastern Desert takes place at fixed hours in convoys. These have been organized by the government to provide military protection in light of the Luxor attacks of 1997.
Answers to this question fell into three distinct categories related to the type of product offered by the respondent: diving, resorts and inland operators. Diving operators cited the Internet and word of mouth as the two most used sources of information for their customers. The Internet is primarily used to gather information but it is gaining momentum as a reservation tool, particularly for the diving market. Dive clubs were also mentioned as a source of information but a rather secondary one.

In the case of resort operators, their customers seem to keep relying on information and advice provided by their travel agent (either through brochures or their websites). Word of mouth was another important source of information.

In the case of inland operators, the main sources of information cited were the tour leader or the operator representative at the resort. It was indicated that most visitors only find out about the inland excursions upon arrival, as these are offered to them as add-ons to their package. This represents a serious obstacle to the growth of nature-based and adventure tourism in the region, since the lack of direct access to the market exacerbates the reliance on international mass tour operators. Moreover, since most of tourism arriving into the area is packaged, opportunities to sell excursions outside the tour operator’s network are scarce at best or non-existent at worse.

**Booking Preferences**

D.3 Typically, how long before departure do your clients book and do they make their bookings (in person with a travel agent, by phone to you, on the Internet, etc.)?

This question is broken down in two: booking period and preferred booking method. In regards of booking periods, there is a wide variation in the different markets and segments catered to by the respondents. However, it was possible to identify certain patterns related to seasonality and product offered:

- **Seasonality.** Based on the responses from resort operators (the segment most prone to seasonality variations), on average visitors book their trip with 3 months or more in advance during the high season. This period decreases to 1 week and less during the low season.

- **Product Offered.** Bookings for diving packages vary substantially from bookings for inland tours (as explained in section D.2). All of our respondents offering inland tours indicated that bookings take place at the resorts, in the course of the guest’s stay. In the case of diving packages, two main products were distinguished: Safari boats and resort-based diving, and the booking preference changes accordingly. Safari divers typically book their trips between 3 to 6 months in advance. Resort-based divers book on average with 2-weeks advance (and sometimes less than that).

There seems to be a growing trend to book trips in short notice. According to our respondents this could be related to the perception that a short notice guarantees a lower price. However, they also seem to notice a change in travel patterns from the traditional one-month long vacation at a specific month to shorter vacations spread out at different times of the year.

In terms of preferred booking method, it is also possible to identify patterns based on specific products:
Diving packages. On average, 55% of all bookings from interviewed diving operators were made online last year. While percentages very greatly among individual operators, there is a clear indication that online bookings are becoming more and more common. The remaining percentage uses specialized diving operators or travel agencies.

Resort packages. The preferred booking method for this kind of product still is the travel agency. This segment of the market was perceived as particularly loyal to their travel advisor and relies on them more than other segments of the market.

Inland tour packages. Without exception, all of our interviewees indicated that direct booking was the only booking method available for this kind of trip. Booking takes place through the tour leader or local representative of the international tour operator at the resorts.

It is important to notice that in the case of inland tour packages, the “preferred” booking method is indeed the only available booking method. Based on information available about the number of visitors who choose to buy adventure, cultural and nature-based tours, it is clear that demand for such activities exist. Coordinated marketing efforts could boost the sales of this kind of products by promoting them among visitors well before they make their reservation. This would have a two-fold effect: 1) it would give divers and beach-goers the chance to include them in their itinerary in advance and 2) would promote the development of additional nature-based and cultural products targeting these specific markets. Such an effort would slowly help the South Red Sea create a value added and diversified product base.

Shopping Preferences

D.4 What are your typical clients’ preferences for this type of holiday in terms of food, souvenirs, drinks, etc?

Respondents indicated that in general terms, visitors to the South Red Sea (either divers or beach-goers) do not buy many souvenirs. The list of most popular souvenir includes items such as t-shirts, statuettes, papyrus and the traditional Pharaoh-themed products sold around Egypt. However, it is important to notice that inland operators indicated that their customers have an interest on traditional, authentic Bedouin handicrafts. Since most inland tours include a visit to Bedouin tribes or families, visitors are exposed to the handicrafts they produce. Nevertheless, it was widely acknowledged that there is not a well-developed handicraft sector in the area that could meet the needs or expectations of the market.

In general terms, local operators indicate that visitors are satisfied with the variety of international food offered at the resorts and dive camps. An evaluation conducted by the consulting team at different resorts and camp dives in the South Red Sea confirmed that the variety and quality of food is diverse, although basically European. However, it seems that visitors’ interest for authentic, original products also extents to the realm of food. Many respondents indicated that customers inquire more and more for local food and express their surprise when this is not offered. Two respondents indicated that when local food is served, visitors get negatively surprised by the presentation of traditional Egyptian food. Issues of presentation aside, almost all respondents believe that current visitors to the South Red Sea are increasingly interested in the cultural particularities of the area and want to be more exposed to them.
Willingness to Pay

D.6 What is the willingness of your customer to pay additional money for adventure / cultural tours?

For most diving operators it is clear their customers are not too willing to pay extra for additional activities, particularly if they are not related to diving. As one respondent put it: “Hard-core divers won’t pay extra”. Even during the last day of the diving package (when divers cannot enter the water as they need to decompress before their flight), very few divers choose to take an additional excursion. On average, only 20% of divers use their final day to go on a cultural or inland tour. However, family members or friends accompanying those hard-core divers (and who might not be divers themselves) are very amenable to the idea of paying extra money for inland and cultural excursions.

Resort operators and the local representatives of international tour operators (who send the customers to the beach resorts) on the other hand, presented a completely different picture. According to them, around 40% of their customers take one or more inland / cultural excursion during their stay. The rest of people are considered to be “quite happy” spending all their time at the resort. It is important to clarify that a significant proportion of resort-based beach-goers choose to take a short diving or snorkeling excursion at the resort. In most cases the cost of that excursion is not included in the all-inclusive package. Therefore, these excursions could be counted as additional adventure excursions.

Several of the respondents indicated that the supply of adventure or cultural tours was not of high quality, thus discouraging them from promoting them among their customers. An assessment conducted by the research team of a variety of adventure / cultural tours available (including a desert camp, camel ride, astro-tour, quad trip into the desert and visit to the camel market in Shalateen) found the following:

- Quality of interpretation is generally poor.
- Activities in the cultural itineraries are not interactive. They are limited to see the local people and not interact with them (human zoo). This is particularly problematic in the case of visits to local Bedouin families or the camel market in Shalateen.
- Pre-tour briefing does not prepare visitors for a desert trip (particularly in the case of camel rides or quad trips). There is no education about the desert and its particularities, which leaves visitors with the impression that there is nothing unique about the Eastern Desert (Fustat Camp is a good exception)
- Prices are somewhat high for the quality received but might be justified by the remoteness of the place.

In general terms, the consulting team feels that adventure and cultural tours in the area replicate the pattern of medium-quality offered by the resorts. This might be explained by the fact that they rely on the clientele drawn to the area by the resorts and therefore, the market is not an incentive to improve the quality.
**Satisfaction Levels**

**D.7 Typically, what are the satisfaction levels you record for these tours, how willing are your clients to recommend them to others and would your typical clients repeat this type of tour elsewhere?**

The majority of respondents recorded satisfaction levels for the overall package and not for the adventure / cultural portion alone. Visitor satisfaction is one of the few aspects of the visits that is consistently evaluated and monitored by the interviewed operators.

Not surprisingly, all interviewees claimed to record high levels of satisfaction, with 90% and above of their customers being either satisfied or very satisfied. Reasons most often cited as complaints are related to third party services (flights, the long drive from Hurghada, etc.), which lie outside the direct control of the operator. Several respondents also indicated that the issue of poor waste management and collection ranked high in the list of customer’s complaints.

The high percentage of repeat visitors (see question D.1: demographic characteristics as well as the information provided by the visitor surveys on Chapter 2, especially Figure 10) as well as the operator’s reliance on word of mouth for informational purposes, seems to corroborate their opinion.

These findings are consistent with information provided by the visitor surveys and seem to indicate that current visitors to the South Red Sea are not among the highest spending segment of the market. However, blah

**5.7 PRICING AND PRICE STRUCTURE**

**D.5 Approximately, how much would a typical client spend on a day tour with your company?**

Around 90% of respondents gave only indicative answers to this question. The remaining 10% saw this information as commercially confidential. This is understandable given the public nature of the product evaluation research. In general terms, prices per day vary greatly depending on the product, market and booking method. The following table summarizes the answers to question D.5:

**Table 3: Average daily expenditure by product available – South Red Sea**

<table>
<thead>
<tr>
<th>Product</th>
<th>Duration</th>
<th>Daily Expenditure (average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dive course (resort-based)</td>
<td>1 day</td>
<td>€ 20 - € 30</td>
</tr>
<tr>
<td>Accommodation (half-board)</td>
<td>Variable</td>
<td>€ 15 - € 30</td>
</tr>
<tr>
<td>Accommodation (full-board)</td>
<td>Variable</td>
<td>€ 25 - € 40</td>
</tr>
<tr>
<td>Excursion to Shalateen or Quseyr</td>
<td>1 day</td>
<td>€ 40 - € 50</td>
</tr>
<tr>
<td>Desert camp experience</td>
<td>½ day (afternoon)</td>
<td>€ 20 - € 35</td>
</tr>
<tr>
<td>Astro tour</td>
<td>3 hours</td>
<td>€ 15 - € 25</td>
</tr>
<tr>
<td>Diving package (inclusive of accommodation and full board)</td>
<td>Variable</td>
<td>€ 50 - € 55</td>
</tr>
<tr>
<td>Product</td>
<td>Duration</td>
<td>Daily Expenditure (average)</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>----------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Desert excursion (camel / quad with visit to Bedouin family)</td>
<td>½ day</td>
<td>€ 25 - € 50</td>
</tr>
</tbody>
</table>

While clearly these results must be treated with caution given the relatively small sample size, they are somewhat predictable, in that prices tend to be on the lower end of the spectrum. However, it is interesting to notice that daily expenditure in cultural and adventure tours is roughly equal if not higher than diving and accommodation packages (on a daily expenditure basis). Since the question was formulated to local operators in terms of spending on their products and services, the prices quoted should reflect what they get from the international tour operator (or their local representatives) rather than what customers paid for their package. As a matter of fact, it is possible to notice a significant difference between the prices paid by tourists for their holiday (as indicated in the market surveys) and the daily expenditure quoted by our interviewees. In that regard, cultural and adventure tours seem to be more yielding on a per person basis than diving or resort accommodation. Excessive competition and dominance of international operators in those markets might explain this situation.

**E.1 In percentage terms, how would your typical package price break down between transport, food, activities and marketing costs?**

Most of the respondents were not aware of the package price breakdown since costing did not constitute part of their responsibilities. Some of them also regarded this information as commercially confidential and were reluctant to share it with the consulting team. In that regard, answers to this question were only provided by two respondents. Based on that information it is only possible to state that package price breaks down vary based on the market, length and activities. Beyond that, we do not feel able to draw any further generalizations.
6. CONCLUSIONS OF THE PRODUCT ASSESSMENT

The following conclusions can be drawn from the analysis of the product assessment exercise. These conclusions are based on the results of the structured interviews as well as empirical evidence gathered through direct observation and qualitative data collection. The following information should be taken into consideration during the tourism planning and product development phase undertaken by the LIFE Red Sea Project:

- The region has strong potential for the development of cultural, adventure and nature-based tourism products given the range of natural and cultural resources available. However, most of these resources are currently underutilized and have not been turned into attractions.

- The main tourism resource of the area is the Red Sea Coast, which is considered a Category 1 attraction. The sound management of this resource is currently being challenged by issues related to indiscriminate fishing, urbanization of coastal areas due to tourism and poor waste management.

- At the moment, there is not an iconic, anchor natural or cultural attraction in the South Red Sea that could be considered at least, Category 2.

- In spite of these problems, the environment of the South Red Sea remains relatively undisturbed and pristine. This is considered the main comparative advantage of the region and constitutes the main “pull” factor for visitors.

- The WGPA is currently underutilized as a tourism attraction because of the lack of management systems, lack of visitor infrastructure and poor marketing and promotion. However, the WGPA has the potential to be developed into a Category 2 tourism attraction.

- Visits to see the Camel Market in El-Shalateen are currently one of the most popular day excursions available in the South Red Sea. There is great potential to develop it into a higher-value product that provides local people the possibility to engage in the offer of tourism-related services.

- The Roman mining settlements scattered around the Eastern Desert and WGPA face several challenges to become tourist products. One of the most important bottlenecks is the lack of funds for necessary consolidation work. Several tour operators are interested in including this sites in future desert trips.

- Local human resources are not well trained or have the educational base to be successfully inserted into the tourism industry. There also seem to be cultural traditions that make it difficult for local people to have more sedentary employment.

- The current supply of accommodation is not of high quality (for international standards) and it is not diversified. It mainly consists of resorts catering to the beach and diving market as well as camps and tents, mainly targeting the mid to lower-end of the diving market. There is a clear lack of accommodation with character, uniqueness and individuality that could appeal to more sophisticated segments of the market.
Companies offering tourist products and services in the SRS are highly specialized and have not yet diversified their portfolio of products. However, this is changing as increased competition is forcing operators to create more added-value for their products.

There are serious concerns about the potential overdevelopment of the area for both environmental and economic reasons. The rapid urbanization of the coast will lead to damage to the coral reefs. Equally important, oversupply of accommodation will irremediably lead to a deterioration of prices and therefore, the quality of the accommodation product. The right amount and kind of accommodation should be developed in the destination.

Food services are adequate but generally unavailable outside of the resorts and hotels of the area. Additionally, there has not been an effort among operators to develop a traditional local cuisine that could be properly presented to visitors, either outside or within the resorts. This would reinforce the image of the destination and promote integration of local producers into the tourism supply chain.

Access to the region and transportation from other destinations within Egypt is one of the main problems faced by the South Red Sea. Currently, access in only possible via charter flights or via road from Hurghada (5 – 7 hours). Security concerns limit the possibilities of connecting the South Red Sea with the Nile Valley and the reliance on charter flights (100% at the time of writing) limits independent travel but also causes the image of the destination to suffer.

Water-based activities currently dominate the market. Inland excursions tend to be short in duration and scope (half or full day maximum). The beach-goers engage in both water-based and inland excursions. However, oversupply of diving and water-based facilities is causing prices and quality of the product to drop. While some community-based and cultural activities are available, these are usually poor in quality and market appeal.

Local communities see their access to the guiding market severely limited by current regulations in Egyptian law. The two main markets in the South Red Sea (diving and beach tourism) use a combination of local and foreign guides, although local guides refers almost exclusively to Egyptian guides from areas outside the South Red Sea.

The lack of interpretation facilities, particularly inside the WGPA is seen as a constraint to develop higher-value nature products in the area.

There is not a well-developed handicraft sector in the area that could meet the market’s demand for authentic and traditional items. However, there is potential among some of the Bedouin communities to develop such sector.

Prices received by local operators for different tours and packages to the South Red Sea (including diving and inland excursions) tend to be on the lower end of the spectrum. This is not to say that prices paid by visitors are necessarily low but that the percentage that ends in the hands of international tour operators is rather high. This seems to respond to the nature of the product and the fact that the international tour operator is currently responsible for all marketing and international travel costs.
Natural and cultural tours are equally or more yielding on a per person daily basis than diving or beach accommodation packages. However, sales volume of these latter packages compensates for low prices.

The overwhelming majority of diving and beach packages are still sold through international tour operators, either online or through a travel agent. However, all inland tours are booked directly on-site as these are usually offered as options only upon arrival. This sales strategy allows inland operators to keep most of the money paid by the visitor for the tour but in return, reduces his ability to sell in advance and get more customers.

There is currently not a specific brand, marketing or promotion campaign specifically for the South Red Sea. The Egyptian Tourism Authority (ETA) promotes the “Red Sea Riviera” as an umbrella brand for a series of destinations of very different values.

The “Red Sea Riviera” brand is focused on a single product: sun and sea tourism. Therefore, this brand fails to meet the needs of a destination like the South Red Sea that wants to promote its cultural and natural attractions.

Due to the lack of a destination-wide marketing strategy, a “micro-marketing” approach prevails in the area, whereby specific companies are responsible to market their own products. This is exacerbating the reliance on international operators as they take responsibility for marketing and promotion of individual products in the main tourist-generating markets.

This area has a good image in terms of security, health and service quality, particularly when compared to other coastal areas in Egypt among tour operators and travel trade. However, it is felt that as resort development sprawls further south, this area is bound to become another low-quality, low-price destination.

The most cited qualities characterizing the South Red Sea were: “remote, isolated”, “good value for money” and “pristine and relatively undeveloped”. These should be the building stones for a brand for the destination. However, there has not been a systematic effort to develop and market this area as a distinct product.

The region has a well-established brand image as a diving destination in the international diving market.

The destination is well-known for their coastal and marine resources and not the natural desert-based or cultural features. In that regard, it will be necessary to slowly build an image as a nature, adventure and cultural destination based on the same attributes mentioned above (pristine, remote and good-value for money).
7. RECOMMENDATIONS

7.1 MARKET RECOMMENDATIONS

Based upon the results from the market research study, it is clear that diving (44%) and beach tourism (38%) make up most of the market in the South Red Sea. However, the creation of strong nature-based experiences combined with authentic cultural and historic content will benefit the South Red Sea by diversifying its tourism products and broadening appeal to all user groups. The following recommendations are put forward in an effort to fill the gap between the current products and services offered and the actual market demand.

**TDA**

- Conduct market research on a quarterly basis for a more thorough view of the market. A collection of consistent data will strengthen present data and more accurately measure market trends, changes in visitor satisfaction and the ultimate impact of the LIFE Red Sea project on tourism development in the region. In the US, it is not uncommon to have five years of regularly conducted survey data to develop the baseline,

- A separate visitor satisfaction survey could be handed out at strategic exit points in order to generate visitor statistics and recommendations,

- Good marketing should also actively engage the local villagers. These marketing efforts will also generate awareness and good will among local people, while slowly generating revenue for park operations and management and local businesses,

- Marketing activities concerning land-based excursions should be directed toward the beach and dive tourists who already form the mainstay of South Red Sea tourism rather than focusing efforts on the development a hard core ecotourism base,

- Initiate an aggressive product launch and marketing campaign to position the SRS under a new branded image. This will involve the identification and assessment of select target markets that reflect the proposed tour product, competitive brand analysis, asset identification and assessment, articulation of brand, preparation of a 'positioning concept and statement', logos, graphics and taglines, branding activities,

- The LIFE Red Sea project should establish a regional identity based on a stakeholder branding workshop,

- Trade show participation at major European markets and sponsorship of familiarization tours for European tour guides to the SRS,

- Preparation of a Strategic Marketing Strategy for SRS. In order to achieve the visitor projections proposed in this strategy and position the SRS Region as a known International Tourism Destination it will be necessary to have a long-term comprehensive marketing plan that identifies the most effective mechanism to promote the tourism destination as an national and international destination.
• Design and launch a commercial web site and database for branded South Red Sea tourism image, produce electronic and print brochures

• Direct marketing efforts to the Italian, British, Germany and Benelux countries,

• As most tourists to the region get their information from internet sites, LIFE Red Sea could also assist in the development and maintenance of promotional web sites, e-newsletters highlighting tourism in the region,

• Focus marketing efforts on ages 30 to 49 while still addressing the growing older market segments. Couples also make up a large part of the market share with nearly 50% traveling in parties of two and should be targeted by promotional material,

Local Community

• Together the top four (72% in total) most desirable products for tourists to buy as souvenirs and/or gifts demonstrated a strong desire to connect with the cultural uniqueness of the region and the majority of tourists sought to buy something that was authentically "Egyptian". In order to meet market demand, cultural tourism products should be developed. For example: “El Shalateen Harem,” a handicrafts center adjacent to the camel market that could offer the women of the community (Ababda, Basharia, Rashayda) an opportunity for women-to-women interaction including handicraft shopping, traditional coffee ceremonies, gardening and medicinal herbs, and weaving,

• Visitors commented time after time that they wanted more local contact with Egyptian men and women. Tours should be developed to increase the interaction between visitors and local communities. For example, local people and the WGNP could develop a birding program including on-shore interpretation, boat or kayaking to island, protective boardwalk on Wadi el-Ghemal Island/planning and construction, training, and brochures. Projects such as these would meet the visitor demands for cultural exposure and enjoyment of the environment,

• All pricing and product development should bear in mind that the majority of South Red Sea tourists are blue-collar workers coming from middle class households. 60% have high school and/or technical school education with 38% earning between 25,00 and 49,00 Euros,

Tour Operators

• Nearly 80% of visitors to the South Red Sea are repeat visitors to Egypt and these visitors are searching for new inland tourism products to occupy their time. As such, the LIFE project should direct efforts to the development of new an innovative excursion options,

• 85% of visitors to the South Red Sea arrive on packages created by tour operators. Hence, it is imperative to engage the private sector in order to create any viable type of tourism development plan,
The bulk of the market isn’t high-end tourism but rather tourists seeking value for the money so all products should be developed with this price sensitivity in mind.

**Red Sea Protectorate**

- Visitors have a genuine interest in environmental protection in the region and the demand for eco-lodges is on the rise. The demand for 4-5 star hotels and eco-lodges is quite high at 74% of the total market. As such, a pilot eco-lodge project should be considered in or around Wadi el-Ghemal,

- Environmental awareness programs will be delivered to the tourism businesses staff and management, local residents (particularly those associated with the tourism sector), elected officials, administrative staff and to the tourists. The purpose will be to add value to the resources of the region so they are perceived as a significant component to the sustainability of the local populations.

- Since visitors indicated that they would like to see better trash disposal and environmental preservation, LIFE should also work with the RSG to address and improve existing conditions and impacts, including solid waste clean-up and environmental advocacy (“cleaning and greening the community through environmental awareness and awards programs),

- Improve visitor awareness and knowledge of the SRSR’s natural and cultural resources through appropriate interpretation and brochures,

- Tourists to the region are environmentally conscious and want to be reassured that the resorts are doing there very best to prevent environmental degradation. Hence, it is essential that any tourism development be in-line with conservation strategy so that the Europeans visitors can see that the local authorities are making inroads into conservation. As such, nature based tourism attractions can cater to the growing number of tourists while still educating the necessity for visitors to “leave things as they found them” when traveling. Both tour operators and hoteliers alike can make an effort to include environmental protection into their business and marketing strategies. By demonstrating to the visitors wither through improved environmentally oriented brochures or interpretation that they too have a vested interest in the environment.

**Investors**

- All owners in SRS and potential investors need more information on the nature of ecotourism investments namely what the products are, which markets they serve, expectations of the customers, and competition in the Middle East and so on,

### 7.2 PRODUCT DEVELOPMENT RECOMMENDATIONS

The following recommendations can be made based on the results of the product assessment conducted for this assignment. In general terms, the area would need to develop an iconic cultural or natural attraction that could serve as a “pull” factor for the soft-adventure market for Europe. Also, a new range of accommodation that
includes eco-lodges and boutique hotels would need to be available in the mid-term in order to secure these markets. In the sort-term, the SRS tourism managers must focus on the development of multi-day inland excursions that tap into the areas rich natural and cultural resources, including Al-Shalateen as well as the WGPA.

Specific recommendations include:

**Red Sea Governorate**

- Coordinate with military authorities and EEAA to streamline the process of obtaining authorizations to overnight and take groups into the desert. The goal of this coordination should be to make such authorizations more efficient and less time-consuming.

- Work along with the municipality of Shalateen to upgrade local infrastructure and work on the beautification of the area. It should also work with the Camel Market association to upgrade the experience and develop it into a product that meets the demands of the soft-adventure market.

- Develop a grant and technical assistance program to support the development of community-based attractions and products in the South Red Sea. This program should assist local associations to better integrate into the tourism market by offering products based on the cultural heritage of the area.

- Promote the development of basic infrastructure in Marsa Alam, so that the town could develop some services for visitors.

- Coordinate with military authorities as well as the Ministry of Tourism (MoT) the opening of the road from Marsa Alam to Edfu for tourists. The RSG could organize a convoy to accompany tourists to the Nile Valley, in partnership with private sector organizations and the MoT.

**Tourism Development Authority**

- Prepare a tourism investment strategy for alternative types of accommodation, including eco-lodges, boutique hotels, and community-based accommodation for the SRS. Strategy should be based on pre-existing plans for the physical development of the area, including the Land Use Management Plan.

- Conduct regular market research in order to gauge the preferences and levels of satisfaction of visitors to the SRS.

- Organize an investment promotion even that focuses on alternative accommodation. The event should a section on international case studies of successful eco-lodges, boutique hotels and community-based lodging to educate local and international investors.

- Coordinate with the RSG, EEAA and the military the development of an investment and concession strategy for inland accommodation. This is particularly important given that good quality accommodation options need to be available in the desert in order to diversify the tourist product.

**Protectorates (EEAA)**
- Develop a visitor management plan for the WGPA with the goal to upgrade facilities and promote the development of the area as an iconic nature-based attraction.

- Implement a marketing and informational campaign among local hotels and tour operators about the significance of WGPA. This campaign should have the goal to increase visitation originating from local hotels into the park.

- Coordinate the preparation of a solid waste management program for the WGPA that includes private sector (both hotels and dive operations) and local communities.

- Develop an awareness raising campaign about environmental management for hotel guests and divers. The goal of the campaign should be to educate visitors about the environmental practices (good or bad) of local operators. Since most visitors to the SRS care about the environment, they are likely to put pressure on operators who are not implementing sound environmental management measures.
LIFE Red Sea Project

ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT

Annex B to the Destination Management Plan: Survey of Tours, Tour Operators, Lodges, Air Services, and Key Issues Related to the European Market for Adventure, Culture, and Safari Holidays

Disclaimer

The Author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.
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HOLIDAYS
HOLIDAYS
SERVICES, AND KEY ISSUES RELATED TO THE EUROPEAN MARKET FOR ADVENTURE, CULTURE, AND SAFARI

ANNEX B TO THE DESTINATION MANAGEMENT PLAN: SURVEY OF TOURS, TOUR OPERATORS, LODGES, AIR SERVICES, AND KEY ISSUES RELATED TO THE EUROPEAN MARKET FOR ADVENTURE, CULTURE, AND SAFARI HOLIDAYS

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### ACRONYMS AND ABBREVIATIONS

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<th>Full Form</th>
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<tr>
<td>CDC</td>
<td>Community Design Collaborative</td>
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<tr>
<td>cm</td>
<td>Centimeter</td>
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<tr>
<td>EEAA</td>
<td>Egyptian Environmental Affairs Agency</td>
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<tr>
<td>km²</td>
<td>square kilometers</td>
</tr>
<tr>
<td>KVA</td>
<td>Kilovolt Ampere</td>
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<tr>
<td>LIFE</td>
<td>Livelihood and Income from the Environment (project)</td>
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<tr>
<td>LRS</td>
<td>LIFE Red Sea Project</td>
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<td>m</td>
<td>Meters</td>
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<tr>
<td>MW</td>
<td>Megawatt</td>
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<tr>
<td>NGO</td>
<td>Non-governmental Organization</td>
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<tr>
<td>PVC</td>
<td>Polyvinyl Chloride</td>
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<td>RO</td>
<td>Reverse Osmosis</td>
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<td>RSG</td>
<td>Red Sea Governorate</td>
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<tr>
<td>SFO</td>
<td>Single Family Occupancy</td>
</tr>
<tr>
<td>SRO</td>
<td>Single Resident Occupancy</td>
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<td>SRS</td>
<td>Southern Red Sea (region)</td>
</tr>
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<td>SWM</td>
<td>Solid Waste Management</td>
</tr>
<tr>
<td>TDA</td>
<td>Tourism Development Authority</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific, and Cultural Organization</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>WGNP</td>
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INTRODUCTION

This report covers all aspects of the brief given to Sue Mather and Graham Todd in Attachment A of our respective Independent Consultant’s Agreements, with the exception of the SWOT analysis which is to be carried out in consultation with PA Consulting at a later date.

The remainder of the document is set out in seven further sections cover the following:

Section 2: Summary of survey of 128 adventure, safari and cultural tours sampled
Section 3: Summary of survey of 41 dive tours
Section 4: Summary of survey of 12 eco-lodges, including pricing analysis
Section 5: Review of air services to the 12 selected destinations
Section 6: Summary of the 73 corporate profiles provided
Section 7: Summary of the results of the questionnaire survey of 20 companies
Section 8: Industry insights for product development

A very large amount of detail was assembled during this research program. The supporting data are set out in four accompanying Annexes to the draft report, as follows:

Annex 1: Survey of adventure, safari and cultural tours by destination. This Annex contains 12 detailed Excel tables.
Annex 3: Corporate profiles
Annex 4: Completed questionnaires

As instructed by PA Consulting, and with the exception of the questionnaire interviews, this research has been carried out using information available on the Internet. In some cases, additional data have been collected from company brochures and through telephone calls. In general, we found that information on the Internet exists quite widely on each aspect required by the brief, although there are inevitably some points which are not explicit on company websites. For example, specific reference to a given tour company’s sustainability and environmental credentials we found to be varied on websites, but their absence should not be taken to mean that none exist. Some companies may simply prefer not to make this information public on what are in most cases marketing websites. Also, where a given tour company is a subsidiary of a major group (such as members of the Kuoni, TUI or First Choice groups), environmental policy is often managed at group rather than subsidiary level.

We also made a number of subjective judgments as to the relevance or otherwise of certain types of tours to the proposed protected area in the southern Red Sea. For example, many dive tours use live-aboard boats as their accommodation. We felt that, for the proposed development, this would not have been an especially relevant comparator and we therefore concentrated only on those dive tours that made use of accommodation on-shore, such as dive hotels or dive lodges. In the case of the brief survey of eco-lodges, we sought to provide relevant examples in the context of potential developments in the southern Red Sea, but it should be noted that there is a
big difference between those eco-lodges that are based on game- or bird-watching locations in sub-Saharan Africa, and those which are located in the desert or mountainous areas of North Africa and the Middle East.

Company profiles were selected where possible to cover those companies that currently offer Egypt as a destination, and also to cover a full range of tour operators from some of Europe’s large integrated travel groups to small specialists. However, in a small minority of cases some profiles cover companies that do not currently serve Egypt, but do serve many of the other destination countries specified in the brief. Whether such tour operators would in future offer the southern Red Sea depends in part on a better definition of the proposed area, its facilities, infrastructure and attractions – all of which we understand have yet to be finalized.

The respondents who agreed to participate in the questionnaire survey did so on a confidential basis. We believe that it would be inappropriate to pass on to the client the name and contact details of the individuals that provided this information, although this information has been supplied to PA Consulting in Annex 4. Also, a number of respondents requested feedback from the results of the survey, and we suggest that consideration is given by PA Consulting to ways in which this might be done, in acknowledgement of respondents’ co-operation.

This draft report contains a wealth of detail. We have sought to offer in Section 8 a series of conclusions and an assessment of the implications of our work for those responsible for the detailed design and planning of the structure, format and marketing stance to be adopted in the proposed area. We would welcome the opportunity to debate these issues further with PA Consulting and/or the responsible authorities in Egypt.
ADVENTURE/SAFARI/CULTURAL TOURS FROM EUROPE

The adventure/safari/cultural tours sampled for this stage of the work are summarized in this section of the report.

The requirement for this section of the research was to examine tour operator packages from a range of European markets to 12 destinations in the Middle East and Africa that were considered to be competitive to, or offer useful comparisons for, the proposed southern Red Sea project. A total of 128 tours were examined from over 50 different tour operators. The number of tours from each market was broadly based on their ratios of arrivals in Egypt from all European markets in 2005, as set out in Table 1.

Table 1 European Arrivals in Egypt, 2005, and Number of Tours Analyzed

<table>
<thead>
<tr>
<th>Market</th>
<th>% of total arrivals from Europe</th>
<th>No. of tours examined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>22.5</td>
<td>24</td>
</tr>
<tr>
<td>UK</td>
<td>19.3</td>
<td>24</td>
</tr>
<tr>
<td>Italy</td>
<td>18.9</td>
<td>24</td>
</tr>
<tr>
<td>France</td>
<td>11.4</td>
<td>22</td>
</tr>
<tr>
<td>Belgium</td>
<td>3.5</td>
<td>6</td>
</tr>
<tr>
<td>Spain</td>
<td>3.4</td>
<td>11</td>
</tr>
<tr>
<td>Austria</td>
<td>3.2</td>
<td>10</td>
</tr>
<tr>
<td>Switzerland</td>
<td>3.0</td>
<td>5</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.5</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Travel Research International

The focus of the research was on cultural and/or adventure and/or safari tours at the mid- to upper-end of the market. However, a range of operators were selected and these encompassed both mainstream companies offering well-established itineraries as well as a specialist operators offering walking and trekking tours to off-the-beaten-track destinations, safaris on well-trodden paths and more unique routings, desert trips etc.

The results of the web/brochure research are summarized in the destination sections below. The range of data to be collected on each tour package was specified by PA Consulting and the details for each individual tour are included in Appendix A. Because of the size of these files (there are twelve files, one for each destination examined), Appendix A is submitted in electronic format only.

N.B. Note that, in computing average prices, we have adopted an approach where the range of tour prices (that may vary, for example, according to season), has been used to produce a range of average values. We have summed the lower and higher prices in each case to arrive at mean values, and hence there are always two values given under “average”. The same approach has been used to calculate the average land-only prices, although in this case the sample is often very small. The number of observations recorded for land-only prices is therefore shown in each summary table.

It is also worth noting that the most expensive and cheapest tours available for each destination are taken only from our sample; where a given country is shown as offering either the cheapest or
most expensive tour, this does not imply that any one origin market is necessarily more or less costly than any other. Since every European origin market has a huge range of tours available to the leisure traveler, it is always possible to find very cheap or very expensive tours originating in all countries. Despite the large number of tours that we have sampled for this project, they represent only a very small proportion of the total tours on offer nationally.

**BOTSWANA**

For Botswana we surveyed tours from seven European countries, and summarized the details for 11 tours from those countries, offered by 11 different tour operators. Table 2 summarizes the data on tours to Botswana.

<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>Austria, France, Germany, Italy, Spain, Switzerland, UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>11</td>
</tr>
<tr>
<td><strong>Package prices</strong></td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 1,105</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 4,982</td>
</tr>
<tr>
<td>Average</td>
<td>€ 3,507 - € 3,917</td>
</tr>
<tr>
<td>Mean cost per night</td>
<td>€ 274 packages; € 203 land-only (4 observations)</td>
</tr>
</tbody>
</table>

| Land-only prices | |
| Cheapest | € 1,095 |
| Most expensive | € 5,570 |
| Average | € 2,290 - € 2,713 |
| % of companies offering land-only options | 45% |
| Most expensive tour available from | Switzerland |
| Least expensive tour available from | UK |

| Flights used | |
| Scheduled | 100% |
| Charter | NIL |

| Characteristics of guides | Mainly English-speaking (two only speaking other European languages); little information on training |
| Average length of stay | 13.2 days |
| Group size | Average minimum 4.3; average maximum 12.8; smallest group 2; largest group 20 |
| Main activities/highlights | Game viewing and bird watching; visits to National Parks |
| Range of accommodation used | Hotel, tent, luxury camp, chalet, bungalow, bivouac, tented lodge, |
| Range of transport used | 4x4, minibus, boat, specialised safari truck, air taxi, private aircraft, walking |
| No. offering add-on tours | 1 out of eleven |

*Exchange rates used: US$1=€0.79; SwF1=€0.63; UK£1=€1.48*
Botswana’s principal attractions to the European tourist are its natural assets, and especially the game parks and the opportunities offered for wildlife and bird watching. Botswana is seen as a relatively unspoiled African destination with a reputation for providing an authentic African experience. As such, tours use a variety of accommodation including a good deal of camping/tented encampments which are in harmony with the relatively pristine nature of the parks and reserves that they visit. Similarly, the range of domestic transport offered to the safari tourist is wide, with widespread use of 4x4 vehicles and converted trucks, as well as boats in the Okavango delta and other wetland areas. Since international air access from Europe is almost always via intermediate points, notably in South Africa, all the tours sampled in this study make use of scheduled air services from Europe.

Botswana is at the high end of the price spectrum for safari-type holidays, with its average costs per night for the European tourist buying an inclusive package tour the highest among the countries included in this survey. Botswana’s lodges offer a range of short-duration tours and packages which can attract the independent traveler in addition to those taking an inclusive package from the main European origin markets.

**DUBAI**

In Dubai we sampled just three tours, two Italian tours from two different operators, and one German. Table 3 summarizes the data on these.

<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>Germany, Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>3</td>
</tr>
</tbody>
</table>

**Package prices**

| Cheapest | € 424 |
| Most expensive | € 1,565 |
| Average | € 849 - €1,002 |

| Mean cost per night | € 299 packages; land-only N/A |

**Land-only prices**

| Cheapest | - |
| Most expensive | - |
| Average | - |

| % of companies offering land-only options | 0 |

| Most expensive tour available from | Italy |
| Least expensive tour available from | Italy |

**Flights used**

| Scheduled | 100% |
| Charter | 0% |

**Characteristics of guides**

Of the 3 tours sampled, one included an English and Italian speaking guide, one did not specify, and the third had a German national.

| Average length of stay | 9.3 days |
Group size | N/A
---|---
Main activities/highlights | Dubai offers a luxury resort destination. The tours sampled included visits to the rest of the UAE, Yemen and Oman.
Range of accommodation used | 4* and 5* hotels
Range of transport used | Air, bus, 4x4, jeep
No. offering add-on tours | None
Other observations | -

* Only 3 tours to Dubai were sampled so these results need to be treated with caution.
Source: Travel Research International

Dubai is a resort-based destination that has become something of a tourism phenomenon. For the European visitor it offers glitz, luxury and a mixture of the sophistication of the west with the exoticism of the east. Thus, tours to the emirate are generally based on 5-star plus luxury at a beach destination which offers ample shopping opportunities, and as such there is little scope for the type of cultural or adventure holidays on which this study is based. Such excursions as do exist are generally on a day-long basis only and are arranged at the destination. As a result of this, our coverage of Dubai has been minimized as we do not consider it particularly relevant for the proposed Red Sea product.

The tours we have sampled include one “standard” stay in Dubai, one that tours the other six emirates, and one that includes Oman and Yemen in the itinerary. Dubai is an expensive destination based primarily on scheduled flights and, although it must be emphasized that the sample is unrepresentative, it is not surprising that the average cost per day of a Dubai tour is the highest of any destination in this study.

EGYPT

We sampled 16 tours to Egypt from a total of eight European origin markets, with an emphasis on the adventure, desert and cultural segments rather than purely on coastal holidays. Table 4 summarizes the data on tours to Egypt.

<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>Austria, Belgium, France, Germany, Italy, Spain, Switzerland, UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>16</td>
</tr>
<tr>
<td>Package prices*</td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 680</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 2,570</td>
</tr>
<tr>
<td>Average</td>
<td>€ 1,368 - € 1,550</td>
</tr>
<tr>
<td>Mean cost per night</td>
<td>€ 150 packages; € 107 land-only (4 observations)</td>
</tr>
<tr>
<td>Land-only prices</td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 620</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 1,850</td>
</tr>
<tr>
<td>Average</td>
<td>€ 1,032 - € 1,072</td>
</tr>
<tr>
<td>% of companies offering land-only options</td>
<td>25%</td>
</tr>
<tr>
<td>Most expensive tour available from</td>
<td>Italy</td>
</tr>
<tr>
<td>Least expensive tour available from</td>
<td>France</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>--------</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Flights used</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled</td>
<td>79%</td>
</tr>
<tr>
<td>Charter</td>
<td>21%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Characteristics of guides</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Many tours sampled use both local guides – many of whom speak English plus at least one other European language – in addition to supplying their own national tour leaders. German tour operators in particular tend to have their own company representatives acting as tour leaders in association with local guides.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Average length of stay</strong></th>
<th>10.9 days</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group size</strong></td>
<td></td>
</tr>
<tr>
<td>Average minimum 8.5; average maximum 16.9; smallest group 2; largest group 25</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Main activities/highlights</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Egypt offers diverse attractions and the tours sampled reflect this. Most tours include visits to Egypt’s historical attractions along the Nile Valley. There are also several tours based on the desert, mainly in Egypt’s western desert but also for shorter visits in Sinai. Nile river cruises are common, as are stays at the coast, either on the mainland’s Red Sea coast or in Sinai.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Range of accommodation used</strong></th>
<th>Hotel, tented camp, bivouac, train, river boat, bungalow, open air</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Range of transport used</strong></td>
<td>4x4, minibus, train, internal flights, camel, jeep, bus, boat, walking</td>
</tr>
<tr>
<td><strong>No. offering add-on tours</strong></td>
<td>3 out of sixteen</td>
</tr>
<tr>
<td><strong>Other observations</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

* Exchange rates used: US$1=€0.79; SwF1=€0.63; UK£1=€1.48; Source: Travel Research International

Egypt has been very successful in developing tourist attractions that are additional to its traditional Nile Valley product. In particular, the coastal resorts of the Red Sea and Sinai peninsula have become major destinations for Europeans seeking guaranteed sun, especially in the shoulder and winter months of northern Europe. Specialist tours also exist in Egypt, focused mainly on visits to the western desert – the so-called White Desert – and also to inland Sinai, often as short tours for those whose main destination has been the Sinai coast.

Coastal Egypt is within easy reach of Europe and is served by a dense network of charter flights operated by Europe’s holiday airlines. Hence average lengths of stay are shorter than those typical of destinations in sub-Saharan Africa – although in the sample of tours taken for this project the average length of stay is around 11 days, since the focus has been on the more adventurous and thus more time-consuming tours. For this reason, four out of five tours sampled use scheduled flights, whereas the pure beach product on the Red Sea and Sinai coasts would tend to have a higher proportion of charter flights.

Egypt offers very good value for money to the European tourist, with, on the basis of the tours sampled, the average cost of a holiday there around €1,000 per person and an average cost per night of €150, well below that of the sub-Saharan destinations and reflecting the country’s proximity and therefore lower air fare costs. Egypt’s guides are generally regarded as well-informed and are widely used by all tour operators, although as with several other destinations...
sampled in this project, German tour operators, especially those offering more up-market products, also tend to supply their own national tour leaders.

**JORDAN**

For Jordan we sampled 12 tours from twelve different tour operators and seven European markets. Table 5 summarizes the data.

**Table 5 Summary Data for Jordan**

<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>Austria, Belgium, France, Germany, Italy, Spain, UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>12</td>
</tr>
<tr>
<td><strong>Package prices</strong></td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 870</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 1,980</td>
</tr>
<tr>
<td>Average</td>
<td>€ 1,235 - € 1,317</td>
</tr>
<tr>
<td>Mean cost per night</td>
<td>€ 147 packages; € 107 land-only (4 observations)</td>
</tr>
<tr>
<td><strong>Land-only prices</strong></td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 792</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 877</td>
</tr>
<tr>
<td>Average</td>
<td>€ 796 - € 872</td>
</tr>
<tr>
<td>% of companies offering land-only options</td>
<td>16%</td>
</tr>
<tr>
<td>Most expensive tour available from</td>
<td>Germany</td>
</tr>
<tr>
<td>Least expensive tour available from</td>
<td>France</td>
</tr>
<tr>
<td><strong>Flights used</strong></td>
<td></td>
</tr>
<tr>
<td>Scheduled</td>
<td>82%</td>
</tr>
<tr>
<td>Charter</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Characteristics of guides</strong></td>
<td>7 tours had a tour leader (mostly company representatives) plus guides; 2 tours had local guides only. Where specified (10 out of 12 tours), leaders/guides spoke the language of the tour group (English, French, German, Spanish). No information on training.</td>
</tr>
<tr>
<td><strong>Average length of stay</strong></td>
<td>10.1 days</td>
</tr>
<tr>
<td><strong>Group size</strong></td>
<td>There were wide discrepancies. Average minimum 8.8; average maximum 17.8; smallest group 2; largest group 22.</td>
</tr>
<tr>
<td><strong>Main activities/highlights</strong></td>
<td>Sightseeing of religious and cultural sites, desert and coast. Walking. Petra, Jerash, Wadi Rum, Dead Sea, Red Sea.</td>
</tr>
<tr>
<td><strong>Range of accommodation used</strong></td>
<td>Hotel (2*-5*), resthouse, camp, Bedouin camp, pension, bivouac</td>
</tr>
<tr>
<td><strong>Range of transport used</strong></td>
<td>Coach, bus, minibus, 4x4, boat, walking, horseback, camelback, ferry, internal flight</td>
</tr>
<tr>
<td>No. offering add-on tours</td>
<td>3 out of twelve</td>
</tr>
<tr>
<td><strong>Other observations</strong></td>
<td>-</td>
</tr>
</tbody>
</table>
Jordan is a short- to medium-haul destination for the European market – for the UK, for example, the flight time is only around five hours – making the flight duration similar to traveling to Egypt. Among the destinations surveyed for this study, it is also probably the most similar to Egypt in terms of the range of attractions it has to offer. These include world class historical and religious sites, the natural attractions of the desert at Wadi Rum, and sea and diving at the Red Sea and the Black Sea. Similarly to Egypt, it has also suffered various setbacks as a result of security concerns in the region.

The majority of tours to Jordan are mainstream sightseeing trips to the country’s wealth of different cultural attractions. These range from standard tours staying at mid-market hotels, to more up-market trips using 5-star accommodation. For the adventure tours, primarily to more remote areas of Wadi Rum, quite basic accommodation in tents, bivouacs, Bedouin camps or sleeping under the stars is part of the character of the trip. These activity tours consist of walking, horse riding, camel riding, and traveling in 4x4s to the more remote desert and mountain regions. Both types of tour are sampled here.

Jordan tends to have a higher quality image – in terms of infrastructure – than Egypt in the European market, although for the tours sampled here the prices quoted are similar and fall in the middle of the range for Middle East/North Africa tours. Jordan is not generally a charter destination and over three-quarters of the tours use scheduled flights.

KENYA

We sampled 11 tours to Kenya from six European origin markets. Table 6 summarizes the data on tours to Kenya.

Table 6  Summary Data for Kenya

<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>Austria, France, Germany, Italy, Spain, UK,</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>11</td>
</tr>
<tr>
<td><strong>Package prices</strong>*</td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 1,194</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 5,025</td>
</tr>
<tr>
<td>Average</td>
<td>€ 2,303 - € 2,799</td>
</tr>
<tr>
<td><strong>Mean cost per night</strong></td>
<td>€ 272 packages; € 242 land-only (1 observation)</td>
</tr>
<tr>
<td><strong>Land-only prices</strong></td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 2,349</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 2,499</td>
</tr>
<tr>
<td>Average</td>
<td>€ 2,349 - € 2,499</td>
</tr>
<tr>
<td>% of companies offering land-only options</td>
<td>9%</td>
</tr>
<tr>
<td>Most expensive tour available from</td>
<td>UK</td>
</tr>
<tr>
<td>Least expensive tour available from</td>
<td>France</td>
</tr>
</tbody>
</table>

* Exchange rates used: US$1=€0.79; SwF1=€0.63; UK£1=€1.48

Source: Travel Research International
Characteristics of guides
The majority of guides used are local, speaking predominantly English. However, German tour operators sampled tend to supply their own company guides. Local guides also have foreign language abilities although their predominant language is English.

Average length of stay
10.9 days

Group size
Average minimum 5.2; average maximum 12.8; smallest group 2; largest group 24

Main activities/highlights
Game viewing is overwhelmingly the main activity. Several tours also incorporate a period of time at the coast. Most safaris are by minibus or 4x4, although there are some walking, horse- and camel-riding excursions also.

Range of accommodation used
Hotel, game lodge, camp

Range of transport used
4x4, minibus, train, light aircraft, horse, camel, walking

No. offering add-on tours
1 out of eleven

Other observations
- 

a Exchange rates used: US$1=€0.79; SwF1=€0.63; UK£1=€1.48;
Source: Travel Research International

Kenya’s image and main tourist attraction is overwhelmingly wildlife, and most tours place a wildlife safari at the centre of their offer. While national reserves such as the Masai Mara feature most commonly in these itineraries, more up-market tours tend to seek out less popular and populated reserves such as those to the north of Mount Kenya. Visits to tribal villages also feature in some of the more specialized tours. Kenya’s Indian Ocean coast is also a big attraction. Its development has led to the creation of a relatively dense network of coastal hotels, served by charter flights from Europe. In isolation, the coast offers a different product to a different market compared with the mainstream game safaris, but there is some crossover between the two.

The average length of stay for tours from Europe sampled here is around 11 days. Guides are very important in Kenya, since 4x4 and minibus drivers are usually qualified guides to the game reserves. Most speak English only, and it is noticeable that some continental European tour operators, especially those from Germany, tend to supply their own national staff as well as tour leaders, but rarely as game- or bird specialists. Most flights to Nairobi from Europe (the airport most used for the game safaris) are by scheduled airline, while those to the coastal city of Mombasa tend to be charter services. A typical all-inclusive package tour to Kenya centered on a wildlife safari will cost Europeans some €2,300 – €2,800 per person (although pure beach holidays can be much cheaper).

MOROCCO

For Morocco we examined twelve tours from twelve different tour operators based in eight different European markets. Table 7 summarizes the data on tours to Morocco.
Table 7 Summary Data for Morocco

<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>Austria, Belgium, France, Germany, Italy, Spain, Switzerland, UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>12</td>
</tr>
<tr>
<td><strong>Package prices</strong>*</td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 509</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 1,860</td>
</tr>
<tr>
<td>Average</td>
<td>€ 1,091 - € 1,216</td>
</tr>
<tr>
<td>Mean cost per night</td>
<td>€ 113 packages; € 108 land-only (1 observation)</td>
</tr>
<tr>
<td><strong>Land-only prices</strong></td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 602</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 2,057</td>
</tr>
<tr>
<td>Average</td>
<td>€ 1,254 - € 1,448</td>
</tr>
<tr>
<td>% of companies offering land-only options</td>
<td>25%</td>
</tr>
<tr>
<td>Most expensive tour available from</td>
<td>Germany</td>
</tr>
<tr>
<td>Least expensive tour available from</td>
<td>France</td>
</tr>
<tr>
<td><strong>Flights used</strong></td>
<td></td>
</tr>
<tr>
<td>Scheduled</td>
<td>56%</td>
</tr>
<tr>
<td>Charter</td>
<td>44%</td>
</tr>
<tr>
<td>Characteristics of guides</td>
<td>Primarily local guides with a support team of muleteers/drivers/ camel caravan etc. Some tours included specialist mountain guides. Operators generally provided guides speaking the language of the group (English, French, German, Spanish, Italian).</td>
</tr>
<tr>
<td>Average length of stay</td>
<td>12.1 days</td>
</tr>
<tr>
<td>Group size</td>
<td>Average minimum 6.0; average maximum 15.7; smallest group 2; largest group 22.</td>
</tr>
<tr>
<td>Main activities/highlights</td>
<td>Cultural tours of main cities (Tangier, Marrakech, Casablanca, Ouarzazate, Essaouira), trekking and adventure touring in High Atlas and Sahara. Coast.</td>
</tr>
<tr>
<td>Range of accommodation used</td>
<td>Mid-market hotels, tents and camps, host family accommodation, open air</td>
</tr>
<tr>
<td>Range of transport used</td>
<td>Bus, Minibus, 4x4, foot, private vehicle, boat, camel riding, train</td>
</tr>
<tr>
<td>No. offering add-on tours</td>
<td>3 out of twelve (daily excursions)</td>
</tr>
<tr>
<td>Other observations</td>
<td></td>
</tr>
</tbody>
</table>

* Exchange rates used: US$1=€0.79; SwF1=€0.63; UK£1=€1.48

Source: Travel Research International

Despite some vicissitudes as a result of security considerations, Morocco has enjoyed a surge of popularity in the European market over recent years. With its souks, medinas, casbahs and fabled cities, it has the image of an exotic destination, readily accessible for short stay breaks for most European origin markets. At the same time the natural landscape of the Atlas mountains, the Sahara of southern Morocco and the Atlantic coast are powerful added attractions. Much of the
demand for Morocco is for mainstream sightseeing tours which include a variety of these facets. The tours sampled here have focused on specialist trips, trekking, walking or on camel safaris into the mountains and desert, although most also include a cultural/sightseeing element. As such the tours use a variety of accommodation ranging from mid-market hotels to camping in tents in the desert and under the stars. Transport is what would be expected of the rough terrain.

Morocco is regarded as a good value-for-money destination and of the tours sampled here it falls at eleventh cheapest out of the twelve destinations covered. It has high number of charter and low cost carriers serving the country and almost half of the tours here use charter flights.

NAMIBIA

In Namibia we sampled tours from seven main European origin markets from 12 different tour operators. Table 8 summarizes the data on tours to Namibia.

Table 8 Summary Data for Namibia

<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>Austria, France, Germany, Italy, Spain, Switzerland, UK,</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>12</td>
</tr>
<tr>
<td><strong>Package prices</strong></td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 764</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 6,988</td>
</tr>
<tr>
<td>Average</td>
<td>€ 3,063 - € 3,676</td>
</tr>
<tr>
<td>Mean cost per night</td>
<td>€ 256 packages; € 171 land-only (3 observations)</td>
</tr>
<tr>
<td><strong>Land-only prices</strong></td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 1,180</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 2,595</td>
</tr>
<tr>
<td>Average</td>
<td>€ 1,955 - € 2,041</td>
</tr>
<tr>
<td>% of companies offering land-only options</td>
<td>25%</td>
</tr>
<tr>
<td>Most expensive tour available from</td>
<td>Spain</td>
</tr>
<tr>
<td>Least expensive tour available from</td>
<td>Switzerland</td>
</tr>
<tr>
<td><strong>Flights used</strong></td>
<td></td>
</tr>
<tr>
<td>Scheduled</td>
<td>100%</td>
</tr>
<tr>
<td>Charter</td>
<td>NIL</td>
</tr>
<tr>
<td>Characteristics of guides</td>
<td>Mainly English-speaking, but four tours offer German-speaking guides, and there is one example each of Spanish- and French-speakers. Most guides seem to be locals, although at least one company supplies its own nationals as tour-leader/guide</td>
</tr>
<tr>
<td>Average length of stay</td>
<td>14.1 days</td>
</tr>
<tr>
<td>Group size</td>
<td>Average minimum 6.5 ; average maximum 15.5; smallest group 2; largest group 24</td>
</tr>
<tr>
<td>Main activities/highlights</td>
<td>Visits to deserts, sand dunes, national parks, bird sanctuaries, game viewing and visits to colonial settlements (especially for the German market)</td>
</tr>
</tbody>
</table>
Namibia contains a diversity of features which attract the holiday visitor from Europe. In addition to the national parks offering game and bird viewing, Namibia contains desert areas, and a coastal strip which has the reputation of being relatively unknown and perhaps rather exotic. Additionally, the country has a colonial past which creates strong links and considerable interest in Germany. Most tours include some of the larger, formerly colonial settlements as well as a range of Namibia’s natural attractions, scenery and desert regions.

Similarly to its neighbor, Botswana, the price of tours to Namibia is at the top end of the range for the countries sampled in this study. There is a difference, however, in access, in that it is possible to fly to the capital of Windhoek directly from European points of origin. Nonetheless, Namibia is a large and sparsely-populated country in which a wide variety of land transport is offered to visitors, notably the 4x4s, converted trucks and minibuses that are well suited to rural African conditions. Also, the range of accommodation is wide, and includes the use of camping and even open-air bivouacs in addition to the more conventional game lodges and hotels.

Namibia has the reputation, again somewhat like Botswana, of offering a relatively unspoiled version of southern Africa, a fact that influences the expectations of visitors in terms of the types of accommodation and transport that they are prepared to use.

**OMAN**

For Oman we examined eight tours from eight different tour operators and from six different European markets. Table 9 summarizes the data on tours to Oman.

<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>Austria, France, Germany, Italy, Spain, UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>8</td>
</tr>
<tr>
<td><strong>Package prices</strong></td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 1,275</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 2,695</td>
</tr>
<tr>
<td>Average</td>
<td>€ 1,925 - € 2,103</td>
</tr>
<tr>
<td>Mean cost per night</td>
<td>€ 215 packages; € 165 land-only (2 observations)</td>
</tr>
<tr>
<td><strong>Land-only prices</strong></td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 1,117</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 1,598</td>
</tr>
<tr>
<td>Average</td>
<td>€ 1,210 - € 1,402</td>
</tr>
<tr>
<td>% of companies offering land-only options</td>
<td>25%</td>
</tr>
</tbody>
</table>
Most expensive tour available from | Germany
---|---
Least expensive tour available from | France

**Flights used**

<table>
<thead>
<tr>
<th>Scheduled</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter</td>
<td>NIL</td>
</tr>
</tbody>
</table>

**Characteristics of guides**

All tours had leaders speaking the language of the group and for at least four, they appeared to be company representatives. One tour (German) also had a specialist geologist and another (French) a mountain guide.

**Average length of stay**

10.6 days

**Group size**

Average minimum 9.4; average maximum 14.8; smallest group 4; largest group 16.

**Main activities/highlights**

Travel in desert, mountains, wadis, dunes, beach. Muscat, Nizwa, Salalah.

**Range of accommodation used**

Hotel (2*-5*), traditional huts, camp, tents, gîte (communal) open air

**Range of transport used**

Bus, 4x4, camel, jeep, car, on foot

**No. offering add-on tours**

3 out of 8

**Other observations**

- 

* Exchange rates used: US$1=€0.79; SwF1=€0.63; UK£1=€1.48
Source: Travel Research International

Oman is a relatively new and unknown tourist destination for the European market and even in the UK, where there have been links with the sultanate for many years, it has only recently become well recognized as a holiday venue. Nevertheless, tourism is now being developed quite rapidly for the upper end of the market and new luxury hotels are being built along the coast. The principal attractions for Europeans are the still-pristine coast, the dramatic mountain and desert scenery of the hinterland, forts and castles, a range of flora and fauna, and the somewhat exotic image of an Arab culture. The majority of visitors stay in the luxury 5-star plus hotels scattered along the coast outside Muscat, with day excursions into the mountains and desert. However, there is clearly also a market for trekking, walking and 4x4 tours to the remote and unknown interior where basic camps, sleeping under the stars and mountain huts are used.

In keeping with the government’s intention to go for high-end tourism, it is not surprising that Oman is at the high end of the price spectrum. Of the tours sampled for this research, the average day rate is, excluding Dubai (which as explained below is a special case), the highest among the Middle East/North African destinations. None of the tours used charter flights.

(It is worth noting that part of the Omani government’s strategy for tourism is to develop the country as a significant eco-tourism and adventure tourism destination. Progress on this could provide useful comparisons for the Red Sea development.)

**SOUTH AFRICA**

For holidays to South Africa we sampled 13 tours from eight European origin markets. Table 10 summarizes the data on tours to South Africa.

<p>| Enhanced Sustainable Tourism in the Southern Red Sea Region of Egypt | 14 |</p>
<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>Austria, Belgium, France, Germany, Italy, Spain, Switzerland, UK,</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>13</td>
</tr>
</tbody>
</table>

**Package prices**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheapest</td>
<td>€ 1,195</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 5,320</td>
</tr>
<tr>
<td>Average</td>
<td>€ 3,012 - € 3,304</td>
</tr>
</tbody>
</table>

Mean cost per night

|                    | € 259 packages; € 219 land-only (1 observation) |

**Land-only prices**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheapest</td>
<td>€ 1,699</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 2,239</td>
</tr>
<tr>
<td>Average</td>
<td>€ 1,932 - € 2,019</td>
</tr>
</tbody>
</table>

% of companies offering land-only options 15%

Most expensive tour available from UK

Least expensive tour available from France

**Flights used**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled</td>
<td>100%</td>
</tr>
<tr>
<td>Charter</td>
<td>NIL</td>
</tr>
</tbody>
</table>

Characteristics of guides

The majority of guides used are local, speaking predominantly English but also offering some abilities in other European languages. Where the holiday is specifically a tour, it is quite common for tour operators to supply their own tour leader who will mainly be a national of the origin market.

Average length of stay 13.8 days

Group size

Average minimum 7.7; average maximum 15.8; smallest group 2; largest group 22

Main activities/highlights

While game viewing is the main activity, South Africa is diverse and attracts visitors also for the scenery, coast, diving, historical associations, wine-growing and fruit-growing regions, visits to the many main and secondary towns, exploring the various facets of the “Rainbow Nation” and general cultural and scenic tours.

Range of accommodation used

Hotel, game lodge, guesthouse, farm

Range of transport used

Inland domestic air travel, light aircraft, 4x4, train, bus, minibus, boat, open jeep, walking

No. offering add-on tours

2 out of 13

Other observations

- Exchange rates used: US$1=€0.79; SWF1=€0.63; UK£1=€1.48; SA Rand 14.7 = £1

Source: Travel Research International

Most countries offer a wide range of tours to South Africa. While few fail to include at least some element of game viewing in the country’s national parks and/or private game reserves, the nation offers a wide diversity of tourist attractions, such as the Garden Route along the southern coast and its wine-growing areas, several cities and large towns, the inherent interest in the “Rainbow
Typically, tourists from Europe will stay in South Africa for around two weeks and the tour will cost €3,000 - €3,300 on average. A full spread of ground transportation is used, including internal flights and the rail system, while the accommodation range is generally based on hotel and lodge accommodation. All flights from Europe are on a scheduled basis, and most tours marketed in Europe tend to be all-inclusive, with only 3 out of the 13 tours sampled offering additional options. The local tour guide system seems to be well-developed, although several tour operators also supply their own tour leaders.

**TANZANIA**

For Tanzania we examined twelve tours from twelve different tour operators based in eight different European markets. Table 11 summarizes the data on tours to Tanzania.

<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>Austria, France, Germany, Ireland, Italy, Spain, Switzerland, UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>12</td>
</tr>
<tr>
<td><strong>Package prices</strong></td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€1,885</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€4,712</td>
</tr>
<tr>
<td>Average</td>
<td>€2,816 - €3,137</td>
</tr>
<tr>
<td>Mean cost per night</td>
<td>€265 packages; €149 land-only (3 observations)</td>
</tr>
<tr>
<td><strong>Land-only prices</strong></td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€1,364</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€1,956</td>
</tr>
<tr>
<td>Average</td>
<td>€1,689 - €1,706</td>
</tr>
<tr>
<td>% of companies offering land-only options</td>
<td>25%</td>
</tr>
<tr>
<td>Most expensive tour available from</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Least expensive tour available from</td>
<td>Spain</td>
</tr>
<tr>
<td><strong>Flights used</strong></td>
<td></td>
</tr>
<tr>
<td>Scheduled</td>
<td>83%</td>
</tr>
<tr>
<td>Charter</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Characteristics of guides</strong></td>
<td></td>
</tr>
<tr>
<td>Most groups had a tour leader plus local guides. Own-language guides were listed for English, Swiss, French and Italian tours, but one German group and one Spanish had only English-speaking guides. Some tours included specialist naturalist and mountain guides.</td>
<td></td>
</tr>
<tr>
<td>Average length of stay</td>
<td>12.5 days</td>
</tr>
<tr>
<td>Group size</td>
<td>Average minimum 5.3; average maximum 14.4; smallest group 2; largest group 18.</td>
</tr>
<tr>
<td>Main activities/highlights</td>
<td>Game viewing in National Parks, climbing Mount Kilimanjaro, beach activities in Zanzibar.</td>
</tr>
</tbody>
</table>
Tanzania’s attractions for the European market fall into three categories. Of greatest importance is the fact that it is one of Africa’s finest safari locations with some of the most well-known National Parks (such as the Serengeti, the Ngorongoro Crater and Lake Manyara) offering wide-ranging opportunities for game viewing and bird watching. It is a well-recognized destination and frequently attracts the first-time safari visitor to Africa. Of a more specialized nature, it also a prime attraction for hikers and climbers who see Africa’s highest mountain, Mount Kilimanjaro, as a key draw-card. In addition to this, many tours add on a beach element on the island of Zanzibar at the end of the safari or climbing trip.

The tours sampled for this study range from the traditional safari package to more specialized adventure trips. In keeping with this, the accommodation ranges from Spartan mountain huts to luxurious tented camps and game lodges, and transport includes minibuses and the traditional mode of transport for game-viewing, 4x4s. Because of the distances involved, several of the tours include light aircraft to transport people to Zanzibar.

Although Tanzania has some unique safari attractions, it is not noted as an especially upmarket or luxurious destination to the same degree as, for example, Botswana. For the tours sampled in this study, its average price per day is more expensive only than South Africa among the countries which offer game viewing opportunities – although it is, of course, considerably more expensive than the Middle East and North African countries under review.

TUNISIA

For Tunisia we examined nine tours from nine different tour operators and from six different European markets. Table 12 summarizes the data on tours to Tunisia.

<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>Belgium, France, Germany, Italy, Spain, UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Package prices*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheapest</td>
</tr>
<tr>
<td>Most expensive</td>
</tr>
<tr>
<td>Average</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mean cost per night</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 107 packages; € 67 land-only (1 observation)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land-only prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheapest</td>
</tr>
<tr>
<td>Most expensive</td>
</tr>
<tr>
<td>Average</td>
</tr>
</tbody>
</table>

| % of companies offering land-only options | 11%                                |
| Most expensive tour available from | Germany |
| Least expensive tour available from | Spain |

<table>
<thead>
<tr>
<th>Flights used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled</td>
</tr>
<tr>
<td>Charter</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Characteristics of guides</th>
</tr>
</thead>
<tbody>
<tr>
<td>All tours had leaders speaking the language of the group (French, English, German, Italian and Spanish). Most also had a local support team for touring.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average length of stay</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.7 days</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average minimum 10; average maximum 17.3; smallest group 4; largest group 20.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Main activities/highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visits to the Sahara to experience desert, oases, mountains, and local villages. Classical sites also featured, except for the more dedicated desert trips. Some tours included a beach element.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Range of accommodation used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel (2*-4*), tent, troglodyte cave hotel, open air camp</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Range of transport used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus, 4x4, camel trek, minibus, ferry, on foot</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. offering add-on tours</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 out of 9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
</tr>
</tbody>
</table>

* Exchange rates used: US$1=€0.79; SwF1=€0.63; UK£1=€1.48
Source: Travel Research International

Tunisia is primarily a “sun and sand” destination, first developed in the late-1960s on the back of the traditional European package tour, with the mass market from more northerly countries seeking their annual dose of summer sunshine. This remains the case today. However, Tunisia also has classical sites of major significance, notably Carthage and El Djem, as well as the vast and varied Sahara as its backdrop. There is some demand for cultural and adventure holidays to experience these but volumes are small and pale into insignificance in the face of the large numbers of beach visitors.

It is tours featuring these latter elements that we have focused on for this research. program for the more dedicated desert enthusiast move their clients straight into the Sahara and the focus is on an “away-from-it-all” experience. In these tours various types of camp, sleeping under the stars, and generally mid-market hotels are used, and clients travel by foot, camel or 4x4s. More mainstream holidays feature hotel stays and generally include a more peripatetic itinerary with sightseeing of the main Roman sites, a short trip into the desert and a stay at the beach.

Among the tours sampled here, Tunisia is on the lowest rung of the price spectrum. Coupled with the country’s low cost reputation, cultural and adventure tours are able to make use of the large network of charter flights ferrying in the mass market to the country’s beaches, and almost half of the flights used here were on charter airlines.

**TURKEY**

In Turkey we sampled 9 tours from six different European countries. Table 13 summarizes the data on tours to Turkey.
### Table 13: Summary Data for Turkey

<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>Austria, France, Germany, Italy, Spain, UK,</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>9</td>
</tr>
<tr>
<td><strong>Package prices</strong></td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 395</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 2,700</td>
</tr>
<tr>
<td>Average</td>
<td>€ 1,092 - € 1,250</td>
</tr>
<tr>
<td><strong>Mean cost per night</strong></td>
<td>€ 121 packages; € 73 land-only (2 observations)</td>
</tr>
<tr>
<td><strong>Land-only prices</strong></td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 208</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 783</td>
</tr>
<tr>
<td>Average</td>
<td>€ 478 - € 546</td>
</tr>
<tr>
<td>% of companies offering land-only options</td>
<td>25%</td>
</tr>
<tr>
<td>Most expensive tour available from</td>
<td>UK</td>
</tr>
<tr>
<td>Least expensive tour available from</td>
<td>Germany</td>
</tr>
<tr>
<td><strong>Flights used</strong></td>
<td></td>
</tr>
<tr>
<td>Scheduled</td>
<td>56%</td>
</tr>
<tr>
<td>Charter</td>
<td>44%</td>
</tr>
<tr>
<td><strong>Characteristics of guides</strong></td>
<td></td>
</tr>
<tr>
<td>Almost wholly-local guides are used, with</td>
<td></td>
</tr>
<tr>
<td>the majority speaking the language of the</td>
<td></td>
</tr>
<tr>
<td>tour – hence English, Italian, German and</td>
<td></td>
</tr>
<tr>
<td>Spanish are all available. Since tours</td>
<td></td>
</tr>
<tr>
<td>to Turkey mainly comprise visits to</td>
<td></td>
</tr>
<tr>
<td>historical and archaeological sites,</td>
<td></td>
</tr>
<tr>
<td>most guides seem to be attached to the</td>
<td></td>
</tr>
<tr>
<td>site visited rather than to the tour</td>
<td></td>
</tr>
<tr>
<td>itself.</td>
<td></td>
</tr>
<tr>
<td><strong>Average length of stay</strong></td>
<td>10.9 days</td>
</tr>
<tr>
<td><strong>Group size</strong></td>
<td>Average minimum 7.8 ; average maximum 15.6;</td>
</tr>
<tr>
<td></td>
<td>smallest group 4; largest group 18</td>
</tr>
<tr>
<td><strong>Main activities/highlights</strong></td>
<td>Visits on tours to Turkey are mainly</td>
</tr>
<tr>
<td></td>
<td>centered on cultural and historical sites</td>
</tr>
<tr>
<td></td>
<td>and buildings, and on visits to scenic</td>
</tr>
<tr>
<td></td>
<td>areas and natural attractions. There is</td>
</tr>
<tr>
<td></td>
<td>considerable emphasis placed on walking</td>
</tr>
<tr>
<td></td>
<td>on such tours.</td>
</tr>
<tr>
<td><strong>Range of accommodation used</strong></td>
<td>Hotel accommodation is predominant, with</td>
</tr>
<tr>
<td></td>
<td>some camping also</td>
</tr>
<tr>
<td><strong>Range of transport used</strong></td>
<td>Mainly bus or minibus, some walking</td>
</tr>
<tr>
<td><strong>No. offering add-on tours</strong></td>
<td>3 out of 9</td>
</tr>
<tr>
<td><strong>Other observations</strong></td>
<td></td>
</tr>
</tbody>
</table>

---

*a Exchange rates used: US$1=€0.79; SwF1=€0.63; UK£1=€1.48

*b Would be € 109 if one very expensive/untypical tour is excluded

Source: Travel Research International

It should be pointed out that the vast majority of tourists going to Turkey head for the coastal regions of the south west – a region that has successfully developed mass tourism and which is largely price-driven, based primarily on the “sun, sea and sand” type of holiday. Istanbul is also a major draw for European visitors, but the extensive historical, cultural and religious features that are available throughout the country.
draw relatively few international tourists. Hence the range of adventure and cultural tours on offer is relatively restricted in most European travel markets, and volumes are low for this type of holiday in the country.

Tours to Turkey sampled here use mainly conventional (hotel) accommodation and mainly bus or minibus transport within the country. Walking is also a feature of this type of tour in Turkey. Turkey has a reputation for relatively cheap holidays. While specialized tours such as these are not necessarily at the lower end of the price spectrum, nonetheless the average cost per night of packages is low at just over € 100 including international flights. Given the dense network of charter flights from Europe, it is of little surprise that almost half of the tours sampled use charter services for their clients.

Summary of mean costs per night

As an easy basis for comparison, Table 14 summarizes the mean costs per night for package holidays to all twelve destinations analyzed.

Table 14  Mean Costs per Night of Package Tours to Selected Destinations (€)

<table>
<thead>
<tr>
<th>Destination</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dubai*</td>
<td>299</td>
</tr>
<tr>
<td>Botswana</td>
<td>274</td>
</tr>
<tr>
<td>Kenya</td>
<td>272</td>
</tr>
<tr>
<td>Tanzania</td>
<td>265</td>
</tr>
<tr>
<td>South Africa</td>
<td>259</td>
</tr>
<tr>
<td>Namibia</td>
<td>256</td>
</tr>
<tr>
<td>Oman</td>
<td>215</td>
</tr>
<tr>
<td>Egypt</td>
<td>150</td>
</tr>
<tr>
<td>Jordan</td>
<td>147</td>
</tr>
<tr>
<td>Turkey</td>
<td>121</td>
</tr>
<tr>
<td>Morocco</td>
<td>113</td>
</tr>
<tr>
<td>Tunisia</td>
<td>107</td>
</tr>
</tbody>
</table>

* Based on three tours only

Source: Travel Research International
DIVE TOUR PACKAGES FROM EUROPE

For this section of the research, we were asked to examine tour operator dive packages to Egypt and to some of the world’s other main diving destinations. To do this we generally focused on specialist dive operators, although particular dive divisions of more mainstream operators were also included. In the light of the range of dive opportunities to be offered at the proposed southern Red Sea, we concentrated on dive packages that involved staying in on-shore accommodation, and excluded live-aboard dive boats which we concluded would be less relevant in this case.

A total of 41 dive packages from eight different European origin markets and 19 different operators were covered. The data collected were based on a pro-forma supplied by PA Consulting the details of which are set out in Appendix B. Because of the size of these files, they is supplied in electronic format only.

N.B. Making generalizations about the dive tour market is difficult owing to the often complex pricing arrangements that surround the dive tour offer. Some include dives in the package costs, others exclude it; some include international flights, others exclude them, and so on. The average and typical values given in the following tables should therefore be read with these difficulties in mind.

As a generalization, it is noticeable with diving holidays that the accommodation standards used are sometimes fairly basic, with divers staying in dive lodges or dive bungalows; while comfortable, these are often not luxurious. Divers tend to opt for the quality of the diving location and experience as their first criterion – especially those who try different diving locations each year – with issues such as accommodation quality being a secondary consideration.

It is also noticeable that few dive tours offer additional trips. Again, divers seem to be primarily interested in diving per se, and tend not to seek expedition, historical or cultural dimensions to their holidays in addition.

A summary of the data collected from company websites or brochures is set out in the following destination sections.

INDIAN OCEAN AND SOUTH EAST ASIA

We sampled 22 diving holidays to the Indian Ocean and South East Asia, from a total of eight European origin markets. The dive packages sampled for this region are summarized in Table 15:

Table 15  Dive Package to the Indian Ocean and Southeast Asia

<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>Austria, Belgium, France, Germany, Italy, Spain, Switzerland, UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>22</td>
</tr>
<tr>
<td>% including dive costs</td>
<td>64%</td>
</tr>
<tr>
<td>% excluding dive costs</td>
<td>36%</td>
</tr>
<tr>
<td>Package prices (dive costs included*)</td>
<td></td>
</tr>
<tr>
<td>Cheapest</td>
<td>€ 1,002</td>
</tr>
<tr>
<td>Most expensive</td>
<td>€ 2,678</td>
</tr>
</tbody>
</table>
Average € 1,661 - € 1,889
Mean costs per night € 226

**Dive costs only**

Cheapest per dive € 21.8
Most expensive per dive € 44.2
Average per dive € 29.9

Most expensive tour from France
Cheapest tour from Belgium

**Flights used**

Scheduled 83%
Charter 17%

Average length of stay 9.5 days
Range of accommodation used Hotel (simple to luxury), bungalow, cottages, resorts, dive lodges

No. adding on tours 2 out of 22

Other observations -

*Exchange rates used: US$1 = € 0.79; Swiss franc 1 = € 0.63; UK£1 = € 1.48

Source: Travel Research International

In our sample of tours to the Indian Ocean and South East Asia, two thirds of the packages offered include diving costs. In those cases, the mean cost per night is € 226, with the average holiday costing between € 1,650 and € 1,850 per person.

Where dive costs are excluded from the package, on average each dive costs around € 30, although there are some variations around this average figure. The typical length of stay is around 10 days. In the majority of cases, dive tours to these destinations use scheduled flights from Europe, although destinations such as the Maldives have a relatively well-developed network of charter services which also are used on diving tours.

**PACIFIC**

We sampled three dive tours to the Pacific from three European countries. The dive packages sampled for this region are summarized in Table 16:

**Table 16 Dive Package to the Pacific**

<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>France, Spain, UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>3</td>
</tr>
<tr>
<td>% including dive costs</td>
<td>100%</td>
</tr>
<tr>
<td>% excluding dive costs</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Package prices (dive costs included*)**

Cheapest € 2,045
Most expensive € 4,114
Average € 2,862 – € 3,240

Mean cost per night € 316

**Dive costs only**
Enhancing Sustainable Tourism in the Southern Red Sea Region of Egypt

ANNEX B TO THE DESTINATION MANAGEMENT PLAN: SURVEY OF TOURS, TOUR OPERATORS, LODGES, AIR SERVICES, AND KEY ISSUES RELATED TO THE EUROPEAN MARKET FOR ADVENTURE, CULTURE, AND SAFARI HOLIDAYS

| Cheapest per dive | NA |
| Most expensive per dive | NA |
| Average per dive | NA |
| Most expensive tour from | UK |
| Cheapest tour from | Spain |

| Flights used |
| Scheduled | 100% |
| Charter | 0% |
| Average length of stay (days) | 10 (approximate – see observations below) |
| Range of accommodation used | Hotel |
| No. adding on tours | Nil |
| Other observations | The sample here is small. Dive tours in the Pacific for Europeans by definition involve a long journey with often more than one overnight stop; hence the connections sometimes mean that the number of days spent at the dive resort are limited. |

* Exchange rates used: US$1 = € 0.79; Swiss franc 1 = € 0.63; UK£1 = € 1.48

Source: Travel Research International

Diving in the Pacific is for Europeans both a special experience and, by definition, one that attracts only a small minority of the overall dive market, given the distances and costs involved. The key attraction is always the dive experience per se – whether this is wreck diving in Micronesia or diving in the exceptional natural attractions of other parts of the Pacific region.

Given the small sample used here, generalizations are difficult. It is unsurprising that, for Europeans, the Pacific is relatively expensive, with average costs per night in excess of € 300 due mainly to the distances to be traveled to reach the destination. The typical holiday cost is close to € 3,000 per person – sometimes more – also reflecting the distances involved.

The average length of stay is relatively short at 10 days, although again caution must be used in interpreting this, since the small sample embraces one tour operator’s options of either a 7-, 10- or 14 day holiday. Many of the dive tours to remote locations are based on live-aboard dive boats; we have excluded these from consideration here, and hence accommodation is based in standard hotels.

EGYPT AND THE MEDITERRANEAN

We sampled 10 diving holidays to Egypt and the Mediterranean, from a total of five European origin markets. The dive packages sampled for this region are summarized in Table 17.

| Markets sampled | France, Germany, Italy, Switzerland, UK |
| No. of tours sampled | 10 |
| % including dive costs | 60% |
| % excluding dive costs | 40% |

| Package prices (dive costs included*) |

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Destinations in the Mediterranean do not feature strongly in the programs of most European dive specialists and while mainstream operators do sometimes include diving and snorkeling possibilities in a sea-based activity holiday in the region, these are generally listed as optional extras. Diving in Egypt is a different matter and a range of inclusive tours to the Red Sea is an important component of most specialist programs.

Unsurprisingly, the average price of the tours sampled for this research is cheaper than any of the other destination regions, and the length of stay is shorter, thus reflecting the shorter journey time and lower costs involved, and the fact that three-quarters of the tours use charter airlines. Accommodation is primarily in mid-market hotels, although one tour uses a luxury resort and another a self-catering apartment, thus reflecting the variety on offer.

**CARIBBEAN**

We sampled 6 diving holidays in the Caribbean, from six different operators and from a total of five European origin markets. The dive packages sampled for this region are summarized in Table 18.

**Table 18  Dive Package to the Caribbean**

<table>
<thead>
<tr>
<th>Markets sampled</th>
<th>France, Germany, Italy, Spain, UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tours sampled</td>
<td>6</td>
</tr>
<tr>
<td>% including dive costs</td>
<td>33%</td>
</tr>
<tr>
<td>% excluding dive costs</td>
<td>67%</td>
</tr>
<tr>
<td>Package prices (dive costs included*)</td>
<td></td>
</tr>
</tbody>
</table>

*Exchange rates used: US$1 = € 0.79; Swiss franc 1 = € 0.63; UK£1 = € 1.48
Source: Travel Research International
<table>
<thead>
<tr>
<th>cheapest</th>
<th>€ 1,390</th>
</tr>
</thead>
<tbody>
<tr>
<td>most expensive</td>
<td>€ 1,570</td>
</tr>
<tr>
<td>average</td>
<td>€ 1,410 - € 1,500</td>
</tr>
<tr>
<td>Mean costs per night</td>
<td>€ 208</td>
</tr>
</tbody>
</table>

**Dive costs only**

<table>
<thead>
<tr>
<th>Cheapest per dive</th>
<th>€ 16.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most expensive per dive</td>
<td>€ 30.1</td>
</tr>
<tr>
<td>Average per dive</td>
<td>€ 26.7</td>
</tr>
<tr>
<td>Most expensive tour from</td>
<td>Italy</td>
</tr>
<tr>
<td>Cheapest tour from</td>
<td>Spain</td>
</tr>
</tbody>
</table>

**Flights used**

<table>
<thead>
<tr>
<th>Scheduled</th>
<th>80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter</td>
<td>20%</td>
</tr>
<tr>
<td>Average length of stay (days)</td>
<td>8.3</td>
</tr>
<tr>
<td>Range of accommodation used</td>
<td>Hotel (mainly simple to mid-market, 1 up-market dive hotel), dive lodge</td>
</tr>
<tr>
<td>No. adding on tours</td>
<td>2 out of 6</td>
</tr>
<tr>
<td>Other observations</td>
<td>The sample here is small so figures need to be treated with caution</td>
</tr>
</tbody>
</table>

*Exchange rates used: US$1 = € 0.79; Swiss franc 1 = € 0.63; UK £1 = € 1.48

Source: Travel Research International

The Caribbean is a long-established dive destination for the European market and holidays both on the mainland and in the Caribbean islands feature strongly in most specialist tour brochures. While the region may have lost something of its cachet compared with newer and more exotic destinations that the real diving enthusiast likes to “tick off” in his/her list of experiences, it nonetheless is regarded as a reliable dive destination.

It should be noted that the sample here is small – a total of just six tours – so the figures need to be treated with caution. However, based on the tours sampled here, the Caribbean is considerably more expensive than Egypt and the Mediterranean, but cheaper than the other long-haul destinations. The typical cost for a dive holiday is something under € 1,500, around double that for an Egypt/Mediterranean dive holiday. The average length of stay for the sampled tours is quite short, at just over eight days, reflecting the ease of access to specific destinations in the region from most countries in Europe which makes a week’s holiday quite feasible.
SURVEY OF ECO-LODGES

We carried out an on-line survey of 12 lodges/eco-lodges in various countries, namely:

- Abu Camp, Okavango Delta, Botswana
- Chobe Safari Lodge, Chobe National Park, Botswana
- Ongava Lodge, Etosha National Park, Namibia
- Serra Cafema Camp, north-western Namibia
- Hoyo-Hoyo Tsonga Lodge, Kruger National Park, South Africa
- Malala Lodge, Hluhluwe and Omifolozi Game Reserves, South Africa
- Kikoti Safari Camp, Tarangire National Park, Tanzania
- Governor’s Camp, Masai Mara Game Reserve, Kenya
- Eco-Lodge Dar Itrane, Atlas Mountains, Morocco
- Wadi Feynan Eco-Lodge, Dana Nature Reserve, Jordan
- Myland, Cirali, south-western Turkey
- Desert Lodge, Al Qasr, Egypt

The majority of these lodges do not specify specific tours on their websites, since most are sold via tour operators and form one element in a wider tour. Most, however, describe the types of tours available to guests who stay at the lodges. Abu Camp offers a 3-night safari for two people, and Governor’s Camp describes a program of 3 game drives per day together with options for walking tours, balloon safaris, visits to a local Masai village and to a local school. Most lodges simply describe the type of tours and trips that are associated with their guests without making such specific product offerings.

Prices per night (or per tour) vary widely, and are summarized in Table 19.

Table 19  Eco-lodge Prices per Night

<table>
<thead>
<tr>
<th>Lodge</th>
<th>Price</th>
<th>Supplements</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abu Camp, Botswana</td>
<td>US$ 6,170 – 6,295 per person</td>
<td>US$ 2,160 single supplement</td>
<td>Prices are for a 3-day all-inclusive safari including private flight transfers, elephant-back safaris and luxurious accommodation This is one of the most expensive lodges that we discovered</td>
</tr>
<tr>
<td>Chobe Safari Lodge, Botswana</td>
<td>US$119 – 149 per room (US$131 – 164 for 2007) for the room only; Game drives US$29 – 33; boat cruises US$23-28; Fishing US$33-36 per hour</td>
<td>Full board supplement is US$65 per person per day; transfers from nearby Kasane airport cost US$55 – 75 per person</td>
<td></td>
</tr>
<tr>
<td>Ongava Lodge, Namibia</td>
<td>US$ 342 – 382 per person per night sharing; tours included in the daily rate</td>
<td>Single supplement costs US$195 – 199 per night</td>
<td>Described as an environmentally-sensitive lodge</td>
</tr>
<tr>
<td>Serra Cafema Camp, Namibia</td>
<td>US$480 – US$528 per person per night sharing, all-inclusive Tours included, minimum of</td>
<td>Single supplement is US$247 per night</td>
<td>This is a very remote lodge in the extreme north-west of Namibia near to the border</td>
</tr>
</tbody>
</table>
### Types of Accommodation

The types of accommodation offered vary between luxury or standard tents, rondavels, standard lodge accommodation, and some traditionally-built lodges reflecting local architecture and materials.

<table>
<thead>
<tr>
<th>Lodge Name, Country</th>
<th>Price Details</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoyo-Hoyo Tsonga Lodge, South Africa</td>
<td>US$310 – 377 per person per night sharing, all-inclusive</td>
<td>Single supplement is US$151 – 188 per night. Tours are included in the price. This is a relatively up-market lodge</td>
</tr>
<tr>
<td>Malala Lodge, South Africa</td>
<td>US$38 per person per night self-catering; US$ 45 per person per night bed and breakfast; US$ 61 per person per night half board, all on a sharing basis</td>
<td>Single supplement is US$ 4 per night. By implication the cost of tours is not included in the price. This is a relatively cheap and standard African game lodge</td>
</tr>
<tr>
<td>Kikoti Safari Camp, Tanzania</td>
<td>US$198 per person per night sharing, full-board, all activities included</td>
<td>Single supplement US$66 per night. Tours are included in the day rate. Located in a well-known and quite intimate national park and aimed at those able to undertake walking safaris</td>
</tr>
<tr>
<td>Governor’s Camp, Kenya</td>
<td>US$ 185 – 330 per person per night sharing, full-board, 3 daily game drives, transfers and laundry included</td>
<td>Single supplement US$100 – 105 per night. The original up-market tented camp in Kenya. Extra costs include balloon safari at US$ 395 per person, and extra walks at US$ 95 per person</td>
</tr>
<tr>
<td>Eco-Lodge Dar Itrane, Morocco</td>
<td>€ 30 – 35 per person per night half board, of € 45 – 50 per night full board</td>
<td>Single supplement € 50 per night. A 5-night package including tours and transfers costs € 245 per person, or there is a 5-night package top/from Paris priced at € 550 – 780 including international flights</td>
</tr>
<tr>
<td>Wadi Feynan Eco-Lodge, Jordan</td>
<td>US$ 62 per room for two people, US$ 49 per room for one person</td>
<td>Park entry fees are US$8 47 per person; Guides cost US$ 21 – 85 for 1-2 hours or one day respectively. Hikes are included in the room rate. This is a new lodge opened in 2005 promoting environmentally-sensitive tours in the Petra area</td>
</tr>
<tr>
<td>Myland, Turkey</td>
<td>US$ 33 – 37 per person per night bed and breakfast</td>
<td>Single supplement US$ 15 per night. An eco-lodge based on the coast with a mention of guided trekking tours but no details given</td>
</tr>
<tr>
<td>Desert Lodge, Al Qasr, Egypt</td>
<td>US$ 50 – 85 per person per night half board sharing</td>
<td>Single supplement US$10 – 15 per night. Packed lunch US$ 8 per person; buffet lunch US$ 12 per person. An eco-lodge using hydro- and solar power offering a non-standard product away from Egypt’s mainstream tourism areas</td>
</tr>
</tbody>
</table>

It is clear from this summary that prices and concepts vary considerably, but also that there is an emerging environmental awareness among lodge operators.
ACTIVITIES AND MAIN ATTRACTIONS

In the African lodges the main activities are built around game- and bird-watching. In the Middle East and North Africa, the primary activities are cultural, and often involve visits to archaeological sites, local settlements and scenic attractions. In most cases, the emphasis of the lodges is on the unusual, more active and non-mainstream tourism product and seems designed to appeal to tourists who seek more genuine local interactions with either local residents or local scenery and wildlife.

LOCAL TRANSPORT

In the African lodges the main form of transport is the 4x4, although there are also examples of local transport modes, such as the mokoros (traditional boats) of southern Africa, outboard canoes and in some cases ordinary boats and indeed elephants in one instance. There is also some emphasis placed on walking tours at several lodges.

GUIDES

Generally few details are given regarding guides, although most lodges have guides and/or guide-drivers available.

PRICES

Prices vary very substantially across this sample, ranging from economy accommodation at a little over US$ 30 per night in Turkey to a 3-day all-inclusive safari at a luxurious lodge in Botswana at over US$ 6,000 per person. In general, the lodges surveyed fall into three categories – up-market lodges in sub-Saharan Africa, mid-market lodges also in sub-Saharan Africa and much cheaper accommodation in the Mediterranean, North Africa and the Middle East.

SEASONALITY

With just one exception (the Wadi Feynan eco-Lodge in Jordan), all lodges are open on a year-round basis.

LODGES’ SUSTAINABILITY AFFILIATIONS

Virtually all of the lodges sampled are aimed at environmentally-sensitive tourism, but few present details on their websites of any explicit affiliations of this kind.

GENERAL REMARKS

Most of these lodges offer non-standard tourism with an overlay of ecological sensitivity to the more discerning tourist. In general, their appeal is to the more experienced, demanding and adventurous traveller, in consequence of which they will tend to attract the more specialised and more wealthy tourist (although some lodges remain relatively inexpensive and can be described as fairly “standard” game lodges).
PREMIUM PRICES

The ability of eco-lodge operators to charge premium prices depends on a number of different factors. Before considering these factors however, it is important to set the concept of a “premium price” in context.

Destination image has a part to play, although top-of-the-range operators such as Amanresorts, with a clientele loyal to the brand, can sometimes buck the trend. Broadly, within sub-Saharan Africa, a lodge or camp within Botswana - a destination regarded as having an up-market and exclusive image - is likely to be able to charge higher prices than one in Kenya for example. Within the Middle East, Dubai and Oman – again, both with up-market images - provide the best backdrop for charging premium prices.

More importantly, premium prices have to be set in the market context in which they are located. In destinations such as Egypt where, by international standards, hotel and lodge rates are relatively low, a premium price may not be that high in terms of its international comparisons. If typical accommodation prices are, say around US$ 50 – 100 per night, then a price of US$ 150 – 200 per night may be seen as a premium price. In other locations, such as sub-Saharan Africa, where typical game lodge prices may be US$150 – 300 per night, then a premium price may be as high as US$400 – 600 per night, and can be even higher.

The research on premium priced lodges carried out for this assignment, which is summarized in Table 20, suggests that some elements are a sine qua non for a lodge to command a premium price in its local market:

- it has to offer a high degree of luxury;
- whether the accommodation offered is a traditional lodge, an eco-lodge made of local materials, an encampment, thatched huts, or whatever style, its construction, furnishings and general presentation have to be of the highest quality;
- the lodge design has to offer a high degree of individuality and character;
- service levels and food and beverage services have to be of a very high standard;
- where lodges are designated as “eco-lodges”, adherence to the highest standards of environmental management, in areas such as water usage, waste disposal and energy efficiency, is mandatory;
- the location of the lodge has to be special and the attractions it offers to the visitor have to be unique or in very limited supply (for example, proximity to unique natural attractions such as the Victoria Falls, the Ngorongoro Crater or the Okavango Delta, or to similarly unique historical sites such as Jordan’s Petra);
- special attractions have to be offered as part of the lodges' range of activities and services (e.g. privileged access to local game reserves, settlements and cultures, historical monuments, the opportunity to undertake activities that “normal tourists” do not have, the provisions of private launches or specialized guides, and so on);

In addition to these essential features, the unique selling points that a lodge presents vary considerably. Table 20 shows some examples of the variety of attractions offered by top-of-the-range lodges. Thus they can focus around a destination's game, its flora and fauna, its unique tropical ambience, its remote and majestic location and so on. What is essential is that the location has to be “special”.

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ANNEX B TO THE DESTINATION MANAGEMENT PLAN: SURVEY OF TOURS, TOUR OPERATORS, LODGES, AIR SERVICES, AND KEY ISSUES RELATED TO THE EUROPEAN MARKET FOR ADVENTURE, CULTURE, AND SAFARI HOLIDAYS
Broadly speaking, lodges charging premium prices – as opposed to expensive 5-star plus hotels that have high rates – are generally quite small, as individuality is part of the essence of their character and the reason that the customer selects them. It is also worth noting that, in Europe and increasingly in North America, the market for this type of holiday is increasingly conscious of – and demanding of – environmental credentials for the holidays they are taking and the accommodation provided (e.g. is the lodge built of local materials?, does it provide benefits to the local community?, does it use energy conservation methods?, etc.).

Table 20  Features of Selected Lodges Charging Premium Prices

<table>
<thead>
<tr>
<th>Lodge</th>
<th>Location</th>
<th>Prices</th>
<th>USPs</th>
</tr>
</thead>
</table>
| Baines Camp         | Botswana         | From US$450     | * Destination  
• Botswana carries prestige as upmarket destination  
• Okavango Delta is unique  
* Camp  
• Natural resource management and benefits channelled into local community  
* Accommodation  
• Complete luxury  
• Individual spacious thatched huts, mobile 4 poster beds (move to sleep under stars)  
• Panoramic views of lagoon from lodges  
• Infinity pool  
• Spacious lounge and dining areas  
* Activities  
• Day and night game viewing  
• Walking safaris with armed guards  
• Boat trips and mokoros rides  
• Elephant interaction  
|                    |                  |                 | In summary: Camp offers luxury, privacy & nature                                                                                 |
| Al Maha Resort & Spa | Dubai, UAE       | From US$1,100   | * Destination  
• Dubai is well known for its expensive, in-your-face luxurious image  
• Metropolitan Dubai carries exceptionally high hotel rates and occupancies  
* Resort  
• Claims to be Gulf’s first eco-tourism resort “contributing to the preservation of the ancient heritage”  
* Accommodation  
• Complete luxury  
• Separate free-standing suites  
• 37 individual Bedouin Suites, 2 Royal Suites, 1 Emirates Suite  
• Ensuite private swimming pools  
• Main pool and Spa opens on to unobstructed views of Hajar Mountains and dunes  
• Meals on private deck or main dining room  
* Activities  
• Guided desert safaris  
• Falconry displays  
• Camel riding  
• Horse trekking  
• Hajar Mountains  
|                    |                  |                 | In summary: Mix of luxury, refinement, culture and technology                                                                     |
| Ngorongoro Crater Lodge | Tanzania        | US$320-730 per person per night | * Destination  
• Ngorongoro is a UNESCO World Heritage site  
• The Ngorongoro Crater is internationally recognised as one of Africa’s unique destinations  
* Camp  

### Marlin Lodge Mozambique

- **From US$213**
- **Destination**
  - Tropical island destination
  - Natural haven with abundant wildlife, tropical fish and coral
- **Lodge**
  - Designed to interfere as little as possible with natural environment (built on stilts and raised pathways between lodges and main lodge)
  - Built of local wood and traditional thatch
- **Accommodation**
  - 20 individually designed lodges
  - Each lodge has private patio with direct access to beach
  - Luxurious, ethnically styled furnishings
  - At night, beach is transformed into romantic torchlight restaurant
- **Activities**
  - Tropical island ambience plus
  - Scuba diving and snorkelling
  - Fly and deep sea fishing
  - Trips to neighbouring islands in private yacht
  - Water skiing
  - Sunset cruises
  - Bird watching

In summary: Tropical island destination offering luxury, ethnicity, remoteness and privacy

### Abu Camp Botswana

- **US$1,700 – 6,295 per person for a 3-day stay**
- **Destination**
  - Located in the Okavango Delta of Botswana, a prestige destination
  - Small-scale (no more than 12 people allowed at once)
  - Exclusive
- **Camp**
  - Stylish fixed “camp”
  - Luxurious rooms
  - Fine food and wines
  - Includes private 4-person villa with own butler, chef and exclusive vehicle
- **Accommodation**
  - Six custom-built tents
  - En suite facilities
  - Private viewing decks
  - Luxuriously furnished
- **Activities**
  - Elephant-back safaris are the main USP
  - Camp philosophy is based on protection and development of elephant herd
  - Guests interact with elephants throughout their stay
  - Safaris are also made by boat (mokoro) and 4x4 vehicles

In summary: this is a genuinely unique game-viewing experience at an

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Enhancing Sustainable Tourism in the Southern Red Sea Region of Egypt

ANNEX B TO THE DESTINATION MANAGEMENT PLAN: SURVEY OF TOURS, TOUR OPERATORS, LODGES, AIR SERVICES, AND KEY ISSUES RELATED TO THE EUROPEAN MARKET FOR ADVENTURE, CULTURE, AND SAFARI HOLIDAYS
<table>
<thead>
<tr>
<th>Resort Name</th>
<th>Location</th>
<th>Price Range</th>
<th>Highlights</th>
</tr>
</thead>
</table>
| Ongava Lodge                | Namibia  | US$342 – 382 per person per night | *Destination: Ongava Private Game Reserve (125 square miles) near to Etosha national park. Visitors are limited in number. Access by private aircraft or private car. Multi-lingual armed guides for all safaris.  
*Camp: 10 private chalets at Ongava Lodge. 5 private chalets at Tented Camp. Little Ongava offers 3 more suites with private pools and greater luxury.  
*Activities: Private guided safaris on foot and by vehicle. Access to areas not used by other tourists. Offers “unique African bush encounters”.  
In summary: a top-of-the-range, exclusive and small-scale lodge offering access to private game areas and intimate game-viewing experiences. |
In summary: the camp’s USP is its remoteness and its interaction with the nomadic Himba people, one of the only locations where this is possible. The camp’s exclusivity comes from these two factors; the antithesis of mass/mainstream tourism. |
| Azrou’n Crisaran Lodge      | Morocco  | €400 +VAT per night for 2 people, including dinner and breakfast | *Destination: Remote desert location in western Morocco. Situated between Merzouga dunes and Rani palm groves.  
*Camp: Berber luxury encampment at the foot of majestic sand-dunes of Sahara Desert.  
In summary: a top-of-the-range, exclusive and small-scale lodge offering access to private game areas and intimate game-viewing experiences. |
### Offers fusion of cultures
- Access by private aircraft available

#### Accommodation
- 16 luxurious Suite Jaima (the traditional dwelling of the desert nomads)
- Elegantly decorated, each Jaima has a living room/bedroom, bathroom and fireplace
- Lodge includes a Jaima Salon and a large Jaima Restaurant
- Meals reflect ancient and traditional Berber and Arabian specialities
- Traditional hammam, lake pool, and massage facilities

#### Activities
- Visits to typical markets
- Excursions following the caravan routes through the dunes and oasis
- Car hire with a chauffeur-guide visiting nomad and Berber villages, palm groves and kasbahs
- Camel treks through the desert
- Excursions in quads
- Flights in ultra light aircraft
- Lunches or dinners in the dunes
- Attendance at Berber wedding celebrations
- Visits to historical surroundings around Azwou’n Crisaran
- Seeing sunrise and sunset at Merzuga Dunes
- Visits to fossil quarry and mines, where locals still work following traditional methods

### In summary
Remote destination whose surroundings offer peace and serenity, mixed with the beauty and majesty of the landscape. It combines a Saharan-type cultural (historical location, Mausoleum, kasbahs and palaces) and ecological visit (oasis, palm groves, thermal springs, sand dunes, lakes)

Source: Travel Research International

In summary, premium-priced lodges have to provide a unique or very special experience for the visitor. This does not mean that all the above features need to be satisfied, but some certainly are required, and our research suggests that a high degree of luxury and service are both essentials for almost all such premium lodges.

It follows from the above that a key element in the overall visitor experience at premium-priced locations is the notion of exclusivity. Tourists are unlikely to pay top prices for an experience that is open to very large numbers of people and thus becomes a "run of the mill" tourist destination. Some destinations covered in this research – notably Oman and Botswana – are generally regarded as exclusive countries to visit. In the views of the tour operators with whom we spoke during this assignment, Egypt does not fall into this category. The achievement of a premium-priced destination within Egypt will have to create a destination experience that satisfies the need for exclusivity and will have to convince tour operators of its ability to deliver such an experience that is currently seen as untypical of what the country offers to the mass market.
AIR SERVICE PATTERNS FROM EU MARKETS

GENERAL REMARKS

This section of the report summarises the pattern of air services from the European Union (EU) to each of the 12 destination countries covered in this research. These destination countries are considered in alphabetical order.

In each case, a brief description is given of the airports that are the main international gateways into the country, and of the pattern of air services from/to the EU including, where possible, an indication of frequency of service and of whether the principal airlines are scheduled or charter carriers.

SCHEDULED AIRLINES, CHARTER AIRLINES AND LOW COST CARRIERS

In considering the extent to which the destinations under consideration are served either by scheduled or charter airlines, it is important to recognise that the difference between the two concepts has become less marked over the past ten or so years. There are now several major airlines, such as the UK’s Britannia Airways or Germany’s LTU, that may have started life as holiday charter carriers but have evolved into operating scheduled flights and in some cases compete with mainstream scheduled carriers, although most of their business tends still to be derived from the holiday traveller.

The low cost carriers in Europe, of which the two leading airlines are Ryanair of Ireland and EasyJet of the UK, although there are many others, have as yet made little or no impact on air services to the destinations under consideration in this project. Almost all of the low cost carriers’ services operate within Europe. For example, of the 12 country destinations being considered here, Ryanair serves only Marrakech, Fes and Oudja in Morocco, the first two from Marseille, Frankfurt and London, and Oudja only from Marseille. EasyJet flies only to Istanbul, from London and from Basle/Mulhouse in France.

In the following commentary, where possible mention is made of the main carriers serving the principal destination airports although in some cases the range of services offered is too detailed to list (for example, to the main holiday airports of Morocco, Tunisia, Turkey and Egypt).

Botswana

Botswana has only one international airport, at Gaberone, the capital city. Other relatively major airports are located at Francistown, Maun, Kasane and Selebi-Phikwe, though none receives regular international flights.

There are no long-haul international air services to or from Botswana. Air Botswana, the national carrier, operates international services only to Harare, Johannesburg, and Victoria Falls (Livingstone) in Zambia. South African Airways flies to Gaberone from its home base.

Most traffic to and from Europe transits in Johannesburg and takes an onward connection to Botswana. In some cases, tours to Botswana can start in Zambia, at Livingstone/Victoria Falls, since that is one of the region’s biggest tourist attractions and many tours to and within Botswana...
also include a visit to the Falls. In the main, however, European leisure travellers will travel, usually on scheduled airlines, to South Africa and visit Botswana from there.

Of the holidays sampled to Botswana for this project, all use scheduled flights via gateways such as Johannesburg, Lusaka or Windhoek, although several exclude the international flights from their quote.

**Dubai**

There is just one airport in Dubai – Dubai International – which is also the operating base for the national airlines, Emirates.

Dubai has an open skies policy for air services. Any airline can serve the destination, and it is worth stressing that Dubai has been developed into the largest and most important international airport in the Arabian Gulf, partly on the back of Emirates having become a major international airline offering connecting to flights to many international origins and destinations. (It is, for example, common for Europeans to travel to Asia and the Pacific via Dubai on Emirates, which offers advantageous fares coupled with a reputation for a very high standard of on-board service.)

There are far too many flights between Europe and Dubai to list in this summary paper, but as an example, between London Heathrow and Dubai in September 2006 there are five daily flights in each direction operated by Emirates, two by British Airways, two by Royal Brunei, one by Virgin Atlantic, one by Biman Bangladesh Airlines and one by Eva Airlines. Between Frankfurt and Dubai in each direction there are two daily flights by Emirates and one by Lufthansa.

In short, air access to and from Dubai is extensive. Emirates flies to and from the following European cities direct (with varying frequencies): Glasgow, Manchester, Birmingham, London, Moscow, Paris, Hamburg, Düsseldorf, Frankfurt, Munich, Vienna, Zurich, Nice, Rome, Malta, Athens and Larnaca.

**Egypt**

Egypt has 22 civilian airports with paved runways. Of these, there are eight that are located mainly in tourist regions and which, to varying degrees, are used by flights bringing tourists from Europe. These are Abu Simbel (believed to be only rarely used for European tourist flights), Aswan, Cairo, Hurghada, Luxor, Marsa Alam, Sharm el Sheikh and Taba.

There are numerous flights serving most of these airports from Europe, and to attempt to list them all would be beyond the scope of this brief summary. In general, however, charter flights from Europe are extensively used by tour operators, especially to the coastal destinations of Hurghada, Sharm el Sheikh, Tab and Marsa Alam.

Scheduled flights to and from Europe are focused primarily on Cairo. The national airline, Egyptair, runs scheduled services at various frequencies to and from the following European cities: Oslo, Stockholm, Copenhagen, Moscow, Berlin, Düsseldorf, Frankfurt, Munich, Vienna, Budapest, Amsterdam, Brussels, Paris, Geneve, Zurich, Milan, Rome, Athens, Istanbul, Barcelona, Madrid and London. It also flies between Luxor and London, and between Hurghada and both Berlin and Geneva on a scheduled basis, in addition to operating charter flights to other Egyptian destinations from European points of origin.
Although there will always be exceptions, in general European leisure tourists to Cairo will tend to use scheduled flights, while those travelling to the coastal resorts of the Red Sea and Gulf of Aqaba will tend to use charter flights. In summary, there is a wealth of connections between Europe and Egypt for the European leisure traveller.

Of the holidays to Egypt sampled for this project, the dominant choice is to Cairo by scheduled airline, with Sharm el Sheikh the second most common choice, split evenly between scheduled and charter services; there is also one scheduled route used to Luxor.

Jordan

There are two main international airports in Jordan, at Amman, the capital city, and at Aqaba, although neither appears to have their own website.

Royal Jordanian Airlines, the country’s national carrier, operates an extensive network of air services to and from European cities, serving the following places with various frequencies: Stockholm, Copenhagen, Moscow, Amsterdam, London, Frankfurt, Munich, Vienna, Paris, Zurich, Geneva, Milan, Rome, Barcelona, Madrid, Istanbul and Athens.

Foreign airlines offering services to and from Europe include Aeroflot, Air France, Austrian Airlines, British Airways, KLM, Lufthansa, Turkish Airlines, Alitalia, Cyprus Airways, Air Romania, Olympic and Swiss International.

From the analysis of the tour operators’ offering out of Europe to Jordan, it seems that the majority of packages use scheduled flights and use Amman as the main gateway to the country. However, two Italian tour operators use charter flights to Aqaba.

Kenya

Kenya has two major international airports, at Nairobi the capital city and at Mombasa on the Indian Ocean coast.

Nairobi has regular scheduled air services from most major cities in Europe. Among the most important are London, Frankfurt, and Amsterdam. In addition to the services of Europe’s main national airlines, Kenya Airways flies 10 times a week between Nairobi and London, 14 times a week (in a code-share with KLM) to and from Amsterdam, and twice a week to and from Istanbul via Cairo. The great majority of air services between Nairobi and Europe are scheduled services, and these scheduled services are extensively used by tourists who start safari holidays in Kenya from Nairobi, where many ground tour operators have their bases.

Mombasa airport is very different, since the airport has focused on serving the Kenya coast as a holiday destination. Most holidaymakers going to the coast are from Europe, and an extensive network of holiday/charter flights has developed to serve this trade (see comments in the introduction regarding the closeness between the concept of scheduled and charter airlines in Europe).

Currently, and in addition to Kenya Airways’ services to and from Mombasa, the following European airlines serve Mombasa airport:

- African Safari Airways
- Monarch
- LTU
- Air Europe
- Corsair
- Edelweiss
- Britannia Airways
- Condor
- Air Holland
- Eurofly
- Volare
- SN Brussels
- Austrian Airlines
- Sobel Airways
- British Airways
- Malev
Schedules for these airlines will vary according to season. The airports of origin in Europe are a mixture of the main city airports such as London, Zurich and Amsterdam, and a wide range of other regional airports within Europe that either specialise in holiday flights or act as secondary or tertiary airports within Europe’s national airport networks.

For the holidays sampled in this project, the dominant choice offered is by scheduled flight to Nairobi, with just three holidays offering charter flights to Mombasa.

**Morocco**

Morocco has 18 civil airports with paved runways, and several international gateway airports, at Agadir, Casablanca, Fes, Marrakech, Ouarzazate, Oudja, Rabat and Tangier.

Air services to and from Europe to Morocco are extensive. Most flights use either Agadir, Casablanca or Tangier, which are the three main international gateways to the country. However, there are also many flights to other Moroccan destinations, such as Fes, Marrakech and Oudja. There is also a wide mix of scheduled and charter services between Europe and Morocco, depending on the nature of the package tour on offer. To generalise, charter flights tend to serve the higher-density destinations, often those such as Agadir where the main product is a beach-based one. For adventure and safari trips, the tours sampled in this project had a broadly even distribution of services between Marrakech and Casablanca, with two examples also going to Ouarzazate.

Many European carriers serve the country, such as British Airways, Lufthansa, KLM, Air France, Alitalia and Swiss International; also, Ryanair serves Marrakech, Oudja and Fes, one of the few examples of Europe’s low cost carriers going to any destination covered in this project.


There is thus a comprehensive network of air services between Morocco and Europe, the principal exception being the absence of any direct connections between Scandinavian countries and Morocco by scheduled air services, since neither Royal Air Maroc nor SAS have services between these countries.

**Namibia**

Namibia has only one international airport – at Windhoek, the capital city. Airlines serving Windhoek to and from Europe are Air Namibia, LTU, and British Airways (but only indirectly via Comair which is based in South Africa where British Airways’ passengers have to change planes). Windhoek is also served by South African Airways, SA Express, and TAAG (Angola) on a regional basis.

Air Namibia offers the main network of direct services to and from Europe, and flies to London Gatwick three times a week and to Frankfurt four times a week. LTU serves Windhoek once a week from Frankfurt. There are no other regular connections between European origins and Namibia.
Tourists visiting Namibia will mainly use Air Namibia’s services through London or Frankfurt which together offer 7 flights a week. No information could be found on the national websites regarding charter services from Europe, but it is likely that these are very rare since visitor volumes to the country from Europe are relatively small.

Among the holiday packages sampled in the project, all offer services to Windhoek only, the majority by scheduled, direct services with a few via Johannesburg, also by scheduled services where specified.

**Oman**

Oman has two designated civil airports with paved runways – Seeb Airport at Muscat, the capital city, and Salalah Airport in the south west of the country.

Only Muscat receives scheduled international services from Europe. Muscat is connected to Europe regularly by four airlines. The national airline, Gulf Air, operates a daily flight to and from London Heathrow via Abu Dhabi, while British Airways also offers a daily flight in each direction to and from Heathrow. Lufthansa connects Muscat with Frankfurt five times a week in both directions, and Swiss International Airlines offers five weekly services to and from Zurich.

There are no other regular scheduled connections with Europe. However, there are many daily flights linking Muscat with other states in the Arabian Gulf, and these flights offer the possibility of transit arrangements with many airports in Europe – via Dubai, Abu Dhabi, Doha and Bahrain for example. It is highly likely that some of these airports and indirect flight options are used by European tour operators when selling packages in Oman.

Also, Salalah Airport is served regularly by Gulf Air, also offering transit possibilities, although usually it is Muscat that is used as the arrival point for most tourists from Europe.

No information is available on airport websites as to the use of charter flights to and from Oman, except that Salalah Airport stresses that it offers facilities for charter as well as scheduled services. We believe that, for tourists from Europe, the great majority will be using scheduled air services. Among the sample of packages used in this project, all flights offered are scheduled services, either direct from European origins to Muscat or via an intermediate point in the Gulf, such as Dubai, Bahrain or, most commonly, Doha.

**South Africa**

As one of the leading economies and countries in the African continent, South Africa attracts a wide variety of direct air services to and from Europe.

South Africa has three designated international airports – Johannesburg, Cape Town and Durban. Durban, however, has no direct services to and from Europe, with passengers having to transit at either Cape Town or (more usually) at Johannesburg.

Johannesburg is by far the most important of these in air services terms, and functions as a hub airport not just for other destinations within the country, but also for adjacent countries such as Namibia and Botswana.

Direct services to and from Europe comprise the following:

<table>
<thead>
<tr>
<th>Airline</th>
<th>Destination</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air France</td>
<td>Paris</td>
<td>3 times a week</td>
</tr>
</tbody>
</table>
South African Airways (SAA)  Paris  7 times a week
British Airways  London  7 times a week
Virgin  London  7 times a week
SAA with British Midland  London  7 times a week
Swissair with SAA  Zurich  3 times a week
SAA with Lufthansa  Frankfurt  7 times a week
Olympic Airways  Athens  3 times a week
TAP Portuguese  Lisbon  4 times a week
Nationwide  London  3 times a week
KLM  Amsterdam  7 times a week
Iberia  Madrid  6 times a week

The other major international airport is Cape Town, which also has several direct services to and from Europe, namely:

SAA with Lufthansa  Frankfurt  7 times a week
LTU  Munich  1 a week
British Airways  London  7 times a week
KLM  Amsterdam  5 times a week

Qatar Airways also serves both Johannesburg and Cape Town three times a week (the flight calls at Johannesburg to and from Cape Town). This service, which flies to and from Doha, offers transit options for Europeans at Doha and presents an alternative to the various direct flights that link Europe and South Africa.

Among the sample of packages to South Africa used in this project, the dominant route used is to Johannesburg via scheduled services, with a minority using scheduled services to Cape Town; some packages use one gateway as the point of arrival and the other as the departure point.

Tanzania

Tanzania has three designated international airports – Dar es Salaam (the capital city), Kilimanjaro) located adjacent to the border with Kenya and near the towns of Arusha and Moshi (and sometimes referred to as Moshi Airport), and Zanzibar.

No direct scheduled services operate to or from Zanzibar to Europe. Tourists visiting the island will tend to travel by sea or by short internal flight to and from Dar es Salaam.

Dar es Salaam airport is served from Europe mainly by scheduled flights. Swiss International Airlines flies three times a week to and from Zurich, KLM flies also three times a week to and from Amsterdam, and British Airways flies twice a week to and from London. These are the only
regular scheduled services to Europe, although Qatar Airways, Gulf Air and Emirates all link Dar es Salaam with the Middle East and offer transit facilities at points such as Dubai, Muscat and Bahrain to and from Europe. These Middle Eastern services are used by some tour operators selling Tanzania as a destination within Europe.

Kilimanjaro Airport is served from Europe only by KLM which now flies daily to and from Amsterdam. Many tour operators from countries such as Germany and Italy use this service for their packages to the game parks of Tanzania such as Lake Manyara, Tarangire, Ngorongoro and the Serengeti, as well as for tours in the Mount Kilimanjaro region. Condor also flies to Kilimanjaro on a weekly basis to and from Frankfurt.

Among the packages sampled for this project, the most common access point is Kilimanjaro airport, using either the direct service of KLM from Amsterdam (the only European scheduled service to this airport), or via intermediate points such as Addis Ababa; there are two flights offered to Dar es Salaam, both scheduled, and one charter flight is quoted direct to Zanzibar.

Tunisia

There are eight civil airports in Tunisia with paved runways and customs facilities. The central hub of the national airline, Tunisair, is at the capital, Tunis, which is the country’s principal international gateway. However, there are also airports at a number of coastal and inland tourism destinations that are frequently used by European leisure travellers and especially by charter flights. These are located at Djerba, Gafsa, Monastir, Sfax, Tabarka and Tozeur. The coastal resorts of Djerba, Monastir and Sfax are common destinations for European holiday flights, especially charter flights.


Reciprocally, many European scheduled airlines serve the country, primarily on routes to Tunis, in addition to the extensive use which is made of charter flights by many of Europe's leading holiday companies, tour operators and leisure airlines.

Of the twelve destination countries covered by this project, Tunisia has among the most comprehensive network of direct air services with Europe. Holiday travellers have a wide variety of air transport options from which to choose. Of the adventure/safari holidays sampled in this project, there is a broadly even spread of flights used, with three holidays using scheduled services to Tunis, two using flights to Monastir (one scheduled, one charter), two using charter flights to Djerba and one using a scheduled service to Tozeur.

Turkey

Turkey has least 50 civil airports with paved runways, but only eight of these have customs facilities and can therefore be regarded as international in status. These are located at Adana, Ankara, Antalya, Dalaman, Istanbul, Izmir, Mugla and Trabzon.

Turkey is served extensively by all the major airlines of Europe, and flight details are beyond the scope of this short summary to include. As an indication, however, the national airline, Turkish Airlines, serves the following European cities with varying degrees of frequency: Amsterdam,

Holiday flights from Europe are dominated by direct access to the south-western Turkish coast where the volume holiday business is concentrated. The principal airports used for this region are Antalya, Dalaman and Izmir. However, the types of holiday being covered in this project differ somewhat from this market. Istanbul is the country’s other important gateway, given the considerable cultural and historical attractions of the city in its own right. Because Turkey is within a relatively short flying time from all parts of Europe (rarely above 3½ hours), Istanbul attracts a lot of short break/long-weekend visitors not necessarily on their main holiday of the year.

Among the packages sampled for this project, there is a spread of flights offered, with four scheduled services and two charter flights going to either Istanbul or Ankara, and one charter each to Dalaman and Antalya. However, we emphasise that the types of holiday we have profiled are minority tastes in the context of Turkey’s core tourism product – the coast-based sun and sea product, for which a very wide variety of charter services typically are used by Europe’s tour operators.
INVENTORY OF POTENTIAL EUROPEAN PARTNERS

This section of the research was required to compile an inventory of companies across the key European origin markets that might be potential partners for Egypt’s adventure/safari operators in the southern Red Sea region. Some 73 companies have been profiled across nine different European countries – Austria, Belgium, France, Germany, Italy, Netherlands, Spain, Switzerland and the UK. They include both mainstream operators and specialist companies which focus on adventure tours, cultural tours, safaris, deserts and mountain tours, walking and trekking holidays and so on. The specialists include both soft-adventure operators and some who take their specialism very seriously. Some of the companies are Egypt specialists while others operate tours to almost every tourism destination in the world. They include all grades from basic mid-market to top-of-the-range operators. In some cases profiled companies may not currently include Egypt in their offer, but it may also be that the new development provides a dimension to tourism in Egypt to which these tour operators may well respond, and for that reason they have been included in these profiles. Details of each company are provided in Annex 3.

Table 21 summarizes the size, type and interest of each of these companies. It must be emphasized that this data has, apart from through our own knowledge of some companies, been drawn from company websites which are frequently geared only to the consumer. This data, therefore, must be treated with caution - for example, the sustainability credentials as listed in the table below are from what is apparent on the website and they may not, therefore, reveal the full picture.

<table>
<thead>
<tr>
<th>Company</th>
<th>Destinations</th>
<th>Grade</th>
<th>Sustainability</th>
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<td>Cultural tours</td>
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<td>Culture Classical</td>
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<td>Adeo Voyages</td>
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<td>Adventure Culture</td>
<td>x</td>
</tr>
<tr>
<td>Allibert</td>
<td>80-90</td>
<td>Mountains Deserts</td>
<td>x</td>
</tr>
<tr>
<td>Atalante</td>
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<td>Akaoka</td>
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<td>Company</td>
<td>Range</td>
<td>Region</td>
<td>Study Tours</td>
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<tr>
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<tr>
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<td>x</td>
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<td>20-30</td>
<td>Med &amp; Red Sea</td>
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<tr>
<td>a + e reiseteam</td>
<td>50-60</td>
<td>Cultural and nature tours</td>
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<td>Also cultural tours under Dr Tigges brand</td>
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<td>Specialised trekking tour operator</td>
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<td>Lernidee Erlebnisreisen GmbH</td>
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<td>Specialised exploration tours</td>
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<td>Wikinger Reisen GmbH</td>
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<td>Specialised cultural and walking</td>
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<tr>
<td>TUI Aktiengesellschaft</td>
<td>100+</td>
<td>Study, city and individual tours</td>
<td>x</td>
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<tr>
<td>REWE Touristik GmbH</td>
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<td></td>
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<tr>
<td>Thomas Cook AG</td>
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<td>Alltours Flugreisen GmbH</td>
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<td>Helios Reisen GmbH</td>
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<td>x</td>
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<tr>
<td>FTI Frosch Touristik GmbH</td>
<td>60-70</td>
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<td>Aleramo Viaggi</td>
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<tr>
<td>Abercrombie and Kent Ltd</td>
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</table>
### Survey of Tours, Tour Operators, Lodges, Air Services, and Key Issues Related to the European Market for Adventure, Culture, and Safari Holidays

<table>
<thead>
<tr>
<th>Tour Operator</th>
<th>Price Range</th>
<th>Services Offered</th>
<th>Key Issues</th>
<th>European Market Access</th>
</tr>
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<tbody>
<tr>
<td>Acacia Africa</td>
<td>10-20</td>
<td>Adventure, Overland, Diving</td>
<td>x</td>
<td>No</td>
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<td>Audley Travel</td>
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<td>Bales Worldwide</td>
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<td>Cox &amp; Kings Travel Ltd.</td>
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<td>x</td>
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<td>Discover Egypt</td>
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<td>Exodus Travels Ltd.</td>
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<td>Guerba World Travel Ltd.</td>
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<td>Overland, Adventure</td>
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<td>Kuoni UK</td>
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<td>Martin Randall Travel Ltd.</td>
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<td>Culture</td>
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<td>on the go tours</td>
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<td>Culture, Adventure, Overland</td>
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<td>Peltours Ltd.</td>
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<td>Egypt</td>
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<td>Saga Holidays Ltd.</td>
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<td>Somak Holidays</td>
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<td>The Adventure Company</td>
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<td>Voyages Jules Verne</td>
<td>80-90</td>
<td>x</td>
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</tbody>
</table>

Source: Travel Research International
QUESTIONNAIRE SURVEY

Telephone interviews have been conducted with 20 companies in eight European markets (Austria, Finland, France, Germany, Italy, Netherlands, Spain and the UK). Respondents were asked to discuss a range of topics, as set out in a questionnaire (with subjects specified by PA Consulting), in order to (a) ascertain their views on the key characteristics in, and success factors of, the 12 destinations, particularly in relation to features relevant to future adventure/safari tours in the SRSG; (b) provide a profile of consumer behaviour for these markets; and (c) ascertain the price structures of the packages they are offering. Details of each of the individual interview results are contained in Annex 4.

RESPONDENTS

The 20 companies who showed interest in the project and who agreed to share their views were:

Allibert, France
Atalante, France
Bales Worldwide, UK
Bedu Reisen, Germany
Deserts, France
Discover Egypt, UK
Djoser BV, Netherlands
Escape, Belgium
Exodus Travels, UK
Gebecco and Dr Tigges, Germany
I Viaggi del Ventaglio, Italy
KEL 12, Italy
Nuove Esperienze, Italy
Oy Aurinkomatkat, Finland
REWE Touristik, Austria
Royal Vacaciones, Spain
Ruefa Reisen, Austria
Studiosus Reisen, Germany
The Adventure Company, UK
Wiking Reisen Germany

In summary, all companies organized tours to Egypt and the majority offered a wide spread of destinations in their portfolios. Jordan, Morocco and Tunisia were the most regularly featured (by at least three quarters of the companies), and all destinations were featured by twelve or more companies. The one exception was Dubai which was included by only half of the companies, largely as a result of the fact that these companies had an adventure/safari/cultural focus and the emirate does not, as a result, generally appeal to the type of customer attracted to this sort of holiday.

The respondents’ responsibilities within their companies spread a range of areas of interest. They included the owners/managing directors/founders of specialist companies, people whose focus was on sustainability and environmental issues, and others who had a regional focus of Egypt, North Africa and the Middle East and/or sub-Saharan Africa.

The following sections set out the headline questions and the interviewees’ responses.

DESTINATION CHARACTERISTICS

Top Activities

B1 For each destination that you serve, which are the top 3 activities (e.g. hiking, game watching, riding, 4x4 tours etc)?

Since the companies selected for interview were those with an adventure/cultural/safari bias to their tours, it is not surprising that a wide range of active pursuits were described by the
respondents. These were not “activity” holidays per se, but for the majority it appears that clients were “on the move” for most of their holiday, whether by foot, minibus, 4x4, camel, horse, bicycle or a variety of other means. The activities in the Middle East/North Africa broadly concentrated on the natural environment of desert, mountain, and cultural sightseeing tours. In sub-Saharan Africa the primary focus was on game viewing although the natural and cultural environment were also important draw-cards.

Table 22 summarizes the main activities outlined for each destination.

Table 22 Most Popular Activities by Destination

<table>
<thead>
<tr>
<th>Destination</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>Hiking/walking/trekking, 4x4 tours into mountains and Sahara, mountain bike</td>
</tr>
<tr>
<td></td>
<td>cycling, sightseeing iconic cities, camel riding, cultural tours, camping</td>
</tr>
<tr>
<td>Tunisia</td>
<td>Hiking/walking/trekking, 4x4 in desert, mountain and sand cycling, sightseeing</td>
</tr>
<tr>
<td></td>
<td>and cultural tours, camel riding, camping</td>
</tr>
<tr>
<td>Jordan</td>
<td>Sightseeing of cultural sites, hiking/walking/trekking, 4x4 desert trips, hotel</td>
</tr>
<tr>
<td></td>
<td>stays + excursions, beach</td>
</tr>
<tr>
<td>Turkey</td>
<td>Sightseeing of cultural sites, hiking/walking/trekking, cycling, boating, special</td>
</tr>
<tr>
<td></td>
<td>interest tours in East, beach</td>
</tr>
<tr>
<td>Oman</td>
<td>4x4 tours, hiking/walking/trekking in desert and mountains, beach, cultural and</td>
</tr>
<tr>
<td></td>
<td>scenic tours, hotel stays + excursions, camel safari</td>
</tr>
<tr>
<td>Dubai</td>
<td>Beach, shopping, 4x4 desert tours, dune skiing</td>
</tr>
<tr>
<td>Kenya</td>
<td>Game safari, bird watching, coast, hiking/walking/trekking, climbing, cycling,</td>
</tr>
<tr>
<td></td>
<td>flight tour, cultural tours</td>
</tr>
<tr>
<td>South Africa</td>
<td>Game safari, sightseeing, hiking/walking/trekking, touring, biking</td>
</tr>
<tr>
<td>Namibia</td>
<td>Game safari, desert tours, hiking/walking/trekking, cultural and heritage tours, flight tour</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Game safari, hiking/walking/trekking (Mt. Kilimanjaro), cultural tour</td>
</tr>
<tr>
<td>Botswana</td>
<td>Game safari, hiking/walking/trekking, flight tour, cultural tour, bird watching</td>
</tr>
<tr>
<td>Egypt</td>
<td>Classical sightseeing, hiking/walking/trekking in desert, Nile cruises, felucca</td>
</tr>
<tr>
<td></td>
<td>trips, beach, camel riding, diving, desert tours</td>
</tr>
</tbody>
</table>

Source: Travel Research International

Community-based Attractions/Cultural Experiences

B2 For each destination you serve, which are the most popular community-based attractions/cultural experiences?

Some 60-70% of the respondents to this question noted that what their clients were looking for were natural encounters with the local population rather than organized activities which they regarded as too touristic. This is not to say that cultural experiences were not important; indeed for many of the trips they were its essence. But what clients appreciated was authentic encounters such as going to remote villages, meeting local tribes, discovering un-planned-for local events, visiting festivals put on for local people, enjoying the natural and unspoiled environment etc. For these groups, traveling with local guides who were able to tell them about local life and mixing with support teams was the true authentic experience; small groups traveling with camel drivers, muleteers, cooks etc was regarded as the genuine article.
Under five of the more mainstream operators mentioned organized cultural trips and only two out of the 20 respondents specifically referred to organized entertainments – for the adventure specialists whose clients headed for the mountains or the desert, this was anathema and counter to the style of trip they were looking for.

The mainstream operators did organize more traditional tourist cultural exchanges and mention was made of visits to a papyrus factory, performances by Nubian dancers, Masai cultural performances and so on. It is also worth mentioning that some of the operators supported local charities or schools, for example, and clients were generally interested to visit – and often support these.

**Comfort and Quality**

**B3** *What broad levels of comfort/quality do your clients expect in hotels and campsites in the main destinations served, e.g. lodging, food service, hygiene?*

Reactions to queries regarding hotel and campsite quality fell broadly into two groups – from the more mainstream operators on the one hand and from soft adventure specialists and the organizers of truly hardy expeditions on the other. Nevertheless, unsurprisingly, all stated that at whatever grade, standards of hygiene, cleanliness and quality were of crucial importance and that their companies monitored these aspects carefully. In this respect, several voiced concern over general standards in Egypt.

The mainstream operators all used hotels or camps which ranged from mid-range 3-star to ultra deluxe, and even within the same company different grades may be offered. Generally these operators tended to go for international style hotels. Clients chose these operators on their reputation and expected accommodation, of whatever grade, to be up to their declared standards.

Among the adventure tour operators there was greater variation although among all it was emphasized that the trip experience was paramount and therefore they were not “selling” on accommodation; clients came to them because they offered a certain type of holiday, with an element of exploration, and if they were visiting virgin territory there were no expectations of comfort. Most operators favored accommodation that provided a local flavor, be it in small local hotels, lodges, camps, village rooms or home stays. Lodges and hotels, and even camps, could be relatively luxurious but in most cases individuality was stressed as very important. In general, this was more likely to be available in sub-Saharan Africa and a significant number of operators noted the dearth of small, local characterful hotels that could be used in Egypt. One company even made mention of trying to avoid hotels altogether and move clients immediately into the desert.

For those going on trips into the desert or mountains, there was great variety in the type of camps that were used. In North Africa and the Middle East these camps were generally non-permanent. Some camps were relatively comfortable, erected before the clients arrived and involved a full support team of cooks etc, whereas others were very participative where clients erected their own tents – often just bivouacs – helped with the preparation of food, maybe had very little washing water, and so on. The experience of camping in remote areas was the essence of the holiday and many mentioned sleeping under the stars as a popular option. Food was frequently simple and, again, the focus was on local produce and the policy of getting away from the pizza and pasta option – although some operators from southern European countries mentioned that the availability of their own style of food was of more importance and that its absence could generate complaints.
It is worth mentioning that some operators noted that they sometimes offered almost the same tour with a choice of two levels of comfort, from very basic camps on the one hand to tours providing considerably more comfortable conditions on the other. As another example, the UK's The Adventure Company which operates generic adventure tours, also has a special brochure featuring more luxurious holidays, generally for older clients.

**Tour Guides**

**B4 What type of guide do you use (local, foreign, language abilities, formal qualifications, company staff members)?**

Respondents were unanimous in regarding good quality guides as very important – although several mentioned that to find them was not easy. Different aspects were emphasized by different interviewees, but all indicated that the tour guide was a crucial element in the success of a trip. The majority of companies use local guides, some as staff members and others not, while a few companies, notably for the German study group tours or Italian groups requiring an Italian speaker, bring in their own specialists. Some emphasized that it was important to have a local guide since this added to the “local feel” of a tour.

All stressed how important it was for guides to be able to speak the language of the group, and in almost all cases this was achieved – English, French, German and Italian were mentioned. However, this was more difficult in some destinations than others and in sub-Saharan Africa and Egypt, for example, it was not always easy to find the appropriate language in a local guide and an English-speaker might be used. The representative of Oy Aurinkomatkat from Finland noted that Finnish guides had to be employed since there were few Finnish speakers.

Formal qualifications are generally regarded as of less importance than experience, the ability to deal with people, and local knowledge. This latter may be a general knowledge of the country itself, or more specialized knowledge of the desert or mountain regions of the tour. In terms of people management, many of the companies provided training for their guides and sent out representatives to help with this and to monitor them. Frequently countries, by law, require local guides to be used at tourist sites and for many companies it is these licensed guides that provide specialist knowledge, such as Egyptologists at Egypt's classical sites. Clearly, in the game parks in Africa, local knowledge is essential. Nonetheless, for some specialist trips, such as the German studienreise, great store is placed on German or German-speaking lecturers and specialized guides and Studiosus, for example, has its own quality management system that is used to train, licence and oversee all its tour leaders.

**National Parks and Protected Areas**

**B5 What characteristics/ standards do your clients expect of National Parks and protected areas (e.g. literature available, signposted trails, environmental standards)?**

What tour groups expect of protected areas and/or National Parks to a large degree depends on the type of adventure tour being undertaken: the more adventurous the tour, the less is expected – or even wanted – in terms of sophisticated or organized infrastructure. Tourists going trekking or climbing in remote deserts or mountains do not look for signposted trails or visitor centers since being “away-from-it all” is the essence of their holiday. It is important, however, that they encounter no signs of other tourists either in terms of previous encampments or in meeting other groups, nor, of course, do they want to see any signs of degradation. (In this connection, mention was made of Egypt’s White Desert where rubbish clearance is reported to be poor.)
Since the true adventure tourist is generally of a particular type, clients were reported to be especially environmentally-aware and sensitive to not despoiling their surroundings. Indeed, mention was made of tourists complaining to their operator of local helpers burying rubbish rather than carrying it home. They also tend to be particularly enquiring about environmental standards on a trek, such as the use of wood-burning stoves or rubbish disposal.

In short, for this type of tourist, high environmental standards are expected, but a developed physical infrastructure is not.

In formal National Parks or conservation areas such as in southern Africa or Jordan, reasonable standards of park care, such as in terms of litter and rubbish disposal systems, and animal protection are expected but, again, nothing too sophisticated in physical infrastructure. The soft-adventure tourist, and from our respondents this appeared particularly to apply to the southern European nations, welcomed more facilities. Some clients were reported to appreciate American-style facilities, such as visitor centers and information centers but this was not mentioned frequently and appeared to be not particularly relevant for the destinations covered. Guides, it was felt, replaced the need for signposted trails.

Most of the tour operators provided clients with literature which included information on respecting the destination, the wildlife, and include tips on what to do/what not to do. Some briefed their clients before a trip. Generally, interpretation was welcomed.

**Destination Images (I)**

B6 How would you describe the image of the destinations you offer in terms of security, health, service quality, prices and basic infrastructure?

Several respondents stated their concerns over the often incorrect or inflated publicity that was put out on television, radio and newspapers which colored their clients’ views and which they had to work to correct. Nevertheless several interviewees noted that the better educated clients who seek these types of holidays tend to be relatively well-informed and know what to expect of a destination. However, some tour operators noted that less-experienced clients need to be “educated” that standards of health and security may not be as high as at home. At the same time, it was noted that clients tend to be more resilient than they were ten years’ ago, particularly in the case of security issues.

Generally the main concerns expressed related to security issues in the Middle East and in relation to Muslim countries, and health concerns – and particularly malaria – in black Africa.

The main points made in relation to each destination were as follows;

- **Botswana** is broadly well regarded from the point of view of service standards, with security rated better than Kenya and Tanzania, and is also regarded as relatively expensive;

- **Dubai** is generally rated as a very high quality, secure and expensive destination where health issues are not a concern;

- There were varying views on **Egypt** – some tour operators say their clients are concerned by health and security issues whereas others rate these as satisfactory; hotel standards are generally good but there is concern over food hygiene. Generally it is regarded as good value for money;
Prior to recent events, Jordan had a good cultural image but in the light of these security issues it is now a major concern;

Health (particularly malaria) and security are of general concern for Kenya.

On security and health concerns, Morocco is generally well regarded;

Views on Namibia are somewhat varied but broadly there are no major concerns on health and security; generally regarded as one of the safer destinations in Africa;

Oman offers a particularly stable image as a Muslim destination. One tour operator noted that they were moving their tours there to replace Yemen;

For South Africa there are some concerns about security and high crime rates, but it is generally regarded as better developed than most other African countries;

There are health worries about Tanzania and security concerns are also mentioned quite frequently;

Tunisia’s security image is recovering and the destination is widely regarded as cheap;

Security concerns do exist for Turkey due to Kurdish rebels but none of our respondents mentioned health worries;

Destination Images (2)

B7 How would you describe the brand image of your main destinations in terms of recognition in your market, quality and the type of tourism that your clients expect (e.g. mass tourism, exclusivity etc)?

Generally clients for adventure/cultural/safari holidays are not overly influenced by the image of a destination because they are not seeking the mass-market element – primarily the sun and sand product – of the destination concerned. Thus, for example, while Tunisia may have a mass market image as a result of the large numbers who go to the coast, for the adventure tourist who is going into the Tunisian desert, it is irrelevant that Tunisia presents this image. While many of the adventure/cultural/safari clients do want to visit important sites like Petra, they probably may not want to visit Aqaba to be among the mass market.

Nevertheless the image of the destinations included in this research offered a range of characteristics. In summary, sub-Saharan Africa had a strong image for wildlife and game safaris, while Egypt, Jordan and to a lesser-degree Turkey, had a strong image for cultural attractions. Although price played its part in affecting the image, other aspects were part of the equation and price was not dominant. Some points which emerged included:

- North Africa, Egypt and the Middle East are not as high on people’s “wish lists” and do not have as exciting an image as sub-Saharan Africa largely because of the large charter market - which tends to damage a destination’s reputation or at least its exclusive image;
- This is also now the case with East Africa.
- Southern Africa is regarded as much more exclusive;
- Oman is generally regarded as an exclusive and somewhat exciting and mysterious destination; it is also new and unknown;
• **Dubai** is regarded as up-market and expensive, but also mass-market; it is generally not of interest to the adventure/safari/cultural tourist;

• **Botswana**, and to a slightly lesser extent **Namibia**, are also regarded as exclusive and up-market;

• **Egypt**’s image has two distinct facets – the Nile has a good image offering unsurpassed cultural attractions while the Red Sea is viewed as a mass-market destination; dive tours on the Red Sea were well-regarded; one tour operator remarked that because Egypt is regarded as a cheap destination, it is difficult to sell up-market tours there;

• **Turkey**’s image is generally mass-market although one tour operator noted that the cultural side is strengthening; another noted a sharp decline in image with over-development, pollution problems, and an influx of low-spending tourists;

• **Morocco**’s recent popularity has made it a more mainstream destination and its image has declined; it does, however, still hold an exotic appeal;

• **Tunisia** is generally regarded as a mass-market, cheap destination.

**Success Factors**

*B8 What are the two main success factors in each of your main destinations?*

Clearly, there were no definitive answers here since almost all respondents stressed that the success of any destination was a combination of factors. Table 22 below gives some indication of the relative importance identified by the interviewees, but it must be stressed that these findings are indicative only and must be treated with caution.

A combination of natural features (such as desert, mountains, bush or beach) and a cultural appeal (either of the local cultural ambience of a given destination or actual sites of interest) were the prime draw cards identified. Iconic sites such as Petra or Muscat or Victoria Falls or Mount Kilimanjaro, added to the appeal, even for holidays based on away-from-it-all activities such as trekking or game viewing. However, price was frequently mentioned as a key item in the equation, and this was particularly apparent for some of the Middle East/North African destinations. Price was regularly coupled with proximity, which not only kept travel costs down through smaller distances and greater flight frequency, but it also affected the fact that people were prepared to travel smaller distances for shorter holidays. For northern origin markets, climate was frequently mentioned as an attraction.

It is worth mentioning that image also plays its part. Oman, for example, was cited as particularly interesting because it is new on the tourism map and because it is regarded as an up-market destination. Equally, Botswana is regarded as exclusive and part of its attractions is its quality image. Table 23 summarizes success factors cited.

**Table 23 Most Frequently Cited Success Factors by Order of Importance**

<table>
<thead>
<tr>
<th>Destination</th>
<th>Natural</th>
<th>Culture</th>
<th>Price</th>
<th>Proximity</th>
<th>Climate</th>
<th>Other Features</th>
</tr>
</thead>
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<td>3</td>
<td>4</td>
<td>5</td>
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<td>5</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Jordan</td>
<td>2</td>
<td>1</td>
<td>=3</td>
<td>=3</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>
### Egypt and the Southern Red Sea Coast

#### Southern Red Sea Potential

**C1 How interested would you be in selling a national park area in the Southern Red Sea Coast area (a) as an extension to a coastal holiday or Nile cruise and (b) as a self-contained destination?**

90% of respondents expressed interest or strong interest in learning more about the proposed area, although many also stated that it would be unlikely to act as a stand-alone destination. The majority felt that the area would most probably be offered as an extension to existing holidays in the country. On the other hand, two respondents stated that they would only use this area on a self-contained basis.

Generally, there was caution expressed about the area’s potential on the grounds that tour operators would need to know much more detail about the infrastructure, accommodation, features and facilities that the area would contain.

Other comments made included:

- there is wide general interest among tour operators for anything new but, at the same time, any new destination such as this would have to add value to existing tour itineraries;
- there is a general consensus that this area should be kept as a low-volume, high-quality specialist destination aimed at the upper end of the market and untainted by the price-driven resorts on the coast;
- many respondents said that their actual reaction to the area would depend on the quality and nature of the infrastructure;
- tourists seeking desert experiences generally want to find un-crowded and natural areas, hence accommodation should be kept at low density;
- some tour operators said that the area might be difficult to sell and that good information about its attractions and points of special interest would be needed in order to inform their client base.

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<table>
<thead>
<tr>
<th>Destination</th>
<th>Natural</th>
<th>Culture</th>
<th>Price</th>
<th>Proximity</th>
<th>Climate</th>
<th>Other Features</th>
</tr>
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</tr>
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<td>-</td>
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<td>=2</td>
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<td>-</td>
<td>-</td>
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<tr>
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<td>1</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td><strong>Egypt</strong></td>
<td><strong>3</strong></td>
<td><strong>1</strong></td>
<td><strong>2</strong></td>
<td><strong>4</strong></td>
<td><strong>5</strong></td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup>New destination and exclusive; <sup>b</sup>Safe destination in Africa; <sup>c</sup>Efficient destination with European influence (German respondents); <sup>d</sup>Exclusive

Source: Travel Research International
Tour Routings

C2 What tour routings would you use for this area (e.g., via the Nile Valley, Red Sea coastal resorts?)

The routings that tour operators say that they would use reflect their current offer. The highest number said that they would bring tourists from the Nile Valley, some said they would use the Red Sea resorts as an origin, and a few mentioned Sinai and also the western desert as possible origin points.

Where gateways were mentioned by respondents, Marsa Alam was the most often quoted.

Other points included:
- access could be from Luxor;
- access could be from Aswan, but will there be a suitable road connection?

Length of Stay

C3 What would be the optimal length of stay for a package tour to this area?

80% of respondents answered this question with a proposed number of days. While the answers varied from a day excursion to as long as 8-10 days, the most common answer suggested a length of stay in the area around 2-3 days.

It was noticeable that most tour operators would require more details of what attractions, facilities and access the area would offer before committing themselves further, but that in general, they saw the area as offering the opportunity for a short extension to existing tours.

Consumer Profiles

Client Characteristics

D1 What are the broad demographic and socio-economic characteristics of your clients for this type of adventure/activity/safari holiday (e.g., families, couples, young, middle aged, over 50s, income levels, typical employment characteristics etc.)?

The most typical client group quoted were those around middle age and older (say, 40 years of age and upwards), well-educated, above average incomes and experienced travellers. However, there were also wide variations around this typical tourist.

For companies that are specialists, this profile was more typical than not, but at the same time a number of desert and/or walking specialists said that they attracted a wide range of clients from children to the elderly, depending on the severity or otherwise of the activities (e.g., children and the elderly do not usually climb Mt Kilimanjaro).

On the other hand, some of the mainstream tour operators interviewed were unable to answer the question since their range of brands cover all segments of their national travel markets and they can thus attract all ages and types of traveller.

Other points made include:
- Single travellers, including single female travellers, are becoming more common, although couples or small groups of friends are most typical;
• Older travellers avoid the summer peak, whereas slightly younger people do travel in the hottest months;
• Hiking tours can have an average age of around 30, whereas walking tours attract older (50+) clients;
• Some destinations (Tunisia, Turkey) have a younger client profile than others, mainly due to lower prices.

Holiday Information Sources

D2 Typically, what are the main sources of information that your clients use to research this type of holiday with you (e.g. requesting printed brochures, researching your site on-line, in person at travel agencies etc)?

Statistically, 80% of respondents gave printed brochures as the most important source of information, 20% coupled brochures with the Internet and 15% coupled brochures with word of mouth. 15% put the Internet as the first source of information.

While the use of the Internet is clearly increasing across all the markets covered in the interview survey, the dominant source of information on this type of holiday remains the printed brochure, and there are some important national differences. In the UK, the Internet tends to be more widely used than in continental Europe, and also newspapers and magazines were quoted as important sources also for British travellers. The large German market in particular is firmly wedded to the traditional combination of printed brochure and travel agent for both information and bookings.

Again, however, there are variations within this general picture. One German and one French company said that the Internet was the dominant source of information for their clients. Word of mouth is also important, especially for the more specialised (and therefore generally rather smaller) tour operators.

Other points made include:

• knowledgeable telephone sales staff and the conduct of seminars, information days, slide shows and meetings also act as important information sources;
• coverage of destinations in the print media, such as the weekend newspapers and specialised travel magazines, often plant the seeds of interest which leads clients to pursue more information from brochures or on-line;
• most tour operators predict that the use of on-line information sources is bound to rise in the next few years

Booking Methods

D3 Typically, how long before departure do your clients book, and how do they make their bookings (in person in a travel agency, by phone to you, on the Internet)?

It is difficult to tabulate the answers to the issue of how far in advance clients book their tours, since there is a wide variation. Although the samples are small (only one company was interviewed in Austria, Belgium, Finland, Netherlands and Spain), the following seem to be the typical patterns by country of origin:

• Austria: at least one month in advance;
• **Belgium**: three months before departure;
• **Finland**: 60% book within two months of departure;
• **France**: Most within two months of departure, and late bookings are on the rise;
• **Germany**: Variable, but around three months in advance seems typical;
• **Italy**: Typically less than one month in advance; late booking seems common in Italy with tour operators complaining that this causes them difficulties with airlines and hotels;
• **Netherlands**: Variable; families book up to one year ahead, hikers and those on short tours can be around one month ahead;
• **Spain**: around one month ahead;
• **UK**: Very variable, typically around two or three months ahead but late booking is on the rise.

It appears that there is generally some tendency for late bookings to become more frequent, a trend perhaps fuelled by the spread of last-minute offers on the Internet.

Not all respondents answered the question about how their clients book, but for those that did it seems that the traditional route through a travel agent remains by far the most common method. One or two tour operators said that many clients use direct bookings via the Internet, but this is still a minority approach; however, a number of specialist tour operators noted that direct bookings by telephone were common.

Again to generalise, we have the impression that, while the use of the Internet is substantial in the UK, in most other European markets the traditional reliance on brochure information followed up by bookings at travel agents remains the dominant method. This may in part reflect the fact that consumers require the comfort of a face-to-face arrangement implying a responsibility on an intermediary to deliver the tour as promised.

**Clients’ Preferences**

**D4** *What are your typical clients’ preferences for this type of holiday in terms of party size, food, activities, souvenirs etc?*

The more specialised the tour, the smaller the party seems to be. Typically, party sizes are around 15 – 20 people from the answers supplied, although the less-specialised operators will tend to have rather more per party – up to 25 or occasionally 30.

For most tour operators, good quality food seems to be high on their agenda, but the range of food preferences seems to vary, with some stating that their clients want their own national cuisine while others expect dishes from within their chosen destination. We cannot draw any firm conclusions on this point from the research, other than that quality (and of course food hygiene) is a top priority.

The issue of shopping for souvenirs is important for the more up-market tour operators in that they state that their clients definitely do **not** want to be taken to souvenir shops, especially by guides who earn commissions from shop owners. This is common in countries such as Egypt – cited by some respondents as the worst country of those surveyed for this issue - Tunisia and...
Morocco. Any element of actual or implied coercion in visiting souvenir shops is anathema to most clients of specialised and up-market tours. Indeed, several tour operators have a firm “no shopping” policy.

Expenditure Levels

D5 Approximately how much would a typical client spend on (a) a one-week desert safari in North Africa/Middle East (b) a one-week game safari in southern Africa?

60% of respondents gave indicative answers to this question. The typical prices quoted by respondents for a tour to Egypt/North Africa and to sub-Saharan Africa are set out below (but note that most of these refer to tours of two weeks more typically than for one week – see Annex 4 for full details of respondents’ answers).

<table>
<thead>
<tr>
<th>Tour Operator</th>
<th>Egypt/North Africa</th>
<th>Sub-Saharan Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>600 – 700</td>
<td>1,600</td>
</tr>
<tr>
<td>B</td>
<td>2,220 – 2,660</td>
<td>1,776 – 5,180</td>
</tr>
<tr>
<td>C</td>
<td>1,400 – 1,500</td>
<td>2,000 – 2,500</td>
</tr>
<tr>
<td>D</td>
<td>600 – 1,000</td>
<td>1,500</td>
</tr>
<tr>
<td>E</td>
<td>800 – 1,100</td>
<td>1,500 – 2,500</td>
</tr>
<tr>
<td>F</td>
<td>2,220</td>
<td>2,960</td>
</tr>
<tr>
<td>G</td>
<td>1,200 – 1,500</td>
<td>2,000</td>
</tr>
<tr>
<td>H</td>
<td>1,170 – 1,730</td>
<td>2,680 – 4,700</td>
</tr>
<tr>
<td>I</td>
<td>1,500</td>
<td></td>
</tr>
<tr>
<td>J</td>
<td>2,000 – 2,500</td>
<td>3,500 – 4,000</td>
</tr>
<tr>
<td>K</td>
<td>1,200 – 1,710</td>
<td>2,500 – 2,700</td>
</tr>
</tbody>
</table>

Approximate arithmetic mean (lows and highs)

<table>
<thead>
<tr>
<th></th>
<th>Egypt/North Africa</th>
<th>Sub-Saharan Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,330 – 1,610</td>
<td>2,200 – 2,960</td>
</tr>
</tbody>
</table>

Source: Travel Research International

While clearly these results should be treated with caution given the small sample size, the results are broadly predictable, in that tours to southern Africa average, at the low end, around 65% more expensive that those to Egypt and North Africa, while at the high end they cost 84% more than up-market tours to these nearer destinations.

Satisfaction Levels

D6 Typically, what are the satisfaction levels you record for these main destinations, how willing are your clients to recommend them to others and would your typical clients repeat this type of holiday elsewhere?

The majority of respondents confirmed that they monitor client satisfaction systematically. Some tend to quote their satisfaction levels as the reciprocal of the complaints that they receive. Most of those companies surveyed claim high levels of satisfaction, as one would expect from a sample biased towards the higher-level, more specialised tour operators, for whose clients attention to detail and quality issues are taken as read.
Most complaints appear to derive from third party services, such as the flights, that form part of the tour but may lie outside the control of the tour operator – at least on the day of delivery. Adventure tourists, while continuing to expect quality, security and hygiene, may be more flexible about accommodation standards, for example, if their tour takes place in remote areas which obviously do not contain luxury hotels.

Most of the tour operators surveyed claim that word of mouth recommendations are important for them, as is repeat business. (This is hardly surprising, since both these forms of “marketing” are virtually cost-free for the operators.) It is also worth making the point that, while clients may repeat in terms of coming back to the same tour operator, they seem much less likely to repeat the same destination, partly because this type of tourist is more likely to explore the full range of destinations on offer than simply return to the same place year after year. Some respondents suggested that destinations in southern Africa get more repeat visits than those in North Africa, possibly because the latter may be easier to arrange more cheaply on an FIT basis once the first trip has familiarised clients with the destination concerned.

**Price Structures**

(NB. Questions E1 and E2 are combined here)

**E1** In percentage terms, how would your typical package price break down between lodging, food, activities, travel and marketing costs?

**E2** How do these percentages vary between short (say up to 7-night) and long (14 night plus) packages?

The following table summarizes the answers to Question E1, which were provided by 55% of respondents (some were unable to give general answers on the grounds that their product range was too diverse for generalizations to be valid, while others regarded this information as commercially confidential).

**Table 25 Summary of Cost Distribution for Package Tours from Sampled Tour Operators**

<table>
<thead>
<tr>
<th>Tour operator</th>
<th>Flights</th>
<th>Accommodation</th>
<th>Food</th>
<th>Marketing</th>
<th>Local costs</th>
<th>Other</th>
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<tr>
<td>A</td>
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<td>10-11</td>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>B</td>
<td>40-50</td>
<td>40</td>
<td>NA</td>
<td>20</td>
<td>a</td>
<td>NA</td>
</tr>
<tr>
<td>C</td>
<td>40</td>
<td>40</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>D</td>
<td>30</td>
<td>20</td>
<td>10</td>
<td>NA</td>
<td>20</td>
<td>NA</td>
</tr>
<tr>
<td>E</td>
<td>30-40</td>
<td>20</td>
<td>NA</td>
<td>NA</td>
<td>20</td>
<td>NA</td>
</tr>
<tr>
<td>F</td>
<td>50</td>
<td>30</td>
<td>10</td>
<td>NA</td>
<td>NA</td>
<td>10</td>
</tr>
<tr>
<td>G</td>
<td>45-50</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>15</td>
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<tr>
<td>I</td>
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<td>47</td>
<td>b</td>
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</tr>
<tr>
<td>J</td>
<td>50</td>
<td>30</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

*a* costs on the ground  
*b* for a holiday in Egypt specifically – accommodation and food combined  
Source: Travel Research International

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Enhancing Sustainable Tourism in the Southern Red Sea Region of Egypt

**ANNEX B TO THE DESTINATION MANAGEMENT PLAN: SURVEY OF TOURS, TOUR OPERATORS, LODGES, AIR SERVICES, AND KEY ISSUES RELATED TO THE EUROPEAN MARKET FOR ADVENTURE, CULTURE, AND SAFARI HOLIDAYS**
Apart from the flight element, where the arithmetic mean value (low and high) is 41% - 45%, it is difficult to draw any valid conclusions from these results. The cost distribution depends significantly on the nature of the tour – whether it is to a short- or long-haul destination, whether hotel or, for example, camping/bivouac accommodation is used, whether local transport is by ordinary bus, minibus or 4x4, or whether private light aircraft are used, and so on.

Accommodation costs have a typical (but not mean) value of around 35%, but beyond that we do not feel able to draw any further generalizations.

Other points made included:

- Nearby (short-haul) destinations, where ground prices are low, will tend to show a higher share of the package’s cost going on flights, as opposed to longer-haul destinations using top quality and much more expensive accommodation, where the proportionate importance of the flight is lower;
- similarly, the longer the tour’s duration, the lower will tend to be the proportion of the tour’s costs devoted to flights;
- specialised guides can represent a surprisingly high proportion of the total tour costs – one respondent suggested that this can be as high as 20%.
INDUSTRY INSIGHTS FOR PRODUCT DEVELOPMENT

The purpose of this section of the report is to summarize the most important points which have emerged from our research and which we believe should be considered in refining the design of the product and its marketing policy. Our broad conclusion is that the proposed development has the potential to succeed, but that to maximize this, a number of key issues need to be addressed.

CHARACTERISTICS OF EGYPT AS A DESTINATION

Egypt has successfully developed a large and diverse tourism sector with two main strands. The Nile Valley has for centuries been the main draw for foreign tourists, visiting the many historical sites associated with ancient Egypt. In recent years, the Egyptian authorities have successfully diversified the product to include a major series of destinations along the coasts of the Red Sea and Gulf of Aqaba. In addition, minority interests are catered for by offering tours in the western desert, demonstrating, as in a number of other Middle Eastern and North African countries, that desert tours have a popular following.

Thus the proposed new development in the southern Red Sea has a sound and extensive basis within Egypt’s existing tourism market on which to build. In promoting this new area, Egypt does not have to start from scratch, but can draw on its wide experience of existing markets and destination management.

PRODUCT

The evidence of the research carried out for this project suggests that the new development has a number of factors working in its favor, viz;

- that deserts are attractive as destinations in their own right to a relatively wide group of tourists;
- we understand from our discussions with tour operators that demand for this type of destination is growing;
- tourists are always seeking new places to go;
- tour operators are also keen to introduce new destinations to their portfolio in order to keep abreast of the competition;
- the attractions of a genuinely pristine area are many and are also becoming hard to come by in many competing destinations;
- there is a genuine interest in visiting local communities in such regions (as, for example, the strong attraction of the Berber communities in Morocco) and hence the Bedouin settlements of the southern Red Sea can also be seen as an attraction.

Nevertheless, operators have stressed the need to have a wide range of types of scenery/attractions and/or activities in order to tempt the tourist. This sometimes includes at least one iconic attraction. Thus, we believe that the proposed area needs to ensure that it can offer a sufficiently varied range of attractions and activities to meet the needs of these markets.
(We suggest that, if it has not already been done, it will be necessary to conduct a detailed product audit in order to ensure that the area can meet these requirements.)

In the specific case of Egypt, however, there are also some important challenges to be overcome. Egypt amongst tour operators and some tourists has a low-cost image and in particular some of its coastal resorts are thought to have been poorly- and in some cases over-developed with a reputation for poor environmental standards. The successful development of any new product will have to recognize this context and work to overcome it. This is particularly relevant for a project that is to focus its appeal on its environmental credentials.

Some of the coastal resorts attract tourists from new origin markets such as Russia whose tourists are mainly attracted by price advantages and tend to be at the lower end of the market. In order for the new area to succeed, it will be necessary to differentiate it from this type of down market image.

In the context of the adventure/cultural tourist, Egypt’s traditions of marketing souvenir shopping opportunities actively through tour guides to the visitor would be anathema to the more up-market visitor and inconsistent with the pristine natural environment that the proposed new area offers. In the proposed new area it would seem desirable to minimize or eliminate all forms of organized souvenir shopping.

It is also the case that southern Egypt can be excessively hot during the summer months which will influence the type of tourists that can be attracted, notably those who are more elderly and tend to avoid the months of extreme heat. However, with the possible exception of these summer months, the proposed region should be capable of attracting year-round custom.

We cannot emphasize too strongly the need to ensure that the new area meets the highest standards of quality and environmental management; this requirement was widely stressed to us in our conversations with tour operators.

**POTENTIAL MARKET**

The potential market for desert tours of the type that the proposed area has the potential to offer is, we believe, quite extensive, but at the same time comprises a number of rather specialized, niche travel markets. It is therefore very important that the southern Red Sea targets the right groups of travelers from European markets. There are large numbers of specialized tour operators in Europe selling adventure/safari/culture holidays to these markets.

There is plenty of competition. Established tourist destinations such as Morocco and Tunisia, and emerging destinations such as Oman and Libya offer this type of product. Egypt will have to compete with these destinations, some of which (notably Oman) have a reputation for exclusivity, selectivity in the type of tourism they promote, and high standards for sector and environmental management. Only in the western desert and Sinai hinterland has Egypt offered this type of destination to date. We understand from our research that the proposed area is largely unknown to both tour operators and potential visitors and it will be important to inform both the trade and the traveler about what this region offers in order to sell it successfully. It will also be essential to ensure from the start that high standards of destination management are met in order to compete with other countries offering similar experiences.
TOUR OPERATOR SEGMENTATION

This product will sell to a range of specialized markets. These tend to be supplied by one of two types of tour operator – the specialist (such as those providing activity-specific tours, such as walking, trekking, authentic cultural tours, soft exploration and so on), or more mainstream operators with a clear reputation for quality and which tend to serve the upper-mid market (e.g. First Choice, Kuoni etc.). A wide selection of specialist tour operators is provided in our inventory, presented in Annex 3.

Our research showed that there is keen interest among tour operators to learn more and be informed about the proposed new development. New destinations always attract the interest of the tour operating industry and those to whom we spoke would clearly like to be kept informed of progress in the region.

At the same time, tour operators appear cautious in their reaction to the new opportunity in the southern Red Sea, and need to know more about what the area offers in terms of accommodation, infrastructure, access, potential activities and points of interest. While the Nile Valley product is well-established and respected, there is also a doubt about the extent to which Egypt will be able to deliver a more up-market and specialized product against the background of its reputation for relatively inexpensive holidays at the coast. The responsible authorities will therefore have to market it carefully with these issues in mind.

INFRASTRUCTURE

In practical terms the proposed new area will have to offer an appropriate spread of accommodation while avoiding the perils of over-development. For example, large resorts would be inappropriate, while character-ful lodges would be more suitable; encampments will have to be suited to the environment in which they are located and have high standards of environmental amenities and management. It would also be useful to be able to identify attractive locations offering opportunities for ad hoc camps. While sophisticated, US-style national park management is not required, clean and sustainable wilderness areas will be expected.

Specialized tours to this type of region in other countries which we have examined show that there must be a sufficient range of attractions to satisfy the demands of the target markets. The key draw cards include existing settlements, natural attractions and scenery, wildlife and points of interest. Activities undertaken include 4x4 driving, dune activities, walking, trekking, camel safaris, visiting authentic local events and visiting local (Bedouin) settlements. If it is envisaged that tours of up to a week are to be targeted, then it will be necessary to ensure that there is sufficient variety to provide interest.

ACCESS

The most common routings that our tour operators said that they would use for this area would be from the Nile Valley. Tour operators also emphasized that journey times and distances would need to be manageable within the itineraries concerned. Good communications to centers such as Aswan and Luxor would be important. Some tour operators emphasized the importance of good road links, especially to Aswan. Generally it was stressed that clients do not want to spend a long time in transit and that journey times at the very most should not exceed 8 hours, and preferably should be considerably less.
A good network of feeder air services to and from the region (presumably using Marsa Alam as the gateway unless new airport facilities are planned) will be essential.

**TYPES OF TOURIST**

The region is likely to attract several broad categories of traveler:

- the outdoor types who walk, trek, travel with camels and camp;
- 4x4 soft adventure tourists requiring reasonable comfort but not luxury;
- enthusiasts for culture/nature/social anthropology; and
- people based on the coast and those who had taken a trip in the Nile Valley who also would take a short trip into the hinterland (but divers we think would not be a very productive market segment since, as explained above, the majority tend to focus their whole holiday on their sport).

Our research suggests that the most likely client base would be the more mature travelers who respond to cultural and soft adventure holidays that are perhaps slightly specialized in nature. The target market would therefore tend to be people of 40 years of age and above, typically employed as professionals, senior managers or senior academics, relatively prosperous, and experienced travelers. Such travelers would tend to have a penchant for exploratory tours, and for tours which address their natural curiosity for something new as opposed to mainstream, high-volume type package tours. Such tourists do not want high levels of luxury, since remoteness and an unspoiled environment are part of the attraction. It is also worth pointing out that up-market European travelers tend to take more than one holiday a year. For example, they might take a shorter Egyptian holiday to a region such as well as a main holiday and perhaps one or two short city breaks in any given year.

Younger people would also be attracted to the region for the more active type of holiday, such as desert trekking, extensive walking and mountain climbing where the strenuous nature of the trip would be beyond the capacity of older travelers.

**TYPE OF TOUR**

Our research shows that the majority of tour operators see this region as offering opportunities for a 2 – 4 day extension to a longer holiday, especially a Nile Valley tour. A minority of tour operators also stated that they would prefer to offer the region as a stand-alone destination, but the ability of the area to support longer lengths of stay will depend on the range of attractions and activities on offer.

It is important to note that Europeans can easily take a one-week holiday in Egypt given its relative proximity to the main European markets. But, a one week break at the coast or more particularly a one-week tour on the Nile Valley is unlikely to offer enough time to permit a 2 – 4 day extension to be added in to visit the southern Red Sea the region. It seems more likely that such an extension would be part of a 10 – 14 holiday tour.

However, since many tourists to Egypt from Europe come by charter flight, it may well be that tours that include the new area will be obliged to fit in to the normal 14-day back-to-back charter flight schedule, unless more flexible charter flights arrangements can be made. Where the region
is offered as a stand-alone destination, the 7-day charter flight cycle is likely to be the minimum available.

CONCLUSION

The diversity of the major European travel markets leaves no doubt that there is a market for this type of destination. Tour operators are clearly interested in learning more about the developments in the southern Red Sea and may be willing to include the destination in their product offer. However, our research also shows that care will have to be taken in the development and marketing of the region. In particular the region’s reputation will have to be established as a specialized up-market destination with a somewhat different image from other regions of Egypt, and what it offers will have to be differentiated from similar regions in other countries. The key issues will concern the range of attractions and activities available, the quality of the product offer and the establishment of an appropriate infrastructure to support it.
LIFE Red Sea Project

ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT


Disclaimer

The Author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.
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ACRONYMS AND ABBREVIATIONS

CDC Community Design Collaborative
cm Centimeter
DMC Destination Management Committee
EEAA Egyptian Environmental Affairs Agency
ETAA Egyptian Travel Agents Association
ETF Egyptian Tourism Federation
EU European Union
km² square kilometers
KVA Kilovolt Ampere
LIFE RS LIFE Red Sea Sustainable Economic Growth Project
LIFE Livelihood and Income from the Environment (project)
LRS LIFE Red Sea Project
m Meters
MW Megawatt
NGO Non-governmental Organization
NPCA National Parks Conservation Association
NRSR Northern Red Sea Region
PVC Polyvinyl Chloride
RO Reverse Osmosis
RSG Red Sea Governorate
SFO Single Family Occupancy
SRO Single Resident Occupancy
SRS Southern Red Sea (region)
SRSR Southern Red Sea Region (north of Marsa Alam to El-Shalateen)
SWM Solid Waste Management
TDA Tourism Development Authority (under the Ministry of Tourism)
TDA Tourism Development Authority
UNESCO United Nations Educational, Scientific, and Cultural Organization
USAID United States Agency for International Development
WGHPA Wadi El-Gemal Hamata Protected Area
WGNP Wadi El-Gemal National Park
EXECUTIVE SUMMARY

SITUATIONAL ANALYSIS

Although Egypt is not well known for its offer of eco-tourism or nature-based experiences, it is developing this kind of tourism mainly in its western desert along the Dakhla circuit which links several oases located in the central part of that desert meeting the Nile Valley in the vicinity of Luxor in Upper Egypt. This is evidence that Egypt’s travel trade is learning how to cater to this market. It is also learning how to combine ecotourism with its traditional products of cultural tourism, located in the Nile Valley, and beach and dive tourism which has developed massively along the Red Sea coastline. While the industry is having problems meeting the high quality standards some segments of nature-based tourism expect, it is learning to create new products and to enter into partnerships with the specialty tour operators mainly from the EU to successfully cater to more demanding segments of travelers.

The situation along the lower Red Sea coastline is highly positive for the continued expansion of mass market beach and dive tourism southward beyond Wadi Gimal Protectorate. The potential to expand the industry for nature-based excursions inland for tourists on the coast is extraordinary and the volume of these excursions could double over a 5-year time frame because of continued hotel construction. There is potential for nature-based ecotourists wishing to stay at lodges and camps inland but so far no operator is offering any options better than the most basic camp. There is also limited potential for high-end ecotourism spending $100-300 dollars per day per person but no such option is yet offered.

KEY STRATEGIES FOR INVESTMENT PROMOTION

Strategy 1: Clarify the concession terms for firms operating in WGNP. They need to know the rules of the game to determine feasibility of ventures in tour operations and lodge or camp development. These terms can be widely publicized and used as a basis for final negotiation of contracts with bidding firms.

Strategy 2: Make available market intelligence for the use of firms seeking concessions. Ecotourism is poorly understood in Egypt and this will help firms develop more realistic business plans and select strong partners.

Strategy 3: Identify possible funding incentives for firms. In Egypt some grants and loans are made available to projects of an environmental nature, or featuring energy efficiency, SMEs, community development or rural development benefits to name the main categories targeted for eligibility. Owners need to be made aware of these sources.

Strategy 4: Facilitate the creation of strong partnerships with EU firms. Since it is the foreign partner that usually controls the marketing function with his specialty knowledge of ecotourism markets and quality standards, the choice of a foreign partner is critical. Egypt’s tour operators can use intelligence on foreign firms to select strong partners who are needed even in the design phase and feasibility study phase of their projects.
KEY STRATEGIES FOR MARKETING

Strategy 1: Create the Destination Management Committees in SRS region. Once local players join the committee they will be able to recognize their challenges more easily and organize resources to face them.

Strategy 2: Educate Egyptian tour operators on techniques for service upgrading. With such guidance they will be able to immediately undertake reforms and improve their service quality to improve customer satisfaction and profitability.

Strategy 3: Undertake a program of locally based promotion efforts. These will make accurate touring information readily available to target consumer groups and to intermediaries to promote increased consumption of excursions by groups and by individual travelers around WGNP and its region.

ACTION PLAN FOR INVESTMENT PROMOTION

The action plan contains actions that are solutions that find their justification in the four strategies defined previously. LIFE is a sponsor for all of these actions, although it does not have full control over all of these issues. LIFE is accumulating a wealth of information and this action plan spells out an approach to convey this knowledge to likely investors during 2007-8. Four activities are described below.

1. Clarify concession terms for tour operations and lodges in Wadi Gimal Protectorate
2. Promote funding incentives for projects
3. Prepare an ecotourism brief for the business community
4. Prepare a pre-feasibility study for a lodge in WGNP

ACTION PLAN FOR MARKETING

This plan consists of three activities of which the first sets up the local destination management committees, the second boosts the product quality of the tour operators, and the third focuses most directly on the function of promotion of SRSR and its primary attraction, the WGNP.

5. Create the Destination Management Committees in Lower Red Sea region
6. Provide ecotourism orientation to tour operators
7. Produce essential WGNP orientation & promotion materials
INTRODUCTION

BACKGROUND ON LIFE RED SEA (LRS PROJECT)

The primary objective of the USAID funded LIFE Red Sea (LRS) Project is to support conservation and preservation of biodiversity in selected areas of the Red Sea Protectorate. Recognizing that development of portions of this area for tourism and related industries is intended and underway, the project is also directed at guiding tourism development to be environmentally sustainable and to allow local communities to benefit from tourism-based use of natural and cultural resources.

Egypt with its 8 million tourists a year is a world famous cultural heritage destination (Nile Valley) and leisure/dive destination. From 1992 to 1997, tourism along the Northern Red Sea exploded from 281,000 to 996,000 tourists. In 1992, there were 5600 rooms, but by 1997 TDA had grown that number to 17,600 rooms. By 2004, the number of divers had more than doubled again to 2.5 million people.

Although Egypt is not an internationally known ecotourism destination, the country offers 24 protected areas and expects to declare more. Current eco-tourism operators and activities are concentrated in the national parks of the Sinai (Ras Mohamed, Bardawi, and St. Catherine’s) and in the Western Desert, where international tour operators are taking visitors to the oases of Bahariyya, Farafra, Dakhla, Kharga and Siwa, connecting to cultural heritage sites in the Nile Valley. Egypt’s desert trips have been growing since the government first started noticing them in 1984, and in 2004 15,000 divers took desert trips inland. The number was higher in 2005.

The Northern Red Sea Region (NRSR), particularly along the coast, has been a very successful tourism destination in terms of investment, development, and number of visitors. However, some of the NRSR has experienced landscape and habitat destruction and marine pollution as a result of construction. If the same problems occur in the SRSR, they will destroy its potential for eco-tourism development, for eco-tourists stay in pristine environments.

Although all government stakeholders have studied the area and wish to see a strong tourism base in the SRSR, they differ on approach. The result is a lack of inter-agency coordination, planning, and decision-making among the primary governmental authorities and LRS planning partners (EEAA, TDA and RSG). Therefore, a constructive dialogue and an agreed upon understanding of planning direction is a gap that needs filling.

In order to enhance Egypt’s competitiveness in the global eco-tourism market and assist the LRS project in its project approach, the Consultant attempts to provide a research-based, comprehensive project strategy or blueprint for developing the SRSR.
PURPOSE OF THE MARKETING & INVESTMENT PROMOTION STRATEGY

This report focuses on the crucial function of marketing of this emerging destination, and also on the equally crucial investment environment in Egypt that is shaping the expanding tourism industry in SRSR. It treats the two subjects separately: the first is how the marketing of this destination can be strengthened. The second is a strategy to steer and promote investment for ecotourism purposes in this region. Following this first introductory section the report presents in section 2 a situational analysis that characterizes the country’s existing investment environment particularly as it relates to the lodging industry and to the excursions business. In section 3 it presents a strategic analysis for the development of sustainable ecotourism products that is based on key problems of investment and potential solutions that LRS could provide. In this section a set of strategic objectives of critical importance is defined. In section 4, the report presents an action plan of specific activities to promote types of investment that will meet these strategic objectives.

This work is based on fieldwork conducted in country during April 2006, and after review of preliminary survey information provided by the Euro-based researchers contracted under this same project. It is based on interviews with a variety of industry players mainly hotel and resort owners and tour operators, and on examination of the Ministry of Tourism, of public information of tourism companies, tour operators and some lending institutions. It also is based on the consultant’s prior work in Egypt’s Red Sea Sustainable Tourism Initiative during 2003 and 2004. It is to be integrated into the broader Destination Management Plan that is being prepared for SRSR. The Euro-based research and Cairo-based research commissioned for this project had not yet been finalized so this study does not reflect the outcome of that work.
SITUATIONAL ANALYSIS OF TOURISM TO SRSR

This section presents the key trends and patterns characterizing the current situation of tourism in the SRS region. It describes observations and trends relating to general tourism development and most importantly to the growth in nature-based or Eco-tourism. It then provides a profile of current and potential demand for ecotourism in this sector. It then proceeds in the final subsections to highlight firstly problems relating to marketing of SRSR and its products, and secondly problems relating to investment in tour operations and hotels in the region. The logic of this chapter progresses from the most general topics to the most specific ones finally focusing on the problems hindering the study area. Much of the logic presented in this section can be used to strengthen feasibility studies that owners will prepare in preparation for new investments.

KEY OBSERVATIONS ON TRENDS OF ECO-TOURISM IN THE SRSR

Key factors characterizing ecotourism and the related investment environment in the SRSR are stated below. In general they present a very favorable picture for the industry. In subsection 1 trends are summarized relating to Egypt’s budding eco-tourism industry. In the following subsection key trends characterizing tourism in SRSR are stated. The third subsection focuses on the excursions industry. This focus on excursions is essential since WGNP and environs with its offer of activities and tourist services will tap directly into this demand. The fourth subsection covers aspects characterizing the marketing picture and the fifth subsection covers aspects relating to the investment environment.

Eco-Tourism Trends in Egypt

Eco-tourism is not highly developed thus far in Egypt so this section provides observations about this type of tourism as it is growing anywhere in Egypt. The industry consists mainly of the desert safari operators in the western desert and also includes some Sinai operators.

- Ecotourism is a small and growing business for Egypt operating mainly in the Western Desert on Dakhla circuit, Fayoum, Siwa.

Desert safari operators in the western desert are the pioneers of nature-based tourism or ecotourism, joined by some lodge operators in the Fayoum Oasis area. A small but growing number of tour operators are expanding nature-based activities and improving their quality standards. Some operators use mobile camps while others rely on the poor to fair quality hotels of the western desert. Investment is generally small and organic as owners rely on profits to upgrade their tours [equipment purchases, new vehicles and so on] and add new stops to their itineraries.

- Ecotourism is served by specialty SME operators running desert safaris.

It is a low volume business compared to Egypt’s dominant types of tourism [cultural, dive and beach tourism] and could be estimated at no more than 1-2% of total tourism [possibly 100,000 in 2005]. Business is expanding and quality levels are rising thanks to a better understanding of what the European ecotourists want. Linkages between the Egyptian firms and their EU partners are growing for both product development and marketing purposes. None of the mainstream tour operators have dominated ecotourism in Egypt as most operators fall in the SME category and rely on owners’ cash and help from foreign partners.
There are very few eco-lodge operators in Egypt. These are fringe developments in the broader tourism industry. Lodges exist near St. Catherine’s in Sinai for climbing [El Karm Bedouin Lodge] and at the Basata beach resort. In Siwa the high priced *Adrer Amellal* has helped improve the image of Siwa and has spawned other hotel development in the oasis. Prices vary from approximately US$25 to US$250 per person per day with the *Adrer Amellal* in Siwa lodge charging by far the highest prices. There are also some small hotels in the western desert that the tour operators use.

Foreign partners are already working very closely with Egyptian owners both for investment and marketing purposes.

Foreign partners including hotel and tour operating companies are investing alongside Egyptian owners in kind and in cash to boost the competitiveness and profitability of their safari tours. These foreign partners provide critical knowledge of customer expectations and quality levels, and control the specialty marketing channels which are mainly in the EU. Most of them are European.

**Competitiveness of SRS Region**

The following observations characterize the competitiveness of this region for international tourism. In general the conditions for the region’s competitiveness are very positive and highly favorable for continued expansion.

- Egypt’s Red Sea is now a world famous dive destination including the South Red Sea coast

The most established and best known dive areas are located along the Gulf of Aqaba and upper Red Sea coast. But in recent years, the lower Red Sea coast has been discovered by the dive world and divers are being lured there from the well-established Sinai resort areas and Red Sea coastal resorts to the north [El Gouna, Soma Bay, Makadi etc.]. The dive segment already knows about the lower Red Sea coast’s extraordinary marine attractions and the industry is promoting them as the new Marsa Alam destination with its own international airport. Divers rely on different types of lodging including full service beach hotels, camps and tent resorts, and also safari boats for weeklong packages.

- The dive market remains the primary one but not the only market.

Both the dive and beach holiday segments are growing side-by-side very compatibly. It is the excellent Red Sea dive conditions that have some divers opting to stay in simple, no-frills lodging such as the basic Red Sea Diving Safari resort where ironically some divers are paying more for lodging than at the nearby full-service Kahramana resort, [€30-40 per person per day room & board] at least in some seasons. On the other hand the sunny climate is ideal for beach holiday hence the dominance of full service resort hotels serving both divers and beach vacationers.

- Key market for business is the EU and is very strong.
The market geographically is predominantly EU, perhaps 85-95%, with both western and eastern European nationalities well represented. Beach and dive vacations are the dominant products sold. Casual observation suggests the young-middle aged age groups are well represented. The SRS image in the EU dive world is quite strong with investment continuing both in more dive resorts and also in safari boats [the live-aboard boats used for weeklong cruises]. As a result the region is becoming better known in the EU mainstream travel marketplace. Rising EU dive club memberships is also a factor for the growing dive industry travel demand.

- The nature-based recreation industry in the Eastern Desert is also growing.

This industry operates in desert terrain as well as in the sea. In the desert the operators offer a range of sports activities like camel and horseback riding, hiking, quad riding, and these are often combined with Bedouin experiences, tea breaks, and wildlife viewing sessions. In the resort areas of South Sinai and Red Sea Governorate there are hundreds of aqua-centers offering snorkeling, recreational rides [wind-surfing, banana, ski-doo], visits to islands and mangroves and aerial skiing and similar. Prices for different activities and day excursions vary widely, from US$10 to over US$100 per person. Investment in land operations has grown for decades, following the growth in water sports operations. The operators are mostly SMEs but some large operators like Travco are also investing.

- Air service into Marsa Alam International Airport is improving but lacks good service from Cairo.

Charter air services are expanding as the SRSR hotel stock expands. The tour operators control this capacity and virtually all the services originate in EU cities. However the domestic service from Cairo is infrequent and offered by a little-known airline which does not facilitate international connections or even use by Cairo residents. In addition, services from other Egyptian or regional cities are virtually absent. The airport operator has announced plans in 2007 to expand the terminal and runway length to handle larger aircraft.

- The region’s emerging anchor is the new resort town Port Ghalib.

Port Ghalib is an integrated full service resort town under construction by a Kuwaiti group. It is a private development including urban areas designed around two marinas and an international airport that opened in 2004 to commercial flights. It will eventually attract an international clientele for beach, boating and dive tourism. As a multi-billion dollar investment it is the ‘anchor’ destination in SRSR and when completed will feed visitors to the operators of sea and land excursions numbering in the thousands on peak days. This anchor is SRSR key private sector player for tourism. It is improving its web presence and steadily expanding its investment promotion and advance marketing efforts.

**Trends in the Excursions Industry**

Key trends in the excursions industry along the Red Sea are reviewed below. Just as the dive and beach holiday segments of tourism are growing robustly, so will the excursions industry grow in
tandem. These observations describe the marketplace in which future SMEs will need to compete to offer local excursions successfully.

- The offer of Inland excursions is growing rapidly.

Most of the excursions are half or full day road trips into the desert to see flora, fauna, Bedouin life, to sample local food or to go riding on 4X4s, horses, camels or sports vehicles like quads [type of dune buggy]. There are also many tours to Luxor and other Nile Valley heritage sites in both daylong and overnight versions. There are also coach and air tours offered to Cairo.

- Small-scale tour operators dominate the offer.

These are generally small-scale operators based in Hurgada selling their tours from desks in the hotel lobbies. Some work in partnership with the big tour operators from Cairo. Red Sea Desert Adventures is perhaps the only local operator based in Marsa Alam offering inland nature-based trips.

- The big operators are making inroads.

There is some evidence that as tourist traffic builds the large tour operators selling the packages have started to arrange the inland excursions making competition for the small locally based operators. Red Sea Desert Adventures has indicated competitive pressure from large operators. It could be that the European investors in the hotels prefer to work with the big operators for quality-control and safety purposes.

- Genuine community involvement appears limited.

It appears to be limited mainly to various tents and rest stations set up at remote desert locations serving as rest stops for tour groups needing lunches and dinners, coffee or tea refreshment, and also dance performances staffed by tribal members.

- There is strong competition for the visitors’ time.

The excursion operators are competing for the time, attention and money of visitors whose basic motives are the beach holiday and the dive experience. The time visitors are willing to spend going inland is limited. Since many visitors stay 10-15 days in one trip, they are more likely to journey inland than those on shorter stays.

- Tourists come to dive or sunbathe but many want to try something else.

The Red Sea product for all the tourists is either the dive experience or the beach holiday. However, since many packages last 8-15 days many tourists opt to purchase activities inland such as visits to famous Nile Valley sites in Luxor, Aswan or even Cairo. Others opt for sports
activities [hiking, camel or horse riding], sightseeing from 4X4 vehicles, thrill seeking by riding quads or aerial sports, or enjoying Bedouin traditions and hospitality. They seek a break from the sea to do something different.

- No operators are offering luxury excursions in SRSR.

A review of the offer of excursions did not turn up any alternatives offering high-price luxury accommodation or sophisticated dining in the desert, as is offered in other parts of the world. The packages are generally affordable with the high priced options taking people to Luxor or even Cairo.

- Tourists buy excursions locally, mainly on impulse.

The sector’s operators offer a range of excursions and activities through several ways. Many post information in the languages of their customers, [on posters or in catalogs] at the hotels, in a corner off the lobby and operate activities desks where agents advise customers which activities to buy. The hotel concierges also provide this information. Secondly some tour operators post their own agents at their own sales points [offices or desks] in the larger hotels or separate shopping arcades to sell the packages. Most of these inland excursions are purchased on impulse, meaning after the tourist has started his or her stay and checked in at the hotel.

- The quality of the on-the-spot advice that tourists get is key to successful marketing.

For the ‘impulse’ customer the information and recommendations that they get from hotel staff [front desk employees, concierges], at the activities desks in the hotels, from the posted information, and in the tour operators’ catalogs, represent the main promotion tools for the local excursions. Some small operators do not understand this with the result that some tourists never have access to their information.

**Observations on Marketing**

The first observation below relates firstly to Egypt’s tourist industry generally and is followed by others relating to the industry focused on the SRSR where the study area is located.

- Egypt is not an internationally known ecotourism destination.

It is uniquely famous in the cultural tourism marketplace for the antiquities it offers along the Nile river valley. However, over the past 30 years it has won a major position in the dive and beach holiday marketplaces derived mainly from the EU, thanks mainly to the Red Sea and Gulf of Aqaba coastal resort developments. It is also expanding its limited offer of desert-based touring, mainly in the western desert, but these areas are not world famous.

- The Egyptian Tourism Administration continues to heavily promote the Red Sea Riviera theme internationally.

ETA continues to heavily promote its Red Sea Riviera theme internationally. This is an umbrella theme and so far there appears to be no branding differentiation by sector [say Sinai versus Hurghada or Taba versus Marsa Alam]. It is likely that ETA will introduce other facets to its promotions to emphasize more cultural and natural attractions.
EU partners are critical to the marketing function. Several EU tour operators [such as Iberotel [Germany], Veraclub [Italy], Millenium [UK]] have deals sometimes as investors, with hotels to feed them tourists. Some publicize special product lines to focus on the dive segment, or to draw mass-market vacationers, or the families market. Similarly, some of the dive shops have EU partners and managers for quality control of the personnel and dive services and for marketing purposes in the source countries.

Some owners complain of a 2005-6 price slide. Some owners said hotel prices were falling or at least not rising since 2005 because of the depressing effect on demand of the bombings in Egypt and Jordan. Another possible factor is the continued construction of new hotels and camps expanding the capacity and the competition. However it appears that as in past downturns, the industry can overcome this one as well and that expansion of lodging capacity will continue.

Hotels and tour operators are mutually dependant to achieve customer satisfaction. The market for excursions is totally dependant on the coastal hotels and dive camps where it derives its business. The tour operators need the collaboration of the hotels to help them sell their excursions in the lobbies and through package programs. The hotels also need the offer of excursions to entertain and occupy their guests and add interest to their stays.

Port Ghalib is the emerging mega-destination already promoting the region. Its web info is touting a wide range of adventure and sports activities including the inland ones that WGNP will offer. Port Ghalib is emerging as the key marketing force in SRSR because of its early lead and growing scale of operation.

Some hotels are now targeting higher income markets. The Oasis Hotel at Marsa Alam and 50-room Suites Hotel at Lahami Bay [the Berenice Tea Club] are examples of new capacity that will target higher income markets including the ‘cream’ of the dive and beach markets. They are providing full service accommodation and selecting foreign partners who are not from the mainstream operators, to tap these markets. This is evidence of more sophisticated marketing efforts of these investors and suggests a desirable maturation on the part of the owners.

There is a growing media exposure on the internet for SRSR. Fortunately, various websites both from the Egyptian Tourist Administration, from hotel companies and tour operators, and some privately sponsored websites post information on SRSR tourism. Some of the foreign published tour guides also are presenting some information on the region. All this helps to raise the visibility of SRSR in the marketplace.

Observations on Finance and Investment

The investment environment in SRSR is clearly favorable. The business community believes in the future of SRSR tourism with many sites already allotted to developers, a few new hotels under construction, and new operators running excursions into the region. There is no capital shortage for tourism investment and investors are open to new
ideas for projects. This pertains to both hotel development and to creation of tour operations and attractions. Foreign investors include both Arab and EU partners.

- **Foreign** investment in Red Sea tourism is already substantial.

A number of European tour operators and hotel companies are operating at the coastal resorts through capacity contracts, franchises, management contracts and even direct investment. Many of the dive operators also have foreign partners vital for marketing the product in the EU. Many of these are also investors. Therefore the region is already known to a growing number of tourism operating and hotel companies some of whom contribute crucial marketing channels and also contribute capital. Finally, Port Ghalib, the region’s anchor development is widely known as an international standard, Kuwaiti owned mega-investment. It is worth noting that simultaneously there are other parts of Egypt winning major foreign investment including the Mediterranean coast and Sinai coasts of the Gulf of Suez and Gulf of Aqaba.

- Development and investment continue to extend southward.

Construction of new hotels and camps continues southwards toward Shalateen, mainly on beachfront properties; some camps are located on the west [the inland] side of the road. Investors and their backers are expanding deep into the SRS region. Major real estate interests such as Orascom are reported to hold large tracks of land in SRS as far down as Shalateen.

- Investors both Egyptian and foreign rely heavily on cash.

Investors in the hotels and tour operating companies rely primarily on their own cash, on foreign partners’ cash and on retained profits to fund their operations, and any new construction. While major numbers of hotel owners in the older parts of the Red Sea coast and Gulf of Aqaba have secured debts from banks, it is unclear how significant bank debt is for owners in SRS. In recent years during tourism downturns substantial numbers of hotels in debt had halted loan repayments and fallen seriously into arrears as their occupancies dropped and cash flow dwindled.

- Some owners are eying the ecological gems.

Some developers mentioned they had visited special spots like Wadi Gimal Island and Hankorab in the hope of obtaining rights to exploit their recreational value. A concession holder at Giftun I. has already discussed the potentials of operating a concession at Wadi Gimal Island with authorities. There is clear investor interest in these special locations.

- It is unclear how important specialty finance is in SRSR.

There exists from sources in Cairo loan and grant programs for specified types of projects such as SME, environmentally advantageous, energy efficiency, rural development, capacity building or community development projects for which some of the tour operators or hotel developers may qualify. The World Bank Group offers some windows of this kind from its Cairo office and from its world headquarters. USAID also offers some windows. However it seems that the owners are making little use of such advantaged loans or specialty finance.

**PROFILE OF CURRENT AND POTENTIAL DEMAND FOR ECOTOURISM**

These markets are considered insofar as they show potential for generating demand for day activities and for multi-day activities in or near WGNP. The well known divers and beach
vacationer's markets are reviewed first since they are and will remain the core markets on which the region’s tourist industry survives. Then two additional potential markets are reviewed first, namely the high-end market, and the nature-based/adventure market. Exhibit A at the end of this section summarizes the potentials for each of these four user groups [tourist segments].

An estimate of the general magnitude of the excursions market in SRSR is presented below. It shows a market for excursions currently worth some €2.5 million, that could more than double in value [at constant prices] over the next five years. This estimate can be improved once consumer survey information is available on excursion usage, and provided to owners intending to open operations into WGNP and related areas of the sector. It must also be adjusted every year or two once the pace of new construction becomes clear especially at Port Ghalib. The reality may in fact be much higher if visitors are in fact buying more excursions than assumed below. It shows that on a typical day tour operators can target some 11,000 visitors to sell their excursions. That number could easily double five years from now if expansion continues as planned.

Table 1 Assumptions for SRSR marketplace for excursions

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total rooms in SRSR</strong></td>
<td>10,000 rooms</td>
<td>20,000 rooms</td>
</tr>
<tr>
<td>55% annual occupancy [2 visitors per room]</td>
<td>5,500 rooms/day</td>
<td>11,000 visitors/day</td>
</tr>
<tr>
<td><strong>Total visitors in year</strong></td>
<td>437,000</td>
<td>874,000</td>
</tr>
<tr>
<td>Diver share of total visitors</td>
<td>60%</td>
<td>262,000</td>
</tr>
<tr>
<td>Beach holiday share –</td>
<td>40%</td>
<td>175,000</td>
</tr>
<tr>
<td><strong>Total excursions sold</strong></td>
<td>166,000</td>
<td>350,000</td>
</tr>
<tr>
<td>Value of excursions demand in millions Euro [US$]</td>
<td>€2.5M [US$3.2M]</td>
<td>€5.2M [US$6.7M]</td>
</tr>
</tbody>
</table>

Note: Average length of stay per visitor is 9 days. Average excursion value is €15. 30% of divers take excursions; 50% of beach holiday visitors do.

Demand from Divers

This is a special interest market that is the dominant one along the Red Sea coast. In other reports it is clear that the focus for this market is the marine environment and always will be, because the land environment for this market is of no interest. The divers arrange their travel either through specialty tour operators, or they purchase their packages from the mass-market operators. The market is almost entirely EU based. It could swell from a current estimated level of 262,000 to 437,000 over the next five years.

The market potential for Wadi Gimal from this sector is twofold. Some divers do choose other activities to vary their trips and will purchase land-based excursions. On their last day before homeward travel, for health reasons they cannot dive so some will pursue some other activity for the final day. Secondly, many are accompanied by friends or relatives who are not divers and who pursue other activities [or do nothing]. If 10,000 rooms [and room equivalents in boats, camps] are available in SRS, then on a typical day potentially 11,000 tourists will be present, of whom
60% may pursue dive or other water-based activities leaving another 4,400 for other activities. In this way the dive market can generate significant demand for inland excursions into WGNP and other inland areas. This will always represent an important potential market for WGNP.

**Demand from Beach Vacationers**

The same can be said for the beach vacationer market that has developed alongside the dive market in the south Red Sea sector. This market is nearly entirely EU based, with a growing contingent from Eastern European nations. Many vacationers seek interesting and even physically challenging activities inland and during an 8 or 14-day stay may purchase one or more such excursions. Some will purchase on impulse overnight trips to see the cultural attractions of Cairo, Luxor or Aswan and willingly pay for the 2nd hotel room, so if they see high quality in an excursion many will buy it. Moreover, there is evidence that some tour operators have in some seasons sold vacation packages at losses only to vigorously sell the additional [impulse] land excursions to make up for such losses. The region’s current volume is estimated at 175,000 and could grow over five years to 437,000 visitors. The key factor is the vigorous expansion going on at Port Ghalib which is in a wave of construction.

Looking to the future, if WGNP and environs offer appealing excursions, the tour operators will sell them and the vacationers will buy them. In addition to the hiking or camelback rides, some tourists will opt for quad rides, camel and horseback riding, and mountain hiking. Many will seek the Bedouin experience. Eventually some will seek high-value, capital-intensive adventure activities like hang-gliding or para-sailing, sightseeing flights in ultra-light aircraft. These all have significant novelty value and are already of proven popularity in other destinations. The offer in SRS of such activities will grow as all types of tourism to SRS will grow and as the investors take the risk to secure the capital equipment needed by such sport/adventure activities.

The operators in the region will expand the range of excursions and activities for the vacationers market which will broaden the area’s product range and lay a foundation for more sports and adventure-minded holiday visitors. Hoteliers and tour operators can broaden their customer base and extend their busy seasons if they cultivate the adventure travel sector that does not yet go to SRS. There are many other beach destinations in the Mediterranean and Red Sea marketplaces that similarly ‘feed’ tourists to the inland attractions according to this established pattern adding interest to their offer and distinction to their image.

**Nature-based & Adventure demand**

This user group is younger and more physically active than the high-end ecotourist. It seeks some physical challenge in exotic environments and a range of activities in SRS can fall in this category: horseback or camelback rides, canyoning and mountaineering, desert safaris, overland 4X4 journeys, scenic hiking, some technical climbing, and very basic or even luxury camping. This market is special interest in nature and consists of numerous clubs and associations in the EU that organize travel programs usually in combination with specialty operators. Technical aspects are important such as specialized equipment needs, certified escorts and coordinators, insurance coverages, emergency precautions and so on. There is another set of high-risk adventure activities relying on major specialty equipment such as quads, hang-gliding, delta-wings, gliders and ultra-light aircraft that must come with a well-defined safety framework. This range of activities is not well developed in Egypt or the Middle East although some clubs like aeroclubs in some nations are offering aerial adventure sports not for tourists but rather for expat enthusiasts.
Many destinations in the Middle Eastern and Mediterranean countries including Egypt offer this range of nature-based and adventure activities to a specialty clientele as well as for mass tourism, mainly as an entertainment [a thrill] for young beach vacationers. The most common products are overland journeys by hiking, on horseback or camelback, or on jeep/4X4 safaris. These are most popular where scenery is good to spectacular and where there are other cultural attractions in proximity [note the destinations indicated in the exhibit below]. In Egypt nature-based tourism is in an incipient stage, occurring mainly in Fayoum, in South Sinai and along the Great Western Desert Circuit. There is a growing offer of nature-based excursions along the Red Sea coast for the beach vacationers, but there is no evidence of pure nature-based or adventure tourism yet in the region.

From the standpoint of product and image, the creation of an offer of good nature-based experiences combined with some genuine cultural and historical content will benefit the SRS by introducing higher-priced products and broadening its product range and its market appeal. This will have two key benefits: one is to upgrade and diversify the image of SRS and win back old customers for repeat visits. The other benefit is to tap the new market of nature-based and adventure tourists coming not for the beach but for these inland experiences. By comparison with the beach and dive markets, this will be a secondary market but a profitable one, sure to be supported by the Port Ghalib resorts which are already featuring the adventure experience in their publicity.

**High-end Ecotourism**

Like the sports/adventure segment, this type of tourism is nonexistent in SRSR, but has some potential. This market is made up of EU travelers and expats living in the Middle East seeking exotic, genuine experiences outside of their home cultures. They can spend $150-300 per day per person, and rely heavily on word-of-mouth and on specialty tour operators emphasizing very high standards in terms of the content of itineraries, use of highly educated guides, and very distinctive lodging and food arrangements. Key motivations include educational value, distinctiveness or exotic flavor, exploration of a different culture, and travel in challenging and scenic environment. Many such tourists seek additional experiences such as spa services or meditation classes, cooking instruction or arts and crafts demonstrations. The quality of overnight lodging is very important for this clientele in terms of comfort, style distinctiveness and even cultural meaning.

Sample destinations include Tunisia’s Ksar country, Turkey’s Cappadocia, Jordan’s Petra and the luxury lodges of Oman and Dubai. In Egypt, only Siwa’s *Adrere Amellal* is a lodge catering to this trade. The Great Western Desert Circuit also is cultivating this clientele. There is no such tourism of this kind in the SRS at present. However, if WGNP can offer interesting excursions and a very high, distinctive standard of lodging, it could attract this type of clientele especially when combined with a Nile Valley or Western Desert experience. SRS has sufficient scenic and historic interest for this purpose. Some will seek the desert safari experience and some desert safari operators will open routes overland from the Nile Valley to Hamata crossing WGNP to meet this demand.

Generally speaking, high-end tourists will require attractive, high quality lodge accommodation in or near the park, whether at an inland site or along the coast. This type of tourism relies in particular on the provision of highly distinctive lodges or luxury tented camps fully reflecting the natural environment or an overland safari experience. A successful lodge of this kind is firstly highly unique and reflective of the local culture and environment, and secondly, offers an
exceptionally high standard of service and adapted local cuisine, which may take years to develop. Pleasing scenery from an extraordinary or privileged site will not alone be enough to satisfy the high-end tourist. This type of tourist will pay a few hundred dollars per day and expect consistently high quality service that few in Egypt can provide. It will be the highest value type of tourism, but the most difficult to provide consistently, requiring thorough knowledge of the customer’s expectations and managerial ability to develop the staff to meet these expectations. A luxury lodge or two of this kind in Wadi Gimal is essential to win this type of elite clientele. Without any well-run luxury lodge it will not come. While this form of tourism could attain a level of 5,000-10,000 yearly visitors spending €4-6 million, because of the high daily expenditure it would create a substantial number of local jobs serving this highly demanding type of clientele.

Recap of the Demand Segments

The characteristics of the demand segments, current and potential, reviewed above are summarized in the following exhibit.

Table 2 Comparison of Potential User Groups for Wadi Gimal Protectorate

<table>
<thead>
<tr>
<th></th>
<th>Divers</th>
<th>Beach vacationers</th>
<th>Adventure &amp; nature-based</th>
<th>High-end ecotourists</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current status in South Red Sea</td>
<td>Dominant</td>
<td>Dominant</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Source markets</td>
<td>EU, expats</td>
<td>EU, expats, Egyptian</td>
<td>EU, expats</td>
<td>EU, expats</td>
</tr>
<tr>
<td>Sales channels</td>
<td>Specialty operators, clubs</td>
<td>Tour operators</td>
<td>Specialty operators, clubs</td>
<td>Specialty operators, personal relations</td>
</tr>
<tr>
<td>Motivations for excursions</td>
<td>Entertainment</td>
<td>Entertainment</td>
<td>Education, exercise, physical challenge</td>
<td>Education, exploration, exercise</td>
</tr>
<tr>
<td>Potential for WGNP short visits</td>
<td>Limited</td>
<td>Substantial</td>
<td>Substantial</td>
<td>Nil</td>
</tr>
<tr>
<td>Potential for WGNP multi-day visits</td>
<td>Nil</td>
<td>Nil</td>
<td>Substantial</td>
<td>To be determined-contingent on quality of lodging</td>
</tr>
<tr>
<td>sample destinations</td>
<td>Greece, Malta, Maldives, SE Asia</td>
<td>Tunisia, Turkey, Morocco, SE Asia</td>
<td>Tunisia Matmata, Jordan Petra, Turkey Cappadocia, Algeria Hoggar</td>
<td>Tunisia Matmata, Jordan Petra, Turkey Cappadocia, Dubai, Oman</td>
</tr>
</tbody>
</table>

Note: above characterization is subject to change per further research.

It is proposed to subdivide SRSR into three sectors, namely a northern, central and southern one, focusing respectively on Port Ghalib, WGNP and Shalateen-Hamata. Each such subsector would function differently a draw a different mix of segments. This picture of market performance by sub-sector is summarized in the following paragraphs.

- The northern sector: This sector will rely on the market positioning of Port Ghalib, its
dominant development, to contain some 68,000 beds. This resort town will appeal primarily to the beach holiday vacationer and dive markets from the EU. This development will also feed excursion demand into the central and south SRS sectors seeking the nature-based activities of WGNP and environs. If it eventually has 30,000 tourists lodged on an average day, [in resorts, condos, camps] perhaps eventually 2% of them [600] per day will seek nature-oriented excursions in the central sector of SRS.

- **The central sector**: In SRS this sector will contain the key attraction for nature-based tourism, WGNP and its menu of desert experiences. This sector’s special promotional message could be ‘the historic, unspoiled nature of Wadi Gimal Park, from its ridges to its reefs’. This can be a distinguishing claim that few other destinations along the Red Sea and Gulf of Aqaba coasts or even the Mediterranean, could claim [Dahab could]. This theme can be expanded to include discovery of the desert life through Bedouin traditions. This is the key sector to draw the nature-based and adventure visitor segments because of its natural endowments and park management structure.

- **The south sector**: At least for the early stage, the anchor attraction will be the camel market and discovery of Bedouin culture through that event. This event will spawn some local tourist-oriented businesses, and stimulate a growing visitor volume as an interesting cultural excursion available to the divers and vacationers staying in the resorts. It will definitely appeal also to high, mid-range and low-end ecotourism.

**KEY PROBLEMS RELATING TO MARKETING**

- There appears to be no distinctive image for the SRS Sector. There is no particular image of SRS as a destination distinguishable from that of the Red Sea Riviera. However Port Ghalib has started promoting and will project a particular image of its own including closeness to nature. However the dive market does have a very good image of Egypt’s Marsa Alam sector as the less-developed part of Egypt’s well-known Red Sea coast.

- **The uniformity of product** keeps many tour operators from charging higher prices. From one operator to another the offer of their inland excursions often lacks originality or distinctiveness that could merit higher prices. Many operators fail to build higher value into their excursions. The Bedouin dinner or tea service with light musical entertainment is an example of a product widely offered but difficult to differentiate. This is not a unique problem and reflects a lack of ingenuity on the part of the owners.

- The European tour operators can demand low hotel rates. EU tour operators appear to be ‘price makers’ with an ability to purchase bulk room capacity across the Mediterranean and Red Sea marketplaces at low prices. Some operators invest in the local hotels in partnership with the Egyptian owners. A number of Italian and German ones already operate in SRS and one owner has recently struck a deal with an Austrian operator. EU hotel operators are also working in the region.

- **Limited air accessibility** of Marsa Alam continues to limit growth in traffic.
Marsa Alam Airport has virtually no scheduled air service since Egyptair dropped service there a few months ago. There are a few weekly flights on a small airline from Cairo, but this service is not daily and is a propeller flight. A growing number of charter flights from EU points operate and sell blocks of seats to different tour operators. The hotels are limited to making agreements mainly with those tour operators that can coordinate this limited air capacity with the bed capacity. So the air situation is a handicap for SRS. The transport situation in particularly stifling for the Egyptian and regional demand where flights are nonexistent.

- The Promotion of the product is effectively in EU hands and out of local hands.

The promotion of many hotels is handled by the EU partners of the hotel owners. It is not managed directly by the hotel owners or managers themselves of whom many are in Cairo. Egyptian hotel and tour operating companies are generally run out of home offices in metro Cairo enabling them to spread their promotion, general and admin costs over many hotels for efficiency. The marketing function is not in the hands of the hotel manager. Similarly, the dive operators often have European partners who promote and sell packages in EU nations. This division of labor seems to work well.

- Excursion operators provide faulty or incomplete information locally about their tours.

Many visitors rely on the recommendations of tour agents or hotel staff regarding all kinds of local activities. Since many local hotel staff are not directly familiar with much of the offer of the excursions they cannot provide sufficient information that will give the tourists the confidence to purchase the excursions. So the reliability of tour information is a problem.

- Excursion operators cannot meet all of the varied language needs of tourists.

In SRSR tourists come from many different countries and in fact no particular language dominates for the excursions. Many tourists pursue the activities that are hosted in English or some non-native language that they understand poorly [or not at all] cutting the tourist's satisfaction with the experience. The limited foreign-language ability of the coordinators of activities compounds this problem.

A conclusion to be drawn from the problems above is that it is a challenge for local businesses to provide memorable, distinctive excursions in SRSR that will be highly competitive. To catch the visitor’s attention and generate positive word-of-mouth the excursion operators need to provide distinctive experiences; however the offer of excursions up and down the Red Sea area is fairly homogeneous lacking outstanding appeal. Local operators need to do a better job portraying the region’s history, flora and fauna.

Only a fraction of tourists staying in the Marsa Alam sector ever enter Wadi Gimal or go further south. The images of the Wadi Gimal sector or of the Hamata-Shalateen sector are not yet established in the travel trade; it is still frontier territory.

**KEY PROBLEMS RELATING TO FINANCING ECOTOURISM**

The continued expansion of hotels, resorts and dive centers and related retail and restaurant businesses into the SRSR is evidence that there is no capital shortage for tourism in this region. In fact Port Ghalib is a focus for tremendous investment. The problems lie with the specialty
character of the lodging and activities expected in a protected area, which are products that are little known by the investment community.

- The concession context is unspecified in the WGNP area.

A number of investors spoke about advance conversations with authorities to negotiate contractual conditions for sites at attractive spots like Hankorab or Wadi Gimal Island, which eventually lead nowhere. This undermines investors’ confidence in the business opportunity that these sites represent. The whole tourist industry wishes to know what will be ‘the rules of the game’ and how the firms will be selected to offer a full range of activities in the park.

- Investors are unfamiliar with the high-end ecotourism product.

Some say the sole relevant example in Egypt is the Adrar Amellal lodge in Siwa. Most of Egypt’s investors aren’t familiar with this example or with others in the Middle East or in East and Southern African destinations. They don’t know this type of very select product, and do not recognize its potential for the SRSR or other places in Egypt.

- Investors are unfamiliar with the needs of the nature-based ecotourist.

Very few firms are already operating excursions into WGNP few understand the expectations in terms of quality of experience, of the European tourists for sports and adventure activities and cultural enrichment.

- Investors aren’t familiar with specialty finance sources such as green/SME funds or community development grants.

A number of commercial banks and donor programs [including USAID and EU] offer favorable loans and grants for private investors and even community groups and non-profits setting up businesses for tourism, but many complain of the lack of transparency and clarity for eligibility and application procedures. Even though many [perhaps most] such funding is available through commercial Egyptian banks, too often promotion is weak and the banks overlook the hotel owners and tour operators as potential clients.

The challenge facing SRSR is not availability of capital but rather is to steer investment into sensitively conceived tour and lodge operations fully meeting the expectations of the nature-based ecotourist and of the high-end ecotourist. The challenge is to secure investors who are responsible and can provide these operations in a consistent, market-sensitive manner over a period of years. The path to do this is not yet clear.
STRATEGY FOR INVESTMENT PROMOTION & MARKETING

VISION FOR SRSR AS ECOTOURISM DESTINATION

A vision is a statement of what a destination will represent if it becomes successful at some point in the future. The statement gives an indication of the key experiences or products that the destination will provide and the key user groups or markets that it will serve. It should be no more than 3 sentences long. A tentative vision follows.

The SRSR with its WGNP will welcome divers drawn by the famed coral treasures of the Red Sea, and also draw eco-tourists hiking through its mountains, exploring its ancient caravan trails, and sampling its Bedouin culture. WGNP will be an open-air museum telling the stories of desert life, of the local Bedouin tribes and of ancient times. The region’s offer of tours will portray for visitors its distinctive natural aspects and its long historical heritage.

KEY OBJECTIVES FOR SRSR

Four objectives are stated below. The first two relate mainly to investment promotion and the latter two relate more to marketing. These distinctions are not rigid, as the third objective on partnership relates very much to both areas. LIFE can promote all of these objectives.

Objective 1: Develop a framework to secure responsible investment.

With the growing number of investors along the Red Sea seeking more opportunities for investment, LIFE can encourage the most visionary of these to invest in the new types of tourism envisioned for WGNP as proponents of sustainable and responsible tourism.

Objective 2: Promote the creation of world class accommodation in the form of lodges and camps inside WGNP.

All of the activities that WGNP will offer will be provided through the trails, visitor centers, lodges and camps that the park will offer. The park’s overnight accommodation is the most critical type of infrastructure for the park so it needs to be developed with great care for quality from the start.

Objective 3: Facilitate partnerships between Egyptian tour operators and strong EU ones.

Strong EU tour operator partners will provide higher income visitors seeking the nature-based experiences that WGNP can provide. Strong partners will also be very familiar with quality standards expected by their clienteles, and have affiliations or certifications ensuring high standards. The objective is to educate them in the requirements for high quality excursions.

Objective 4: Encourage firms to offer high quality excursions.

The tour operators need knowledge about the visitors’ expectations, activities, price levels, and partnerships critical to offering a menu of international standard, marketable excursions. LIFE can provide the industry with much of this content.
DEVELOP INSTITUTIONS FOR INVESTMENT PROMOTION & MARKETING

LIFE proposes the creation of a set of institutions that will provide a sensitive approach for stewardship in SRSR, and for well-directed and even visionary private investment in the sector fully supporting the sustainable eco-tourism product. The recommendations below support the use of existing organizations and the creation of local committees to spur local ownership and initiative.

- **Destination management committees**: One will certainly be based at Port Ghalib; a second can be based potentially at Marsa Alam or between that town and Hamata to serve the central sector anchored by WGNP. A third could be set up at Shalateen, location of the camel market. The sooner these committees are set up, the sooner they can get to work on strategies to conquer the problems such as faulty waste management, urban untidiness, and incomplete tourist information.

- **Business owners’ representation on the DMCs**: These committees will have business members on their boards and among their officers, who will ensure that policies and positions of the committees are business-friendly ones, and always boosting competitiveness. The committees may also establish links with the Red Sea Investors Association.

- **Association of excursion operators**: Create a SRS branch of the Hurgada-based Red Sea Association for Safaris to build the capacities of the operators in SRS, to facilitate hiring of local population and help the members to pioneer new and higher value products. This will strengthen them to better negotiate deals with the tour operators who will try to get low prices from them.

- **Egyptian Tourism Federation**: This influential body in Cairo will be tapped to assist the EEA and possibly the excursion operators association to be stronger trade associations and to raise their awareness of the business opportunities in the making in SRS, among the tourism industry in Cairo where the business is concentrated.

- **Involvement in the proposed EEA**: These committees will also join EEA once it is created to tap its resources for guiding and strengthening the committees to better function as effective stewards of nature-based tourism in each sector. The Egyptian Travel Agents Association also has a membership of tour operators that can help strengthen EEA.

The most critical entities to create are the destination management committees. On a practical level, it may be politic for LIFE to secure the support of the Red Sea Governorate and of the RSG’s chamber of commerce in Hurgada, which may wish to open a branch in SRS, probably in Marsa Alam. The first committee to create will be the Port Ghalib one [the northern sector] and it will be critical to get the support of the developer M A Kharafi Group from the very beginning. With the backing of this internationally experienced developer, this committee may be willing to support the creation of committees for the Wadi Gimal and Shalateen sectors in the interest of boosting the physical conditions at all of the attractions across the three sectors and improve the general marketability of SRS.

In each destination management committee LIFE can encourage, possibly through the Egyptian Hotel Association or Tourism Federation, the active support of all the hotels, dive shops, tour operators and camp owners so that they will see the usefulness of the committees and actively support and contribute to them. LIFE personnel as advisers can participate in the initial meetings.
for the creation of these committees to give them direction and advice on effectiveness and sustainability. In the event no business consensus exists to create the WGNP DMG, the Port Ghalib one can cover that area for an initial period until a later date.

A major purpose for these committees and business groups is to create among the business owners an awareness of the inter-connectedness of their various businesses in creating a successful and well-run tourist destination. This in turn requires some understanding of the value-chain approach, which association officers from Cairo and possibly LIFE advisors can provide. This is in fact one component of the creation of a business-minded culture among all owners big and small.

**KEY STRATEGIES FOR INVESTMENT PROMOTION**

The key strategies proposed for investment promotion purposes are stated below. These are principles that will determine a set of actions that will make up the action plan that is presented in the final chapter of the report. They address to a greater or lesser extent all of the problems highlighted in the earlier chapter relating to financing.

**Strategy 1:** Clarify the concession terms for firms operating in WGNP. They need to know the rules of the game to determine feasibility of ventures in tour operations and lodge or camp development. These terms can be widely publicized and used as a basis for final negotiation of contracts with bidding firms.

LIFE project can encourage EEAA’s parks unit to finalize a set of terms being legal, financial and operational in nature, serving to orient any firms wishing to introduce profit-making ecotourism operations in WGNP. This information will reduce the uncertainty and be invaluable in outreach to the business community.

**Strategy 2:** Make available market intelligence for the use of firms seeking concessions. Ecotourism is poorly understood in Egypt and this will help firms develop more realistic business plans and select strong partners.

LIFE’s market surveys currently being finalized will provide much information on quality standards, price levels and on EU tour operators that will be highly instructive and useful for Egypt’s operators.

**Strategy 3:** Identify possible funding incentives for firms. In Egypt some grants and loans are made available to projects of an environmental nature, or featuring energy efficiency, SMEs, community development or rural development benefits to name the main categories targeted for eligibility. Owners need to be made aware of these sources.

This action is not intended to promote the use of debt where cash is readily available, but to enable investors to see what features in projects are being promoted, and then make more informed decisions on financing. It is hoped that all projects in and around WGNP will possess some innovations in efficiency and sustainability as proof of their environmentally sensitive conception from the beginning.

**Strategy 4:** Facilitate the creation of strong partnerships with EU firms. Since it is the foreign partner that usually controls the marketing function with his specialty knowledge of ecotourism markets and quality standards, the choice of a foreign partner is critical. Egypt’s tour operators can use
intelligence on foreign firms to select strong partners who are needed even in the design phase and feasibility study phase of their projects.

The market research currently under way will produce lists of EU tour operators who are experienced in the ecotourism marketplace and can help in the final design of a project. Appointment of the foreign partner in the formative stage normally makes the capital search easier.

KEY STRATEGIES FOR MARKETING

Three key strategies for marketing are presented below. In fact these focus largely on promotional efforts undertaken locally and aimed at tourists lodged in the coastal hotels and camps because they make their decisions on excursions locally using locally produced information.

Strategy 1: Create the Destination Management Committees in SRS region. Once local players join the committee they will be able to recognize their challenges more easily and organize resources to face them.

The Port Ghalib one will be sponsored by the Kharafi Group which as a powerful business force will largely steer its activities. It could be defined to include the town of Marsa Alam and WGNP or a second DMC could be created to cover that sector. These DMCs will be effective in conducting promotion to raise the visibility of SRSR in the tourism marketplace, addressing to some extent the key problems mentioned earlier of no distinctive image and product uniformity.

Strategy 2: Educate Egyptian tour operators on techniques for service upgrading. With such guidance they will be able to immediately undertake reforms and improve their service quality to improve customer satisfaction and profitability.

This is a complex situation which hinges not only on the quality of their own touring services and promotional channels but also on the quality of the foreign tour operators with which they choose to partner. This focuses largely on the excursions business that is growing in the region and will eventually dominate activity inside WGNP.

Strategy 3: Undertake a program of locally based promotion efforts. These will make accurate touring information readily available to target consumer groups and to intermediaries to promote increased consumption of excursions by groups and by individual travelers around WGNP and its region.

This program will call for use of standard promotional tools describing WGNP aimed at different target groups of consumers or tour operators. The key for LIFE is to support local businesses and institutions in launching these activities in support of ecotourism to SRSR.
ACTION PLAN FOR INVESTMENT PROMOTION AND MARKETING

The action plan is provided in two sections, one of activities supporting investment promotion, and the second of activities supporting marketing.

ACTION PLAN FOR INVESTMENT PROMOTION

The action plan contains actions that are solutions that find their justification in the four strategies defined previously. LIFE is a sponsor for all of these actions, although it does not have full control over all of these issues. LIFE is accumulating a wealth of information and this action plan spells out an approach to convey this knowledge to likely investors during 2007-8. Four activities are described below.

Table 3 Clarify concession terms

<table>
<thead>
<tr>
<th>Activity</th>
<th>Clarify concession terms for tour operations and lodges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timing</td>
<td>2007 1st quarter</td>
</tr>
<tr>
<td>Sponsors</td>
<td>LIFE, EEAA parks unit &amp; legal unit. Red Sea Safari Association could play a limited role.</td>
</tr>
<tr>
<td>Purpose</td>
<td>To clarify basic legal, financial &amp; operational terms and facilitate negotiations with firms bidding for concessions. These basic term will facilitate negotiations between the authorities and bidders for concessions.</td>
</tr>
<tr>
<td>Problem addressed</td>
<td>Lack of information on concession conditions for firms wishing to operate inside WGNP.</td>
</tr>
<tr>
<td>Funding</td>
<td>None needed as this is within EEAA standard responsibilities.</td>
</tr>
<tr>
<td>Details</td>
<td>A LIFE expert can help EEAA finalize a set of contractual terms describing the operating conditions to run tours on an officially approved basis inside WGNP. A second version of terms can describe conditions to create and operate a type of overnight accommodation such as a lodge or camp inside the park. If no concession terms are available then potentially a LIFE expert for 15-25 days will be needed to compile a set of terms. Terms must include details on business rights and restrictions, calculation of fees, disposition of capital improvements, reporting requirements and so on. Model contracts from the parks service of the USA, South Africa or Jordan can serve as examples. Versions in Arabic and English of terms will be needed.</td>
</tr>
<tr>
<td>comment</td>
<td>There is relevant precedent in Egypt since protectorates like Gifun Island have been operated under concession for some years. The more clear these terms are, the broader the interest they will draw when concessions are publicized for bidders. This work will build on any relevant work done by prior consultants like Robert Yearout.</td>
</tr>
</tbody>
</table>
Table 4  Promote funding incentives

<table>
<thead>
<tr>
<th>Activity</th>
<th>Promote funding incentives for projects.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timing</td>
<td>2007 1st or 2nd quarter</td>
</tr>
<tr>
<td>Sponsors</td>
<td>LIFE, ETAA and Red Sea Safari Association could play a limited role since they represent tour operators. The American Chamber in Egypt/Tourism Committee may also wish to contribute.</td>
</tr>
<tr>
<td>Purpose</td>
<td>To publicize sources for grants and loans that could support ecotourism projects [tour operators and lodges] and their conditions for eligibility. Most of these sources do not promote to the tourism industry.</td>
</tr>
<tr>
<td>Problem addressed</td>
<td>Business owners’ lack of awareness about such funding incentives. Another problem is banks’ lack of awareness of tourism firms.</td>
</tr>
<tr>
<td>Funding</td>
<td>None needed. LIFE expert to use 10 days LOE to compile info.</td>
</tr>
<tr>
<td>Details</td>
<td>LIFE expert will present key eligibility information on a sampling of grants and loans available from 2007 in a simplified format in English and Arabic for outreach purposes to the business community in Cairo and RSG. The profile will indicate conditions relating to the type of borrowers targeted, the types of projects eligible and basic financial terms [collateral, guarantees, repayment terms etc]. This information will be made available at the relevant tourism business associations as part of outreach to their memberships.</td>
</tr>
<tr>
<td>comment</td>
<td>Ready information on grants and loans will spur some investors to include energy efficiency or other such features in their projects. Investors indicate a need for such information in laymen’s terms.</td>
</tr>
</tbody>
</table>

A selection of sources for grants and loans is provided in the exhibit following. Some of the larger banks run different programs designed for different types of beneficiaries or projects. A simple, consistent format will help clarify this information before outreach activities to publicize it are undertaken. Programs are occasionally adjusted and even closed and replaced by new ones. Because of this LIFE and co-sponsors will have to update the information.

Table 5  Possible Sources of innovative finance

<table>
<thead>
<tr>
<th>In Egypt</th>
<th>Contact</th>
<th>comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Protection Fund</td>
<td>525-6452, 525-6490</td>
<td>Loans or loan guarantees</td>
</tr>
<tr>
<td>Global Environment Facility</td>
<td>526 6180 Georges Kondos, operational focal point</td>
<td>Various programs</td>
</tr>
<tr>
<td>USAID sponsored funds for SMEs</td>
<td>Magdy Khalil (tel: 5226602) or Mr. Rizkallah Zayat 5226665</td>
<td>Various programs</td>
</tr>
<tr>
<td>North Africa Enterprise Development</td>
<td>Antoine Courcelle-Labrousse, program manager 579-3912/812</td>
<td>SME support</td>
</tr>
</tbody>
</table>

ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT

United Bank of Egypt  
Moataz m. el-Kassaby, manager credit & marketing 792-0146 to 9  
Various programs

National Bank of Egypt  
Hamdy Mohammed Azam, policies & environmental loans dept.  
Various programs

HSBC  
Mohy-Eldin M. Abdin, deputy manager corporate banking  
Various programs

Nexant  
Emad Hassan, energy & environmental services 579-8545  
Energy & environment programs

Outside Egypt

Environmental Projects Unit, World Bank-IFC  
http://www.ifc.org/Enviro/EPU/ElFunds/eifunds.htm

Environmental Business Finance Program -IFC  
http://www.ifc.org/ifcext/environ.nsf/Content/EBFP_Eligible Solar PV technology

Cleaner Technologies Program-IFC  
cleantech@ifc.org. or visit http://www.ifc.org/ifcext/environ.nsf/Content/CleanerTech_Eligibility

Social Responsibility Program-IFC  
http://www.ifc.org/ifcext/environ.nsf/Content/SocialResponsibility formerly the Corporate Citizenship Facility

HypoVereinsbank of Germany  
Bayerische Hypo- und Vereinsbank AG  
Postfach  
80311 München, Germany  
Project finance, green lending

Telefon: (089)378-0, E-Mail: info@hypovereinsbank.de

NEDBANK of South Africa  
http://www.nedbank.co.za/website/content/Corporate/smeindex.asp? Small business, green lending

Table 6  Prepare an ecotourism brief

<table>
<thead>
<tr>
<th>Activity</th>
<th>Prepare an ecotourism brief for the business community.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timing</td>
<td>2007 2nd quarter for completion of basic brief, with intermittent delivery activities through 2008</td>
</tr>
<tr>
<td>Sponsors</td>
<td>TDA, Egyptian Tourism Federation. The American Chamber in Egypt/Tourism Committee may also wish to contribute. This could also be a launch activity for the planned EEA.</td>
</tr>
</tbody>
</table>
### Purpose
To educate Egypt’s business community about the ecotourism field as it works internationally, including products, competition, quality standards and price levels, market trends, tour operators, affiliations and certifications. It will also inform them as to project potentials in SRSR, options for financing their projects and concession terms.

### Problem addressed
Few investors in Egypt or in the Middle East know how ecotourism works, how protectorates or parks work and especially how high end ecotourism works in successful destinations.

### Funding
None needed. LIFE expert to use 15 days LOE to compile presentation materials in both languages. Funding to cover presenters at the different events will come from the sponsors of the events.

### Details
LIFE expert will compose a set of PowerPoint presentations to cover content including: concessions terms, financing opportunities, market intelligence particularly on EU segments, affiliations and certifications, and specialty tour operators from the EU and forging partnerships. As information from LIFE, from ETA or other sources become available it can be incorporated into the relevant sections of this brief. All information is to be available in both Arabic and English versions. Since the entire brief will be freely downloadable from several websites no need for printing is envisioned.

This material can be diffused to the business community via different channels. Outreach channels:

- presentations at annual meetings of relevant trade associations [ETF, ETAA, EHA]
- presentations at an investment forum sponsored by the American Chamber in Egypt, and another by the EU.
- presentations at selected tourism investment forums like ITB Berlin, Dubai tourism show [once in 2007, once in 2008]
- training of investment advisors from the investment office of TDA, and official from ETA
- posting of materials in both languages in downloadable formats [PDF] on the websites of these same organizations
- staging of an *Ecotourism Egypt* seminar under ETA/TDA/LIFE sponsorship held in 2007 3rd/4th quarter. This would preferably be held at another yearly tourism investment event in Egypt.

### comment
Since LIFE will sunset in 2008 it is essential for ETF or TDA or the future EEA to take ownership of this brief to update it yearly.

<table>
<thead>
<tr>
<th>Table 7</th>
<th>Prepare pre-feasibility study for lodge in WGNP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activity</strong></td>
<td>Prepare pre-feasibility study for lodge in WGNP</td>
</tr>
<tr>
<td><strong>Timing</strong></td>
<td>2007 2nd quarter</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Sponsors</th>
<th>TDA, EEAA and RSG all sponsors of WGNP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>To provide all interested parties including both the authorities and investors with a clear illustration of the market and financial implications of a lodge in the protectorate, and of the potential financial return it can generate for the sponsor agencies. This study will also assist firms in preparing their own feasibility studies more easily and realistically.</td>
</tr>
<tr>
<td>Problem addressed</td>
<td>Few investors in Egypt or in the Middle East know how ecotourism works, how protectorates or parks work and especially how high end ecotourism works in successful destinations. This study will provide a good example of a successful operation at WGNP.</td>
</tr>
<tr>
<td>Funding</td>
<td>LIFE expert to use 30 days LOE to compile the study in both languages. A local research assistant and translator will be needed.</td>
</tr>
</tbody>
</table>
| Details       | LIFE hotel feasibility expert will prepare this study with the benefit of any LIFE research and ETA/TDA research conducted to date and using Ministry of Tourism statistics. The key sections will include:  
- description of the planned project [size, site, services, market orientation]  
- evaluation of market demand [mix of segments to target and which marketing channels]  
- evaluation of competitive supply  
- market performance of lodge at WGNP [average occupancy, room rates, food & beverage and touring revenues etc.]  
- 20 year cash flow statement [in Uniform System of Accounts for hotels format]  
- Estimation of annual fee payments to authorities for concession  
The study will be presented in a document not to exceed 100 pages including exhibits. A summary of it is to be prepared in PowerPoint format. |
| comment       | This study is to be distributed widely to stimulate investor interest in the WGNP business opportunities. It will help both investors and the authorities to arrive at acceptable terms during their negotiations over concessions. |

**ACTION PLAN FOR MARKETING**

This plan consists of three activities of which the first sets up the local destination management committees, the second boosts the product quality of the tour operators, and the third focuses most directly on the function of promotion of SRSR and its primary attraction, the WGNP.

**Table 8**  
Create the Destination Management Committees in SRSR

| Activity | Create the Destination Management Committees in SRSR |

Timing 2007 2nd quarter, end 2007 for WGNP or Shalateen-Hamata committees

Sponsors Kharafi Group for the Port Ghalib committee, Red Sea Safari Association for the Marsa Alam-WGNP committee. Municipalities of Marsa Alam and Shalateen are to join their respective committees.

Purpose To create local organizations designed to take ownership and improve conditions locally for tourism and promote the destination.

Problem addressed Lack of distinctive image of SRSR and lack of awareness of WGNP and its sector in the international travel trade. [Committees will in addition address material problems unrelated to marketing/promotion.]

Funding Limited seed money will be needed from local government, from RSG and from local business chambers where they exist.

Details The MA-WGNP DMC must contain representatives of the municipality, of key business interests, EEAA representing WGNP management, and of the Red Sea Safari Association. LIFE can provide limited guidance during 2007 and 2008 through occasional participation in organizing meetings to provide strategic orientation and assist in development of annual work plans. This could require up to two weeks of effort each quarter both in person and advising by telephone. In the interest of good governance the Kharafi Group will most likely be willing to assist in the creation of the MA WGNP DMC since it is in the interest of Kharafi to be valued as a good neighbor in the region. Each DMC will work on areas like: local orderliness and hygiene, roadside signage, tourist information availability and promotion. The three key areas are strategic planning, local hygiene and tourist information/promotion.

The LOE that LIFE devotes to these committees is hard to determine since it is not clear how quickly they will be formed and start operations. In addition after an initial period another launch advisor such as TDA may support these efforts and relieve LIFE from this task.

comment Each DMC must provide in its strategy for its own effectiveness and sustainability. In the Port Ghalib case since it is an integrated tourist destination under one owner, the DMC may not be needed.

Table 9 Provide ecotourism orientation to tour operators

<table>
<thead>
<tr>
<th>Timing</th>
<th>Throughout 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsors</td>
<td>Red Sea Safari Association, ETF's Ecotourism Committee, the proposed EEA</td>
</tr>
<tr>
<td>Purpose</td>
<td>To educate Egyptian tour companies in the operation of excursions in ecotourism destinations and protected areas, product development, partnerships and alliances,</td>
</tr>
<tr>
<td>Problem addressed</td>
<td>Lack of distinctive image of SRSR, uniformity of product, provision of faulty/incomplete tourist information, burdensome multilingual information needs.</td>
</tr>
<tr>
<td>-------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Funding</td>
<td>40 days LOE for LIFE foreign expert and 50 days for local expert to develop the content and materials.</td>
</tr>
</tbody>
</table>
| Details           | Much of the information gathered for the investment activity **Prepare an ecotourism brief** will be used in this activity. It is to cover the following components:  
- pricing and content of high-priced nature-based excursions, presentation of case studies from selected destinations  
- securing partnerships with EU tour operators and relevance of quality affiliations  
- staging familiarization trips to SRSR organized by ETA with DMC assistance for tour operators and travel journalists  
- production of trilingual local tourism newsletter for free distribution in restaurants, hotel lobbies and rooms on local excursions and entertainment offer and other publicity items  
- creation of multilingual capability to issue area maps, lists of attractions and activities in target languages revised regularly and downloadable  
- website posted with downloadable informative documents like press kits, newsletters, travel manuals and model itineraries, in target languages for special interest clubs, associations, and tour operators in the EU |
| comment           | The orientation program is designed for tour/excursion operators in RSG and could be delivered to more than one group of operators such as in Cairo, and in Hurgada. It could form the seed for an annual program to be offered at a training institute in Hurgada, Luxor and eventually Marsa Alam. |

On the topic of affiliations, some ecotourism operators have chosen to publicize their support for best practices, sustainability and ethical behavior as represented by organizations such as:

- World Wildlife Fund
- Conservation International
- The International Ecotourism Society
- Green Globe 21
- The Tour Operators Initiative
- Center for Responsible Tourism [UK based]
- The Nature Conservancy
- “Leave no trace” environmental principles of USA parks
- Trade groups: ABTA in the UK, USTOA and ASTA of the USA
Some operators to assert their level of social responsibility state that they contribute funds for each customer to selected charities with operations in the destination countries of their tours. This matter of affiliations is one Egyptian firms must be aware of when selecting a foreign partner.

**Table 10  Produce essential WGNP orientation & promotion materials**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Produce essential WGNP orientation &amp; promotion materials</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Timing</strong></td>
<td>2007 2nd quarter</td>
</tr>
<tr>
<td><strong>Sponsors</strong></td>
<td>MA-WGNP DMC is primary sponsor together with Red Sea Safaris Association and Port Ghalib DMC</td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td>To promote complete and accurate information on WGNP and all the touring options it will offer to target customers at their point-of-purchase locations in hotel lobbies, restaurants and shops both at the Red Sea and at Luxor and Aswan.</td>
</tr>
<tr>
<td><strong>Problem addressed</strong></td>
<td>Lack of distinctive image of SRSR and lack of awareness by tourists of WGNP and its sector in the international travel trade. The problems of EU control of promotion, of faulty information and of the multilingual needs are also addressed.</td>
</tr>
<tr>
<td><strong>Funding</strong></td>
<td>To be determined. LIFE foreign expert will require 24 days working with a local graphic designer and with EEAA parks unit.</td>
</tr>
<tr>
<td><strong>Details</strong></td>
<td>Should LIFE find in 2007 that the information that WGNP park management has for visitors in the target foreign languages is inadequate or simply unavailable, whether posted signage or information leaflets about the park, it must raise this need with EEAA to find a quick remedy for this deficiency. Within a 2-month time frame a set of leaflets can be prepared in the target languages using readily available desk-top publishing software. Moreover, ETA, EHA or even some companies may be willing to pay for the cost in exchange for promotional recognition. A LIFE tourism expert working with DMC officers can resolve this situation ideally at little or no cost to the DMCs or to EEAA. This set of information can include:</td>
</tr>
<tr>
<td></td>
<td>- basic multicolor map of WGNP and textual info on all its features and touring options and list of approved tour operators and their contacts and details on any lodges and camps [easy-to-print online versions]</td>
</tr>
<tr>
<td></td>
<td>- list of tourist services available in SRSR such as restaurants, camps, car rentals, tour operators with their contacts</td>
</tr>
<tr>
<td></td>
<td>- travel manual with model packages and itineraries for foreign tour operators plus information on safety, accessibility, emergency services etc.</td>
</tr>
<tr>
<td></td>
<td>In this way travel desks along the RSG coast, at Luxor or in any European city can easily print out these key items for travel planning purposes.</td>
</tr>
<tr>
<td><strong>comment</strong></td>
<td>This activity builds upon the prior two and focuses on the promotion of the protectorate as the focal attraction for ecotourism in SRSR. LIFE can fill this void in 2007 and lay a foundation for local players to assume different components of</td>
</tr>
</tbody>
</table>
this promotion function in later years.
LIFE Red Sea Project

ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT

Part 2: Requirements to Define, Locate, and Deliver Adventure Tourism Attractions in the Southern Red Sea Region of Egypt

Disclaimer

The Author’s views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.
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ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT
Part 2: Requirements to Define, Locate, and Deliver Adventure Tourism Attractions in the
Southern Red Sea Region of Egypt
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<td>Figure 8</td>
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</tr>
</tbody>
</table>

ACRONYMS AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDC</td>
<td>Community Design Collaborative</td>
</tr>
<tr>
<td>cm</td>
<td>Centimeter</td>
</tr>
<tr>
<td>EEAA</td>
<td>Egyptian Environmental Affairs Agency</td>
</tr>
<tr>
<td>km²</td>
<td>square kilometers</td>
</tr>
<tr>
<td>KVA</td>
<td>Kilovolt Ampere</td>
</tr>
<tr>
<td>LIFE</td>
<td>Livelihood and Income from the Environment (project)</td>
</tr>
<tr>
<td>LRS</td>
<td>LIFE Red Sea Project</td>
</tr>
<tr>
<td>m</td>
<td>Meters</td>
</tr>
<tr>
<td>MW</td>
<td>Megawatt</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental Organization</td>
</tr>
<tr>
<td>PVC</td>
<td>Polyvinyl Chloride</td>
</tr>
<tr>
<td>RO</td>
<td>Reverse Osmosis</td>
</tr>
<tr>
<td>RSG</td>
<td>Red Sea Governorate</td>
</tr>
<tr>
<td>SFO</td>
<td>Single Family Occupancy</td>
</tr>
<tr>
<td>SRO</td>
<td>Single Resident Occupancy</td>
</tr>
<tr>
<td>SRS</td>
<td>Southern Red Sea (region)</td>
</tr>
<tr>
<td>SWM</td>
<td>Solid Waste Management</td>
</tr>
<tr>
<td>TDA</td>
<td>Tourism Development Authority</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific, and Cultural Organization</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>WGNP</td>
<td>Wadi Gemal Nation Park</td>
</tr>
</tbody>
</table>
SECTION I  DEFINING THE ADVENTURE TOURISM PRODUCT

INTRODUCTION

Adventure tourism products, such as heritage, cultural and nature based tours, are defined in terms of specific experiences and the ways that those experiences are delivered enjoyably and safely. These are the most important features that define a successful tourism product. The person who buys these tours wants a collection of experiences that are unique to a destination. The tourist also wants assurances that those experiences will be enjoyable, safe and located in an attractive area. And it is clearly in the best interests of the host region to not only provide those services, but to establish conservation management practices and development policies that will protect the resources and sustain this economic market. The world has numerous heritage and natural features that are promoted in a highly competitive market to attract tourists. In order to successfully compete in this valuable market, well designed products that offer very special experiences provide the host country with a significant competitive advantage.

Egypt enjoys a dominant presence in the heritage tourism market because of its world renowned antiquities. The Giza pyramids, Luxor, and the Abu Simbal monuments are obvious examples of this market advantage. Based on the growing popularity of the cultural and nature based tour mark and the extraordinary resources Egypt possesses, considerable economic development potential exists. Sources of information demonstrating the growing strength of the culture and nature tourism markets include:

- Survey research conducted by the Smithsonian Institute and National Geographic Society between the years 2000 and 2007 reveals that heritage tourism is among the fastest growing, high value segments of the tourism industry.
- Surveys of the cultural and nature based tourism markets by the World Tourism Organization, The International Ecotourism Society, and others demonstrate that these are large, growing markets that attract high income persons.
- The HotelBenchmark Survey conducted by Deloitte & Touche shows that the Middle East hotel sector out performed both Asia and Europe during 2007. Egypt, most importantly, recorded the fastest growth. The Middle East recorded a 17 percent growth in revenue per available room. The authors of the report conclude: “This amazing hotel performance is bound to continue as analysts suggest than annual travel and tourism revenues could increase almost 90 percent over the next 10 years”.
- There is a large, economically valuable domestic market of Egyptian people seeking outdoor recreation. Excellent educational attainment and increasing personal income are contributing to this growing market. By example, the availability of GPS equipment, handheld radios, and the expansion of mobile phone service are facilitating the rapid growth and popularity of Egyptian safari clubs.

Based on the strength of culture and nature based demand and anticipated tourism growth, Egypt is well-positioned to capture a larger share of these tourism markets. This represents significant economic development opportunities. However, for Egypt to capture a larger market share of the cultural and nature based tourism markets it is necessary to:

- diversify its tourism products in order to attract new tourists
understand that these are not mass market products. In addition to profits, there are many benefits associated with a product diversification development strategy. Market differentiation leads to higher consumer satisfaction, higher return rates, and a mature business climate. Much of sustainable tourism is characterized by specialized businesses that serve niche markets. It is wiser to target the market segments that are now underserved than it is to tackle larger segments that are difficult to handle and already have a great deal of competition.

The unique cultural and natural resources of the Southern Red Sea Region (SRSR) provide Egypt with an economic development opportunity to define tourism products that can capture specialized markets. To gain those benefits the following must be accomplished:

1. Define tourism experiences for each type of heritage, cultural, and nature based recreation activity to be offered.
2. Identify the most appropriate sites, resources, and support services needed to deliver those experiences.

In summary, a cultural or natural feature tourism product should be defined in terms of the visitor's experience of that attraction. The purpose of this report is to assist both the Egyptian government and private investors in the creation, delivery and location of these special recreation experiences in the Southern Red Sea Region. Knowledge of the requirements for successfully implementing these tourism products will help diversify Egypt's tourism market with high value products.

Characterizing the Southern Red Sea Region’s Tourism Experiences

An enormous amount of historical, environmental, and cultural information for the Southern Red Sea Region has been obtained from many years of research. Although this information describes numerous potential attractions that may appeal to specialized tourism markets, there is a need to organize the information so that it “tells the story” about those features. The ways in which information about those attractions is shared creates tourism experiences and identifies the several resources and most suitable sites needed to deliver those tourism products.

This section provides a description of the information required to characterize the adventure tourism experience and create tourism products in the SRSR. There are three critical elements that must be defined for all tourism products. These elements are described with direct references to the conditions that uniquely characterize the SRSR. The three elements are:

1. the expectations of the tourist prior to departure;
2. the on site tourism experience; and
3. memories resulting from the tourism experience.

Expectations of the Tourist

Before traveling to Egypt’s Southern Red Sea Region, tourists obtain information from publications and a variety of visual media. This information creates impressions that define their expectations and influences their travel planning. For remote and less known destinations such as the SRSR, it is especially important to create well designed and accurate information that will produce realistic tourism expectations. Visitor satisfaction, tourist revenues, and a willingness to recommend the destination to others all depend on delivering recreation experiences that reasonably match expectations.
The hinterland of the Southern Red Sea Region needs to be represented as a remote, un-crowded destination where the tourist can expect to view mountains and deserts that contain natural and cultural features of national and international significance. Because the attractions of the hinterland are remote and rarely visited most tourists will anticipate that significant wilderness qualities characterize the region. The natural and cultural significance of the region also conveys the expectation that the region enjoys the resource protection of the government. In fact, many significant regions within the SRSR are officially designated conservation zones.

In order to realize visitor expectations, tourism products regarding the SRSR need to provide the following information:

1. Print and visual media need to be created that accurately describes the region. These materials must include lists of attractions with brief descriptions of heritage sites, natural attractions, environmental conditions, accurate maps, transportation access, seasonal weather conditions, and cultural values that must be respected. Sources for additional information need to be included in these promotional materials. Excellent published materials that describe the region in terms of both their attractions and their potential dangers. These materials would include accurate maps, weather conditions, lists of species to be seen, descriptions of heritage sites, and descriptions of marine conditions.

2. A description of the qualifications of the guides is vital for creating accurate expectations of the tourism experience. Specialized heritage, cultural, and nature tours must demonstrate that their guides have expert knowledge. The person who selects this type of tour will demand to know that the guides are well qualified. They will expect that they will learn about attractions they visit and that the information they receive is both true and interesting. Specialized tourism products rely on the guides “to tell the story” and create the on-site tourism experience.

3. Trip preparation information should provide lists of appropriate clothing and equipment to insure both personal comfort and respect for local culture. The SRSR can be extremely hot during the day, especially in the summer. The desert in the winter can also be very cool at night. These climate conditions can be easily accommodated with pre-travel information. Islam has traditions regarding modest dress that must be respected.

4. Descriptions of the modes of transport to and from the region as well as travel times within the region should be readily available. Any special travel scheduling requirements constitutes essential information for the prospective tourist. Schedules of commercial air transportation to Marsa Alam and Hurghada should be well known to potential guests and their travel agents. The quality of the vehicles used to conduct land tours, the health of animals used for safari tours, and the quality of the vessels used to conduct marine tours will be important to tourists.

5. If Egypt allows independent travel in the hinterland then information regarding visas, security passes, or permits for entry to sites needs to be provided. If tourists are permitted to enter the hinterland with guides and tour operators, then the tourist needs to know that they have to hire a guide for allowable entry to the sites they expect to visit. For a variety of security and safety reasons entry to certain sites in the SRSR is now limited. For tourist satisfaction, it is essential that proper entry documents are secured in order to deliver the advertised tourism experiences. Special requirements, such as security passes, or permits for entry into archeological sites, are essential information to be provided in order to ensure that the ecotourist has allowable entry to the sites they expect to visit. For a variety of security and safety reasons entry to particular sites in the Deep Range may be limited. For guest satisfaction, it is essential to be certain that the
proper entry documents are secured in order to deliver the advertised ecotourism experience.

6. Medical precautions and identification of medical facilities in the vicinity of the tourism experience are especially valuable to both the traveler and the liability concerns of the organization sponsoring a tour. By example, the vulnerability of medicines to destruction because of heat in the SRSR is a message that needs to be communicated to persons reliant upon prescriptions. Medical precautions and identification of medical facilities in the immediate vicinity of the ecotourism experience are especially valuable to both the traveler and the liability concerns of the tour operator. By example, the vulnerability of medicines to destruction because of heat in the Deep Range is a message that needs to be conveyed to persons reliant upon prescriptions.

7. Finally, contact numbers for answering questions and providing supplementary information will help to ensure that the traveler is well prepared for their journey and that the operator is prepared in advance to respond to any special needs or concerns. Telecommunication infrastructure in the hinterland of the SRSR is currently limited. Therefore it is necessary to establish a reliable communication system with guests to answer their questions and notify them of conditions that might affect their visit. Finally, contact numbers for answering questions and providing supplementary information will help to ensure that the traveler is well prepared for their journey and that the operator is prepared in advance to respond to any special needs or concerns. Telecommunication infrastructure in the Deep Range is currently very limited, therefore it is necessary to establish a reliable communication system with guests in order to answer their questions and accurately apprise them of environmental conditions that may impact their visit to the Deep Range.

**Examples of SRSR tourism experiences**

The complete tourism experience includes travel to and from the site; the ways in which the attractions are experienced; the accommodations, food, and guest services; compatibility with the other guests met during the trip; involvement with the local people; and introduction to the cultural values of the host community. In response to the request of the Egyptian Tourism Development Authority (TDA), the specific focus of this report is to identify new tourism products in terms of the ways that they can be experienced, how they will be delivered, and where they may be located.

The key to using SRSR attractions as tourism products is to define them in terms of experiences. A useful method for understanding this approach is by examples that are relevant to the SRSR. Based on heritage, environmental, cultural, and economic research conducted in the Southern Red Sea Region, a collection of tourism experiences are briefly characterized in this section. Detailed discussion of specific products and the resources required to deliver the products are presented in future sections of this report.

**Environmental experiences**

The Southern Red Sea Region is a place characterized by extreme contrasts. An enormous mountain desert where water is very scarce is located directly adjacent to a major sea. The wadis and mountainous parts of the region offer tourists opportunities to explore places that contain scenic beauty and rare animals, but also represent one of the largest and most remote wilderness regions on earth. For persons seeking recreational opportunities in extremely remote wilderness areas, the SRSR provides some of the finest experiences any where in the world.
For naturalists seeking unique adaptations of land and wildlife to severe conditions, the wadis offer stunning examples of rare and unusual life forms. The inventory of wildlife that either resides or migrates through the area provides an array of viewing opportunities for wildlife enthusiasts. The rare wildlife species living in the desert contrast sharply with the environment of the coastal zone. For persons seeking a profusion of life, the offshore fringing reef systems and the mangrove ecological communities offer a diversity and abundance of marine species that are world class.

The SRSR will appeal to artists, photographers and other persons seeking aesthetic qualities in nature. The SRSR offers experiences of dramatic landscapes, pure light, a night sky with an unimpeded view of the stars, stunning sunsets and sunrises, and places where the tourist can find solitude. These experiences can be shared by Egyptian photographers and artists who know the region’s most attractive locations. The experiences can be further enhanced by the rich literature, poetry, and history of Egypt. These are the types of experiences sought by people who love wilderness areas.

Given the remoteness of the hinterland and the potentially hazardous conditions that may be found there, it is important for tourists to travel in vehicles that are especially designed for rough travel. If the recreational venue is hiking, then it is necessary to have well qualified guides leading the tours. The guides need to be qualified based on their achievement in language skills, natural history, cultural heritage, hospitality, and emergency services. If the travel is by camel or horse then these animals must be trained to carry persons who probably will not be familiar with handling these animals.

Figure 1 4-Wheel Drive Vehicles are Suitable for the SRS’ Rough Terrain

Well designed land navigating systems and interpretive signage are essential for describing routes and enabling people to benefit from a competent knowledge of the sites they are visiting. Signage must reflect the language of both the local people and prospective guests.

In all circumstances and for all locations of the SRSR where tours are conducted it is imperative to have emergency medical, communication, and evacuation services. In most instances the visitor will travel by vehicles and tour operators should have emergency response equipment, supplies and skills. In other instances, these resources need to be provided at strategically located sites (caches) throughout the region in which tours are conducted.

Cultural and local community experiences
A tourist visiting the SRSR has the opportunity to travel numerous routes that have been used for thousands of years. These ancient routes provide the tourist with the experiences of visiting...
ancient town sites, fortresses, roadways, sentry posts, tombs, shrines, mines, and other antiquities. They can see an amazing abundance of pottery, artwork, and stone sculpture that provide vivid evidence of the communities that existed in this region during the past 5,000 years. By viewing the ground in the mining areas a person can find small gems shining in the sun. Successfully delivering these heritage experiences requires sharing knowledge about the history and culture of those sites. These experiences will appeal to the huge tourism market interested in the ancient history of Egypt; the empires that competed for its wealth; and of the vast amount of knowledge that is continuously being discovered in the SRSR.

Figure 2 Tours by Vehicle Must be Properly Equipped for Emergencies

Similar to the natural history of the SRSR, the human history of the region also presents dramatic contrasts. The most obvious contrast is that following thousands of years of human use, the SRSR now has virtually no permanent human settlements. The very few people who now inhabit the hinterlands of the SRSR are nomadic people who sustain themselves by means of their herds of goats, sheep and camels, some trade goods, and training camels for sale along the ancient caravan routes.

The Ababda Bedouin people of the SRSR people can enrich the tourist experience with their sincere hospitality, their generosity, and their customs. By example, the practices of roasting coffee on coal fires, or baking bread in an oven buried in the ground describe how people have adapted to the severe conditions of the desert. Local art and crafts such as textiles, leatherwork, ornate silver jewelry may be purchased from local artisans. Local fishermen take pride in displaying skills with their nets and boats that enable them to harvest a bounty of diverse marine life. But it is most important that people: (1) obtain permission from the Ababda to visit; (2) respect local customs; and (3) do not further stress the scarce resources of this region. For all of
these reasons the visitor experience must delivered by tour operators who have earned the trust of the Ababda and can communicate well with foreigners.

**Figure 3** Shrines, Pottery Shards, and Petroglyphs Give Evidence of Early Human Settlements

There are many different foods in the SRSR that can provide eating experiences for tourists. A variety of meats, sea food, and an assortment of fruits and vegetables provide ample opportunities to experience unique food preparation techniques and local recipes. The availability of these depends on seasons and resource conditions.

In summary, there is a great opportunity to create heritage and cultural tourism products that allow tourists to view numerous ancient heritage sites and experience the traditions of tribes that have inhabited the SRSR for thousands of years. These products should be delivered to small numbers of persons willing to pay premium prices for the opportunity to experience antiquities and cultures that are rarely seen.

**Memories of the tourism experience**

For all tourist destinations the most important indicator of the tourism experience is visitor satisfaction. Tourists often express their satisfaction in terms of their memories of the tourism experience. If the memories of their travel are positive this will result in economic benefits to the host region. Visitor with positive memories of their experiences will also be motivated to recommend the destination to others and reinforce the market attraction of the region. Consideration of this fact is a vital part of creating a successful tourism product. Establishing and sustaining an excellent reputation depends upon visitor satisfaction.
There are several ways in which the tourism product can be designed to achieve the best possible memories of the tourist experience. Tourists use photographs, videos, books, publications, souvenirs, and friendships acquired during their holiday to evaluate their experiences. These can be supplemented by correspondence and consumer surveys that are forwarded to the guest after their departure. For the heritage and nature based tourist markets, guests appreciate newsletters that provide updates regarding environmental conditions or heritage site preservation. These updates can produce economic benefits for the destination. They also provide good reasons for the tourist to visit the destination again.

The availability of well written books that are richly illustrated provides guests with both a keepsake and something they can share with others. The sharing of these types of publications provides a potentially significant marketing advantage to tour operators in remote locations.

Another method for sustaining both the memory and the environmental integrity of the SRSR is to establish a conservation organization dedicated to sustaining the quality of the region. The creation of this type of mutually beneficial organization should be supported by tour operators in order to demonstrate their commitment to the conservation of the resources of the SRSR.

Surveys of the heritage and nature based markets show that visitors prefer to use tour operators endorsed by reputable organizations.

In summary, there are significant advantages to Egypt, its tourism investors, and tour operators who accurately define tourism products in terms of experiences. The tourism product, defined in this way, identifies the tourism markets that should be targeted. This information will enable Egypt and its investors to identify specialized heritage, nature based, outdoor recreational, and educational markets that would be attracted to the region. Defining the tourism product as experiences provides the information needed to identify the facilities, operational, and support services required to deliver quality recreation services and accommodations.

Identification of the essential operational and facility needs required to deliver quality recreation services and accommodations.

**Identifying Southern Red Sea Region Tourism Products**

It is useful to identify SRSR heritage and nature based tourism products based on three major criteria. The tourism products should be: (1) relevant to the specific conditions and features of the SRSR; (2) they should be relevant to the tourism market; and (3) they should be relevant to the agencies responsible for the delivery of those products and the management of the region’s resources. An extremely valuable method for accomplishing this selection process is to use the United Nations definitions for categorizing heritage. The categories briefly described below can be directly related to the unique features of the SRSR; they are well understood and targeted by the tourism market; and they are recognized and have the full support of the Egyptian government.

The United Nations Educational, Scientific and Cultural Organization, UNESCO, has devoted a substantial amount of research to determine acceptable definitions of heritage resources. In summary, they have classified three major heritage resources that include cultural, and archival. Cultural resources are further defined in terms of both tangible and intangible features. By example, tangible heritage resources include all sorts of physical objects, such as structures, artwork, and diverse artifacts. These objects are defined as tangible cultural heritage resources.

Cultural resources are further defined in terms of both tangible and intangible features. By example, tangible heritage resources include all sorts of physical objects, such as structures, archival resources are documents.
song, reciting stories and poetry, and other human activities that demonstrate what is often called “living histories”.

Natural resource heritage is defined in terms of the environmental characteristics that make a place very unique. These features can include rare and unusual animals, plants, ecological zones, critical habitats, rock formations, wild rivers and waterfalls, natural landscapes, and other naturally occurring phenomenon. These special areas attract tourists who want to view, explore and learn about these sites.

The SRSR has many natural heritage attractions to share with tourists. Based on extensive research in the SRSR the location of wildlife habitats, vegetative zones, and geologic features that characterize the region are known. These attractions can be found throughout the entire SRSR. In some instances the Egyptian government has designated specific areas as national parks, wildlife refuges, or conservation zones.

Archival heritage resources are the documents contained in libraries and research centers. Archival resources are not normally mentioned in terms of tourism, but Egypt is a very special exception to that rule. Egypt possesses priceless archives that attract people from all over the world. There are also special Egyptian institutions, such as the Library of Alexandria, that can attract many visitors to Egypt. The creation of special exhibits, the promotion of research services, and Egypt’s current endeavors to make more of their archival information on the internet could create a high value tourism market. In terms of the heritage resource tourists who visit the SRSR, they may extend their stay in Egypt if they knew that had access to relevant archival resources.

World governments have dedicated huge amounts of money, time and talent to protect both their cultural and natural resources. Egypt has been a world leader in this regards. The Egyptian government is fully committed to the conservation of its heritage resources for the benefit of both the Egyptian people and visitors. This is a great strength that should be recognized in the identification of SRSR tourism products.

Tour operators, hotel investors, and recreation developers are very well acquainted with UNESCO’s heritage resource categories and the increased economic value associated with these types of resources. They realize that the identification of heritage resources by governments using the UNESCO criteria provides strong endorsement for these attractions. In this way tourist markets are not only identified, they are given enormous credibility. Tourists are also familiar with the distinct categories of the heritage resource market. They may, or may not, know much about UNESCO, but they definitely know which type of tourism product they want to purchase. The economic value resulting from this method for identifying heritage resource products is significant.

Specific SRSR tourism products

The hinterland of the Southern Red Sea is an enormous region that can feasibly host a large number of heritage resource tourism products. With the support of the Egyptian Ministry of Tourism the author conducted many years of field research in the SRSR. Results of that research provide both the critical information needed to create tourism products and the critical environmental and heritage site conditions that need to be managed.

The hinterland of the SRSR has coastal plains, wadis, and mountains that contain over 150 cultural heritage sites, 40 significant geological features, 10 of which are best revealed in ancient mines, 1 spring, 36 wells, 33 tomb and shrine sites, rare vegetative zones, seasonal pastures and camps of the Ababda people, hundreds of species of birds that either reside or migrate through
the region, and numerous wildlife species, three of which are endangered species. Based on that field research it is known that, at a minimum, the following types of tourism products can successfully be implemented in the SRSR:

**Cultural Heritage Tours - Tangible**

1. **Guided tours of the ancient caravan routes and sharing the “Roman Road” Story.** At a minimum this includes viewing the actual location of ancient caravans, the sources of the wealth of empires, sentry posts and fortifications, warehouses, hydreumas (water storage structures), and ancient human settlements.

2. **Antiquity Tours.** Numerous guided tour products can be created to view some or all of the following Egyptian, Ptolemaic, and Roman heritage sites:
   - Vetus Hydruma
   - Cabalsi
   - Appollonia
   - Zabarra
   - Sakit
   - Nuqrus
   - Gela
   - Ankari
   - Hangelia
   - Bokari
   - Sukkari
   - Berenice
   - Nakari
   - Wadi el Anboat
   - Petroglyphs

These tours can be conducted by means of off road vehicles suited to the region, trail systems in temperate seasons, or horseback in cool seasons.

Specific markets for these products include:
   - Museum Associations
   - High end cultural tour operators
   - History Associations
   - Archeological Associations
   - Egypt Study Societies
   - Educational Research Groups
   - Archeological Study Groups
   - Alumni Associations

**Cultural Heritage Tours - Intangible**

Tourism products can be created from the unique cultural experiences found in the SRSR. Specific examples of these are:

1. Medicinal and subsistence use of plants and animals
2. Production of local crafts and art
3. Preparation of food by traditional methods
4. Camel herding and training
5. Shalateen Camel Market
6. Islamic Shrines
7. Sheik el Shazley
8. Traditional festivals and ceremonies
9. Poetry recitation
10. Traditional storytelling
11. Falconry exhibitions
12. Navigating by use of the stars
13. Astrology
14. Night camps that combine several of these experiences

Delivery of these tourism products must result from a partnership between the local people and tour operators.

There are many target markets for this product and they can be easily found on the internet. The companies now offering cultural tours in Egypt would obviously be the best targets because of their economic interest and first hand knowledge.

Natural Heritage Tours

1. Naturalist guided tours to view and learn about wildlife and the SRSR environment including:
   - Birding
   - Wildlife viewing and photography
   - Desert ecology
   - Medicinal, cosmetic and utilitarian use of plants
   - Botanical studies
   - Geology
   - Hydrology – hyper-aridity and flood events

These tours may be conducted by means of off road vehicles suited to the region, trail systems in temperate seasons, camel trekking for botanical tours, and horseback in cool seasons.

There are literally thousands of tour operators that specialize in these type of tours. Their target markets include:
   - Specialized clubs and societies such as The Audubon Society
   - Natural History Institutions
   - Natural Habitat Adventures
   - National Geographic Tours
   - Environmental Conservation organizations
   - Educational institutions
   - Zoo membership

2. Wilderness backcountry experiences that include:
- Hiking and backpacking with qualified guides in temperate seasons.
- Camping with qualified guides in temperate seasons
- Mountaineering with qualified guides

The market for these products include:
- Wilderness tourism tour operators
- The adventure tourism market
- Mountain and Alpine Clubs
- Environmental Conservation organizations

3. Nature Photography Tours – these must be led by both a qualified guide and nature photographer. These tours may be conducted by means of off road vehicles suited to the region or trail systems in temperate seasons. The markets for these products are photographic organizations such as Photography Clubs and Schools.

**Archival Heritage Tours**

One of the most effective methods for obtaining additional revenues from tourists is to extend their visit. Exhibiting interesting documents at a visitor center located in the SRSR and inviting the tourist to view similar information in Cairo or Alexandria might help achieve this. This approach to diversifying tourism products is especially appealing to the research, study, and educational markets.

**Figure 4 Historic Treasures of the SRS Region**

Nuqrus

Gelia

Nakari

Lahi
Part 2: Requirements to Define, Locate, and Deliver Adventure Tourism Attractions in the Southern Red Sea Region of Egypt
SECTION 2 REQUIREMENTS FOR DELIVERING SRSR TOUR PRODUCTS

INTRODUCTION

Effective delivery of SRSR tourism products requires knowledge of the regional conditions that uniquely define the SRSR; the development of support services and resources; the construction of appropriate facilities; and the selection of suitable sites. All of this information is equally important. By example, the construction of attractive facilities on suitable sites must be supported by well trained guides, excellent communications, and emergency preparedness in order to guarantee tourist satisfaction and safety. The economic feasibility of the tour product depends on providing every part of the delivery system.

The major elements for effectively implementing natural and cultural heritage resource tour products are described in the remainder of this chapter.

Knowledge of SRSR Conditions and Resources

Environmental Resources

The SRSR is an immense, mountainous desert where heat and the scarcity of water affect everything. The extreme lack of water produces a climatic condition called hyper aridity. On average, rainfall occurs only once every seven years. Perhaps the most dramatic characteristic of this type of climate is that all moisture dries instantly.

For most of the year, the Deep Range is exposed to intense sunlight and, during certain seasons, intense heat. During the period November through April the temperatures of the Deep Range and Wadi al Gimal are sufficiently temperate that human activity can be safely conducted. During the May through October time period the temperatures can range between approximately 35º and 55º C (130º to 145º F). The most dramatic impacts of these extremely high temperatures on environmental conditions is the temperature of the rocks that often exceed 77º C (170º F) and all moisture, including perspiration, dries instantly.

These severe climatic conditions dominate the ways in which both nature and humans have adapted to life in the SRSR. The animals and plants that live in this region and the traditions and values of the Bedouin people who subsist on those scarce resources are unique. Identifying how tourism products will be delivered in this region demands a competent understanding of the SRSR’s environmental resources, the singular importance of water, and the need for conservation.

Tourism developers in the SRSR must know the environmental character of the region in order to plan and provide safety for their guests, minimize adverse impacts on indigenous people, and assure the Egyptian Government that sustainable environmental management practices are established. The information in this section of the report briefly describes some of the environmental resources that make the SRSR unique. This suggests that the ecotourism developer must acquire a competent understanding of the environmental character of the region in order to provide uniquely enjoyable guest experiences, plan and provide safety for their guests, and assure the Egyptian Government that best environmental management practices are established.
Based on years of research, the author and team of Egyptians identified and mapped the ecological zones of the SRSR. The relevance of this research for tourism planning and management is that each zone has distinct wildlife habitat, vegetation, and geologic characteristics that represent potential attractions to tourists seeking to experience the natural heritage of Egypt. The boundaries of watersheds were defined and it was determined that seven distinct ecological zones exist. The seven ecological zones include the high mountains, wadi floor, coastal plain, mangroves, fringe reef, offshore marine, and offshore islands. The animals, plants, geologic structure, and climate conditions of each of these zones was examined for all seasons of the year to identify potential nature-based tourist attractions.

In the TDA lands west of the coastal road, wadis and coastal plains are the most prominent ecological zones. In many locations along the coast the mountain ecological zone is within the TDA boundaries. Each of these zones has very different environmental conditions that will directly impact tourism planning, development, and operations.

The word 'wadi' refers to a canyon, valley or dry streambed that conveys water at irregular intervals down the slope from the mountains to the shore. During infrequent times of rainfall they also carry alluvial deposits ranging from rubble to silt into the coastal plains, and precious supplies of water. The center channels of the wadis usually have limited vegetation while their edges or the terraces created by flood events can have substantial biodiversity. The coastal plains are wide areas that connect the wadis to the coast. The extreme conditions of persistent drought and brief but intense floods have resulted in the amazing adaptation of animals and plants living in the wadis and coastal plains.

Vegetation plays a vital role in sustaining life in the wadi by providing important food, cover, nesting sites for animals, and medicines and utilitarian supplies for humans. The vegetation provides critical habitat for birds seeking sites for nesting and cover. It provides a source of food for mammals such as camels, gazelle and wild donkeys that inhabit the wadi. The dominant vegetative species of the wadi are the Acacia and Tamarisk trees. There are five species of Acacia trees found in the SRSR. The acacia are large, drought resistant trees that play a vital role in the ecosystems of the wadis. They provide leaves for the animals to eat and shade for all forms of life. Local people use the resin (sap) of the tree as a hard candy. The hard wood is valuable for both construction material and a source of charcoal. The pods and bark are used for tanning and the flowers are used in the manufacture of cosmetics.

Figure 6 Trees Native to the SRS Region
Other woody plants found in the wadis include bushes that provide critical habitat for nesting birds, a date-like fruit that is used for the treatment of diabetes, and a small succulent shrub that is used for soap. As it names implies, the branches of the toothbrush bush, *Salvadora persica*, are used by the local tribes for that purpose. The large thorns on various trees are used as needles and leather punches. And, most importantly, the location and condition of the vegetation provides essential information to locate sources of water.

The animals inhabiting the wadis of the SRSR include many rare species of mammals and birds that are unique to the Eastern Desert. By example, the region provides habitat for the rare Dorcas Gazelle, Nubian Ibex, Striped Hyena, and Hydrax. As a result of their unique adaptation to this habitat and their isolation from human contact, the populations for each of these species are currently sustainable in this region. Wild donkeys and camels are abundant and rare camel species are frequently sighted in the SRSR.

Numerous, colorful lizards can be seen running about the area. The study of reptiles in the SRSR currently reveals a total of forty species. The only dangerous animals that inhabit the SRSR are the Lesser Sand Viper, *Cerastes vipera*, The Honed Viper, *Cerastes cerastes*, and the scorpion. The snakes prefer to run from humans and local tribes of the Eastern Desert rarely kill the snakes. Local tribes of the Eastern Desert region rarely kill the snakes. The scorpion whose venom is neurotoxic is probably the most dangerous animal in the Deep Range. The Bedouin will kill scorpions because they represents a severe threat to children and the elderly.

During the spring and autumn a numerous species of birds migrate along the Red Sea. Aided by thermal uplifts, abundant food and sufficient cover located along the Red Sea coastal environment, large numbers of birds migrate between the northern and southern hemispheres. International recognition of the importance of this flyway was certified by Birdlife International (formerly The International Counsel for Bird Preservation) which defined 34 Important Bird Areas in Egypt. Among these 34 critical habitats, seven are located in the SRSR.

The SRSR is an extremely valuable nature tourism site for viewing rare wildlife, witnessing land, shore, and sea birds in a single location, and learning how animals and people adapt to a desert environment. Fortunately for the potential SRSR tourism investor interested in developing nature tour products a substantial amount of information is readily available. Distinguished naturalists and scientists have published bird, mammal, plant, geology, herpetology, and natural history field guides for the Eastern Desert. All of these field guides are well written and have excellent photos and illustrations. This wealth of information should be used by potential tour operators to provide the vital information needed to understand the SRSR and create nature based tours. The publications also contain information needed to create effective guide training programs, and, of course, they can be sold to tourists.

**Cultural Resources**

For thousands of years the Eastern Desert has witnessed diverse human uses. The greatest extent of human settlement in the SRSR occurred during its ancient history from between 2,500 BC and 100 AD. Extensive occupation resulted from the discovery and excavation of the region’s enormous mineral wealth and because of the trade routes that connected South Asia and Egypt to the empires of the Mediterranean. The precious metals and stones mined in the SRSR provided wealth and power for the ancient Egyptian, Nubian, Ptolemaic, Roman, and Abyssinian empires and kingdoms. Those empires and the region’s local tribes frequently fought for the control of the mineral wealth and trade routes located in this region.
Numerous emerald, gold, chromium, and semi-precious gems were mined throughout the SRSR. Construction stones such as granite and gypsum were also quarried in this region. Large populations were required to support and protect these economic endeavors and the trade routes that connected them. Fortified towns were built at mine sites, at key water resource locations, and along supply routes. Examples of these major SRSR cultural heritage sites are located at Zabarra, Nuqrus, Sakit, Sukkari, Gelia, Hangelia, and Ankari.

At least four major caravan routes transported goods and served as communication networks between Red Sea ports and the Nile River. Ancient ports such as Nakari and Berenice were connected to ancient Nile cities such as Thebes. These ancient ports were once thriving transport centers that imported supplies to Thebes, Coptis, and other cities in the Nile Valley and exported precious minerals and gem stones. The remnants of the many fortified towns located along the caravan routes are still visible today. Heritage sites such as Phylacon, Sabbarah, Appollonia, Novum, Vetus Hydreuma, Lahami, and Cabalsi are located in the SRSR.

Perhaps the most distinctive caravan route was the legendary Elephant Route of the Ptolemies. This route crosses the entire length of the SRSR and then proceeds to the largest fortress trading center located along the route. This fortress city was named Appollonos by Alexander the Great and then later named Appollonia by the Romans. Water storage sites called hydruemas were strategically located along the routes and evidence of the actual caravans can be seen in petroglyphs carved centuries ago. The structural remains of numerous sentry posts further demonstrate that a significant military population was garrisoned in the SRSR. An incredible abundance of ancient pottery, stone sculptures, tools, and other artifacts provide compelling evidence that large human settlements once thrived in this region.

The greatest extent of human settlement in the Deep Range and in the Wadi al Gimal area occurred between 2,500 BC and 100 AD. Extensive occupation resulted from the discovery and excavation of enormous mineral wealth. Numerous emerald and gold mines were established in the Wadi Al Gimal and surrounding wadis. The precious metals and stones mined in the Wadi al Gimal region of the Deep Range provided wealth and power for the ancient Egyptian, Nubian, Ptolemic, Roman, and Abyssinian kingdoms and empires. The empires and the nomadic tribes frequently fought for the control of the mineral wealth and trade routes located in this region.

The Wadi al Gimal, Wadi Nuqrus, and Wadi Sakit areas developed permanent populations of several hundred persons during this era. Camel and elephant caravan trade routes augmented the permanent mining population. Based on the structural remains of numerous sentry posts and fortresses in the region, a significant military population was also garrisoned in these wadis.

Tribal groups were probably the first inhabitants of the Deep Range region and a few of their descendants still practice camel herding and fishing in the area today. These nomadic people have occupied all parts of the Eastern Desert. The tribes, identified from south to north in the Deep Range, included the Cohala, Abadoahe, Bicharis Arabs, Atouni, Beny Wassel, and Mazzy. They competed with one another for control of the water wells and grazing areas from ancient times until the middle of the 1800s when the British implemented a peace agreement. Today the Ababda and Bishari are the primary Bedouin inhabitants of the SRSR. Cultural resources of these people that may be seen today include remnant structures and Islamic shrines.

The extraordinary number of cultural heritage resource sites and artifacts are evidence of ancient times. They provide an extraordinary glimpse of the ways of life during those times, and the wealth of empires now long gone. These resources and the stories associated with them now represent very valuable tour products.
The ancient history of the SRSR contrasts sharply with the number of present-day Egyptian human settlements. There are no permanent human settlements anywhere in the hinterland of the SRSR and very few Bedouin families now live in the SRSR. The largest concentrations of Egyptians in the SRSR are located at the towns of Marsa Alam in the north and Shalateen in the south. A few local fishing communities are located in between those two towns. It is ironic that this once thriving center of human activity now has virtually no permanent population.

In summary, the benefits to TDA and tour investors of having a competent knowledge of the region’s natural and cultural resources include:

1. Distinctly different natural attractions are seasonally present in each ecological zone. These attractions appeal to very diverse tourism markets defined by their consumer preferences. Diversifying Egyptian tourism products requires this kind of information.

2. Different environmental conditions in each zone require specially designed tourism services and facilities in order to safely and effectively deliver quality recreation experiences.

3. A remarkable collection of ancient and Islamic cultural heritage sites are located in the SRSR and these sites and information about them can provide unique tourism experiences.

4. Guide training and other human resource requirements must be relevant to both the natural and cultural resources of the SRSR.

5. The availability and quality of infrastructure and emergency response capabilities are distinctly different among the zones and therefore planning and investment for delivering these tourism products will vary considerably.
6. Transportation access and modes of transport to attractions in the SRSR presents different challenges to the tourism operator and will create different experiences for the tourist.

7. Environmental management and cultural preservation is critically important. Wildlife habitat conservation and the cultural resource preservation are essential to sustain both the resources and the quality of the tourism product.

Outside the immediate Wadi al Gimal region lie a number of larger communities. In some instances the communities are towns such as Al Quseir and Marsa Alam to the north and Berenice to the south. In other instances the largest human settlements are associated with resort and recreation development occurring along the Red Sea coast. Examples of these facilities within the vicinity of the proposed Wadi al Gimal Protectorate Area include the Shams Alam Resort

**Seasons of Use**

Climate is the most dominant environmental feature of the Southern Red Sea Region. For most of the year, the SRSR is exposed to intense sunlight and, during certain seasons, intense heat. Given these conditions, the climate of the SRSR plays a critical role in defining when and where tourism products can be delivered. Temperatures are extremely hot in the summer. Entry to the hinterland during the summer months can be very uncomfortable and potentially dangerous. In the winter cool temperatures prevail and the nights can actually be cold. Given these weather extremes, it is necessary to accurately define when tourism can occur.

Tourism seasons are normally defined as a high, low, and shoulder seasons. The high season consists of the months that are most attractive to visitors. The low season is the least attractive time for visitation. The shoulder seasons are defined as transitional weather time periods that can be attractive to select tourism markets. The duration of the seasons has a direct effect upon the ability of tourism activities to occur, the willingness of tour operators to conduct tours, and the extent to which tourism development is economically feasible.

**High Season in the Southern Red Sea Region**

The high season in the hinterland of the SRSR extends from approximately November to the first week of April. During this time period the temperatures are generally warm in the day and cool at night. Consequently, tourists can access all regions of the hinterland. The most popular month for tourism in the hinterland has historically been November because of the favorable weather conditions and the greatest abundance of wildlife.

The high season for recreation activities in the hinterland does NOT compete with the high season for the diving market. This is a vital piece of information to be communicated to tour operators and investors. The most popular dive season is the summer months.

**Low Season in the Southern Red Sea Region**

As a result of the extreme heat and hyper-aridity during the late spring and throughout the summer months, mid-May through mid-September, it would be extremely dangerous to conduct tours through the mountains and upland regions of the SRSR hinterland. The high mountain zone is a particularly dangerous location to conduct tours during the summer months.

The average temperatures in the mountains and upland regions of the SRSR average 50 to 60 C (130 to 150 F) during the late May through August time period. The sand and rocks absorb heat and this increases their temperature by as much as another 30 F. It is unreasonable to believe that tourists to this region during that time would be able to successfully endure these harsh
conditions. From a logistical point of view, the supply of water and medicines is another significant concern. The vast quantity of water and ice required to maintain visitor safety for even short excursions is prohibitive. Virtually all medicines will perish and become useless when temperatures exceed 95 F. for sustained time.

A variety of tourism products can be offered along the coastal plain and in the lower parts of the wadis during the low season. Tourism products to offer in these locations include most of the Intangible Cultural Heritage tours previously described.

**Shoulder Season in the Southern Red Sea Region**

The brief shoulder seasons are springtime, defined as approximately mid-April through mid-May, and early autumn, defined as late-September through October. During both of these time periods there are significant bird migrations that will be attractive to many nature-based tourism markets. In addition, many heritage attractions located in the wadis can be experienced at these times. The shoulder season will be particularly attractive to landscape and nature photographers who wish to take advantage of the extraordinarily pure light, tolerable temperatures, and the absence of other people in the area.

**Evenings and Nights**

Throughout the entire year many tourism products can be delivered during the evening or night. Well planned evening and night tours represent excellent opportunities for guests to enjoy the SRSR and for tour operators to increase their market.

**Criteria for Defining Seasons**

A useful planning tool for defining tourism products is a calendar that includes useful information and schedules recreation activities for specific seasons. Season defining criteria includes:

- Climate assessment with monthly averages for the following:
  - Temperature
  - Hours of daylight
  - Precipitation (it is rare, but when it occurs flash floods often result)
  - Climate hazards, especially probability of flash floods and sand storms.

- Environmental attractions by type and abundance of the following:
  - Wildlife migration events by species - land, bird, marine
  - Botanical changes, e.g. Foliage, blossoms, crops, etc.

- National and religious holidays
- Traditional festivals, art, and cultural events

**Support Services and Resources**

The delivery of well designed cultural and nature tours requires the use of specialized support services and resources that include guides, operational guidelines, equipment suited to the SRSR, and support services that will provide safety to the tourist. These services and resources are discussed at this time because the information is needed to design appropriate facilities and select suitable sites. By example, emergency medical response capabilities needed to deliver hinterland tours must be known when planning and developing tourism facilities and sites.
**Guide Training**

Guides play a central role in the delivery of tourism experiences. They provide the information that tourists want to know about the attractions, the setting, and the local communities. They support safe tour operations and are immediately available to respond to the needs of the tourists. The guide’s friendliness and sense of humor often produce lasting impressions on the tourist. In addition, they are on site to protect Egypt’s resources and to insure that visitors respect cultural values.

Well trained guides encourage visitors to learn about the cultural and natural features of the tour. Good guiding practices contribute to making a visitor’s stay more enjoyable. They not only inform visitors about the prime attractions, but also encourage them to return and enhance the reputation of the destination and its attractions. The guide’s knowledge and the way that he or she delivers it to the tourist is a major factor in visitor satisfaction.

The need to preserve the resources of the SRSR and provide for the safety of tourists requires well trained guides. In order to accomplish that, a substantial amount of knowledge should be provided. This knowledge includes:

- Competent knowledge of the region.
- Understanding the tourism product.
- Communication skills and language training.
- First responder emergency service training
- Resource protection.
- Introduction to cultural practices.
- Hospitality and guest service training
- Knowledge of communication technologies and protocols.

The following guide training criteria are recommended.

- Hire local people as tour guides and support personnel to conduct the tours. This provides both employment opportunities for local residents. It also promotes an improved understanding between the tourists and local people.
- Guides must have the following skills: multiple language fluency skills, relevant subject matter expertise, emergency response, communication equipment, vehicle and equipment operator competency, and hospitality skills.
- Guide licenses, permits, and any other governmental certification requirements for conducting tours or operating land transport equipment for touring purposes.
- To attract the up market tourists, guides must be properly insured.

It is acknowledged that the successful accomplishment of guide training for the SRSR is exceedingly challenging for the reasons described below. Clearly, any opportunity to resolve these issues will improve the design and delivery of the new tourism products.

With the notable exception of the Ababda people, there are very few Egyptians with a first hand knowledge of the SRSR and the survival skills required to travel in that region.

The educational resources in the SRSR are scare and currently do not emphasize the natural and cultural resources of the region. However, as previously mentioned several nature field guides are now available and these represent positive educational resources.
Many guide operations will occur only seasonally, therefore people who wish to be guides may not have year-round employment from this occupation.

**Driver and Support Personnel Training**

Driving and equipment operation in the SRSR requires special skills. The terrain is rugged. The slopes are steep. Areas with deep sand prevent traction. Sharp rocks and the thorns of the Acacia tree puncture tires. Because of these conditions, excellent off road driving skills are essential to conduct tours in the SRSR. Selecting the best tracks and going at reasonable speeds are essential for delivering both safe and comfortable tours. In addition to driving skills, the driver needs some basic vehicle repair skills, such as changing a flat tire.

Personnel conducting tours in the hinterland also need to know how to use communication and way-finding equipment. Two way radio and Global Positioning System equipment skills are required to keep the vehicles in a mutual support situation.

Sand invades all types of equipment. The constant northern wind of the SRSR insures that this condition exists. This circumstance requires that field personnel have the basic maintenance and repair skills required to keep vehicles and field equipment operational.

**Visitor Management Ratios for Tour Operations in the SRSR**

Visitor management ratios are defined as the number of qualified guide personnel required per number of visitors. This ratio identifies the way in which a particular tour product can be delivered in both a safe and informative manner. The major factors that determine visitor management ratios are:

- mode of transport,
- severity of the terrain,
- weather conditions, and
- behavior characteristics of the tourists.

By example, tours conducted in the SRSR will use either off-road vehicles or hiking as the mode of transport. Vehicle passenger capacity and the off road driving skills of the guide will directly affect the ratio. Travel across extremely severe terrain in potentially extreme weather conditions will require support personnel and a support vehicle. This information should be used to determine an appropriate ratio. Tourists who buy SRSR tours will have high educational attainment and curiosity about the area. This means that the guide will have to share a lot of information. The numbers of tourists will clearly affect the ability of the guide to successfully communicate.

Tours requiring very long days, several days to view several features, or overnight tours in the SRSR require additional support personnel such as drivers, cooks, outfitters, and perhaps herdsmen. Although the additional personnel may increase the host to visitor ratio, it is important to note that all of the people will rely upon the guides for direction, education, and assistance.

**Numbers of Tour Groups in the Hinterland**

Preservation of the wilderness experience in the hinterland of the SRSR, defined as the lack of tourist congestion and noise, requires the physical and visual separation of tour groups. Various operational approaches can be used to accomplish this, but all of those will require that host facilities and tour operators know where their guests are located in a large wilderness region. This
requires reliable telecommunications, reasonably accessible emergency medical response capabilities, and search and rescue capabilities.

**Telecommunications Systems**

The Southern Red Sea Region presents several obstacles for accomplishing reliable telecommunications. The terrain itself is the greatest challenge. The height of the mountains and steepness of the slopes represent significant physical barriers to communication transmissions. The absence of permanent human settlements means that the region has historically not had telecommunication infrastructure.

The creation and implementation of a reliable telecommunication system in the SRSR is critically important for the efficient and safe delivery of cultural and nature tour products. Communication functions that improve the recreation experiences include: distribution of tour groups to prevent congestion; communicating the location of wildlife; reporting trail and site conditions; and notification of hazards.

Reliable telecommunications are critical for performing emergency medical response, back-country assistance for vehicle repair, relief and re-supply. For these and other reasons, dependable telecommunications are critically important for safely conducting touring operations. In most instances, reliable telecommunications and operator skills will prevent a small problem from becoming a much larger and more dangerous situation.

Fortunately, the five kilometer zone of TDA lands along the Red Sea coast are well served by mobile phone service. This is a very important telecommunication resource that will facilitate tour operations.

As previously stated the mountainous region of the SRSR presents many telecommunication obstacles. For this region of the SRSR a system of satellite phones, two way radios, and a backup radio system need to be combined to provide adequate communication coverage. This approach is required until mobile telephone service is expanded and signal strength is entirely reliable.

Criteria for implementing a satellite phone and radio communications system in the SRSR include:

- **Equipment**
  - Satellite phones provide the very best technology for communication in the remote areas of the SRSR. The use of these phones is strongly recommended.
  - A base station radio with at least a 16 watt transmitter, designated emergency frequencies, and high gain antenna.
  - VHF handheld radios for field personnel. The limitation of these devices is that they are “line of sight systems” that are limited in the SRSR by the height of the mountains.
  - Radios that monitor weather conditions and notices. Temperature and wind conditions are the most important weather conditions to monitor.
  - Radio repeater towers strategically located at the top of ridges in the Deep Range in order to transmit communications between wadis and canyons
- **Communication Protocols**
  - Regularly monitored emergency channels
  - Designated operational frequencies
  - Designated primary and secondary languages
- Appropriate language training
- Training in the use of radio protocols

In summary, telecommunication equipment and protocols are essential for safely and effectively delivering tour products in the hinterland of the SRSR. A high powered VHF radio system must be established between ecotour operators and a regularly monitored base facility - most probably the visitor center. Because VHF is a line of sight communication system and because the Deep Range is a maze of steep canyons, it will undoubtedly be necessary to build radio repeater towers at strategic locations in order to safely conduct communications in the backcountry. In order for tour operators to reduce their operational risks, it is strongly advisable to establish a reliable communication system for all field operations. Given the fact that air evacuation is not permitted in this region, it is imperative to establish an excellent ground communication system.

**Emergency Medical Services**

Emergency medical response capability is an essential part of tours conducted in wilderness regions. The adventure tourism market is appealing to many people because of the opportunity to experience wilderness. However, the tourism developer needs to recognize that the vastness of the region, its severe terrain and extreme climate are natural hazards that require emergency planning and management. This planning involves the use of existing facilities and the creation of new capabilities to meet the needs of wilderness tour operations.

Currently, emergency medical services are scarce in the SRSR. The Egyptian Government recently constructed an excellent hospital facility in the town of Marsa Alam. This facility is fully equipped and furnished. It can provide emergency medical services, limited surgical services, and convalescent care.

The Marsa Alam Hospital is a fine facility, but getting the patient there in a timely manner is a challenge. Access to the hospital is by road only. Emergency medical air transport is currently not allowed in the SRSR by the Egyptian Government. Consequently, the extreme distance between the hospital and tours conducted in remote regions of the Eastern Desert is a serious concern.

One method for providing timely emergency medical care in the hinterland of the SRSR is the establishment of adequately supplied and strategically located medical aid stations. Some of these stations can be permanently located in either existing or new tourism facilities. Another solution is to locate seasonal stations at rest stops along the most popular hinterland tour routes. In all instances, emergency medical services should be in the vicinity of tour operations so that response times are effective.

If the construction of aid stations is not feasible, then an effective technique for providing this service is by means of a mobile emergency vehicle. Personnel assigned to this vehicle would have to be trained as First Responders and Emergency Medical Technicians. The Red Crescent organization and the excellent training hospital facilities in Egypt have the ability to provide this training. The medical supplies loaded on this vehicle would benefit from both security and temperature control. Again, excellent telecommunication equipment is needed for these emergency vehicles to be effective.

In order to minimize medical emergencies, hinterland tour products should provide tourists the following information:

- Allow time to acclimate to hot desert conditions. The tour product should allow the tourist to conserve energy during the beginning of the tour and avoid strenuous activities. Some visitors accurately compare the desert conditions of the SRSR to high altitude
mountaineering. Be patient in the desert climate because it drains energy at an amazing rate. A person's energy can be rapidly dissipated by aridity, heat, and physical activity.

- Extended exposure to direct sunlight is very harmful. It affects mental functions, the skin, and a person's stamina.

- Wear clothes to protect the skin from the sun and from insects. It is especially important to protect the head and neck. Use a high Sun Protect Factor (SPA) cream, preferably as high as 45 to minimize the effects of Ultraviolet B. Modest attire is also very important to respect Islamic culture.

- Footwear should be strong and support the ankles in order to walk or hike safely over the rough and uneven terrain. A thick soled boot that is well ventilated will offer the most protection and comfort. A boot that slips off an on is advisable for Arab encampments where shoes are not worn.

- Drink large quantities of good quality water on a very regular schedule. Drinking water at regular intervals helps the body to remain cool. Thirst is not a reliable guide for your body's need for water. The hyper-aridity of the SRSR instantly dries perspiration, thus it is definitely not a valid sign of the body's real need for water. The amount of water needed by a person for desert conditions has been variously measured. The following guidelines are the accepted measures: one pint of water every hour for temperatures under a 100 F and one gallon of water per hour for temperatures over 100 F, or 10 to 15 liters per day.

- Prepare for cold nights by having warm clothing.

- During a sand storm remain in some type of shelter or vehicle. If you are caught outside it is important to shield your eyes, ideally with goggles, and to protect your breathing with either a cloth or surgical type mask.

- Salts and electrolytes need to be replenished on a regular basis. This can be achieved with salt tablets or special drinks.

- Poisonous scorpions and venomous snakes live in the SRSR. Encounters with these animals are very rare, but tourists who desire to hike or camp must be warned about the presence and habits of these animals.

**Search and Rescue Services**

Search and rescue (SAR) services are needed in the SRSR. The territory is vast and the terrain is a complex series of wadis and mountainous canyons. It is easy to get lost in this region. If independent recreation travel is allowed, then search and rescue response capabilities must be established. And because of the severe climatic and terrain conditions in the Eastern Desert, they will have to be provided in a timely manner.

Search and rescue personnel and equipment also perform the valuable function of assisting emergency medical evacuations. Most of the threats to humans result in medical emergencies complicated by the remoteness of the Deep Range. The evacuation of injured persons is complicated by the ruggedness of the terrain, the inability of vehicles to travel safely at high speeds across that terrain, and the considerable distances to medical facilities. These challenges can be mitigated by the application of SAR techniques.

Reliable telecommunications, the use of GPS equipment, and the deployment of roving patrols discussed in prior sections of this report need to be coordinated within a regional SAR plan. This report strongly recommends:

- Creating search and rescue plans
- Training search and rescue personnel
• Establishing SAR communication protocols
• Locating essential supplies and equipment at strategic locations.
• Monitoring tour operations
• Require Trail Registrations, when possible
• Require Backcountry Use Registrations, when possible
• Advise the use of trained guides

Tour Equipment
All of the cultural and nature tour products identified in this report require equipment. Some of this equipment is very specialized, such as high powered binoculars for viewing birds and wildlife. The purpose of the information presented in this section is to briefly identify only the basic equipment needed for delivering SRSR tour products in order that it is considered when developing facilities and selecting sites. By example, vehicles and the fuel and the spare parts needed for them are important considerations when designing tour facilities. Most notable equipment needs are as follows:

• Off-road, four wheel drive vehicles are essential. Their selection should be based on reputation for reliability, ruggedness, and readily obtainable spare parts and service.

• Vehicle emergency equipment should include a full tool kit with specialty tools such as shovels, sand channels for traction, clamps, hammers, axes, files, wire, vehicle maintenance handbook, spare parts kit supplied by the manufacturer, jump leads, spare tires, battery driven tire pump, tire levers, hydraulic jack, jack handle extensions, tire repair kit, spare fuel can, and power winch.

• A Second Off-road Vehicle equipped identically as the first. The vehicles should travel together and remain in visual contact with each other.

• Personal equipment should include lots of water, spare water containers, cool bags, comprehensive first aid kit, maps, compass, GPS, emergency ration kits, emergency tent shelter, long term weather forecast, stove, matches, fire starter, binoculars, clothing, sunblock, and food.

Tourism Facilities and their Functions
Information contained in this section describes several types of facilities required to effectively provide tours in the SRSR. Given the remoteness of certain tourism operations and the seasonal character of the businesses, it is probable that permanent facilities will be located on TDA lands and that seasonal support services will be located in more remote areas of the hinterland. Flexible scheduling for these facilities will diversify tourism experiences and strengthen their economic value.

It is acknowledged that during the past several years a lot of information has been prepared regarding tourist facility criteria for the SRSR. The author of this report has produced much of this information and very capable people are currently continuing that work. The information contained in this section of the report is compatible with the work currently being produced.

Visitor Center Facilities
A visitor center is currently planned for the SRSR, but given the size of the region and diversity of tourism experience more than one is required. It is also noted that emergency medical aid and search and rescue capabilities are not included in the current facility. The information presented in this section describes the functions of this type of a visitor center.
Visitor centers should be located near the entry to major attractions. The purposes of this facility are to provide information and visitor services that will enhance the visitor experience; provide safety and telecommunication support services, and contribute to the conservation of the region’s resources. Performance of those functions will increase the economic value of the tourism product. Visitor centers can achieve those purposes in the following ways:

- Provide visitors with an enjoyable and informative introduction to Deep Range areas such as Wadi al Gimal.
- Describe the unique environmental and cultural attractions of the region
- Describe appropriate and safe methods for touring the region.
- Provide visitors with information about local guide services to provide them knowledgeable and safe access to the attractions
- Provide emergency services to respond to medical, search and rescue, repair, and re-supply incidents.
- Sell field guides, brochures, maps, books, video, and other information.
- Sell or lease field equipment and supplies.
- Display and sell artwork and locally created products.
- Provide food and beverage services. These include traditional foods.
- Provide lodge and hotel referral services.
- Promote an extended visitation by describing numerous attractions
- Promote a return visit to view the attractions that were previously unknown.
- Provide ecododge referral services
- Organizations dedicated to the conservation of the SRSR’s heritage resources may be represented at the Visitor Center.
- A Visitor Center may serve as a base for coordinating radio communications throughout the SRSR.
- If well coordinated communication functions are established at the Visitor Center, then it will also facilitate Search and Rescue functions, and any emergency medical response services that are required.

In summary, the visitor center facility serves many important roles in the delivery of enjoyable and safe tourism experiences. It performs numerous informative, safety, and environmental management functions from which a variety of profitable economic opportunities can be realized.

**Visitor Center Facility Requirements**

Visitor center facility requirements for providing visitor and recreation services are presented below. This information describes the basic, functional requirements for a visitor center near the entry to attractions. The actual dimensions of the functional spaces are determined by estimates of tourism demand.

- Exhibit Space for approximately 30 minute experience
- Exhibit Storage/Preparation Area
- Audio/Visual Program Area
- Lobby with brochure stand
- Reception & Information Desk - kiosk type desk/counter
- Archives with counter and display cabinets
• Emergency aid station
• Telecommunication center
• Dining area
• Kitchen
• Retail Sales with display shelves
• Restrooms
• Administrative / Support Spaces
  - Manager
  - Asst. Manager
  - Seasonal / Volunteer Work Area
  - Employee Dining - Break Area
  - Kitchen
• Library and Research Area
• General Storage
• Janitorial
• Mechanical
• Recreation Equipment Storage, Maintenance, and Repair
• Electrical / Fire Alarm / Communications
• Maintenance Facility
  - Vehicle Parking and Storage
  - Security Fencing
  - Parts storage
  - Maintenance and Repair Area
• Exterior Site Furnishings
  - Shade / Picnic Structures
  - Benches
  - Boardwalks
  - Viewing Decks
  - Trail heads
• Signage near the visitor center (Informational Signage - presented in multiple languages to welcome and introduce the tourist to the facility and the region)
  - Kiosk
  - Trash receptacles
  - Lighting for pedestrian and parking
  - Parking
  - Outdoor Group Seating Area
  - Regulatory - enumeration of the rules and required tourist behavior
  - Way finding directions for travel

Support Facilities
• Restrooms (Toilets)—Nearly all of the restroom (toilet) facilities now in the SRSR are located at the seaside resorts. These are not available for public use, but more importantly,
they are not located near the SRSR’s cultural and nature attractions. Sanitary toilet facilities need to be located at strategic locations throughout the entire SRSR to serve the tourist and protect the environment. From the human perspective sanitary conditions need to be maintained to promote health and preserve privacy. From the environmental perspective, the Eastern Desert should not be polluted by waste. These sanitary facilities need to be developed in order to deliver new tour products in the hinterland of the SRSR.

- **Fuel Storage and Distribution**—Nearly all of the new tourism products previously described requires the use of vehicles traveling over long distances. And, of course, vehicles require fuel. Unfortunately, there are neither enough fuel storage and distribution facilities in the SRSR, nor are they conveniently located to make these vehicular tours economically efficient. Vehicles used for touring have to go long distances to re-fuel and this costs money, loses time, and contributes to vehicle maintenance costs. More stations need to be constructed in order to diversify the tour product.

  The generation of electrical energy for the SRSR is frequently accomplished by means of generators. Complete dependence on this type of generation requires large amounts of fuel. Developing new facilities to provide new tourism products will inevitably add to the already growing quantity of fuel consumed along the Red Sea coast.

  Given the growing demand for larger quantities of petroleum products, fuel storage and transfer facilities in the SRSR should be designed and constructed for the prevention of environmental pollution. This needs to be a high priority. Most importantly, any petroleum product spilled on the ground can potentially damage already scarce water resources.

- **Vehicle Storage and Maintenance**—Facilities for the storage and repair of equipment are needed. These facilities may contain workshops, limited fuel storage, spare parts, and a variety of supplies and tools. Storage space is also needed for seasonally used equipment. Space for the various supplies and equipment that the tourist might forget, lose, or damage can also be located in this facility. In summary, this type of facility will make a valuable contribution to both efficient tour operations and visitor satisfaction.

- **Temporary Rest Stations**—Temporary rest stations provide places where people can find shade, rest, drink water, eat food, and receive any medical attention they might need. They simultaneously serve as places for the storage of water and emergency supplies. Escaping the heat can add immeasurably the enjoyment of a tour in the hinterland of the SRSR. Designing tours that use rest stations enable tourists to spend longer periods of time in the SRSR and contribute substantially to their enjoyment of those tours. Temporary facilities such as these play an important role in delivering tourism products in the remote parts of the SRSR.

  Portable equipment such as canopies, collapsible platforms, and tent shelters can be used on a temporary, seasonal basis to create rest stations in remote locations of the SRSR. They can be carried in vehicles and quickly constructed and then removed upon departure from a site. If rest stations are regularly needed along popular routes, then temporary structures may be established on a seasonal basis. When not in use this equipment can be stored at facilities located on TDA lands.

- **Patrols – Mobile Aid and Repair Services**—One method for assuring that support services and emergency aid are available is by means of roving patrols. These patrols consist of well equipped 4 wheel drive vehicles that travel a variety of pre-arranged routes during times when tours are being conducted. There are several reasons for establishing this type of support service. Compelling reasons include immediacy of response, security of emergency
supplies; qualified emergency response and repair personnel; and ability to evacuate persons at risk. Proper training and equipment are required to perform all of those support functions.

**Guest Accommodations**

Guest accommodations play a vital role in the delivery of heritage resource tourism experiences. Facility design and guest services that are compatible with and supportive of the environmental and cultural heritage of the SRSR define a significant part of the tourism experience. Given the importance of this issue, the TDA has produced many detailed reports that describe the design criteria for the guest accommodations of this type. The most recent of these reports, September 2007, is entitled the *Life Red Sea Project Ecolodge Design, Construction Operations Manual*, by Dr. Assem El-Gazzar and Mr. James MacGregor. These documents and reports for the TDA should be consulted to obtain detailed information.

**Infrastructure Facilities**

The TDA has published numerous documents that describe appropriate methods for providing infrastructure to tourism facilities developed in the SRSR. By example, the TDA's publication entitled *Environmental Management Guidelines for Coastal Hotels and Resorts* is a two volume description of preferred and regulated methods for effectively providing water, wastewater disposal, solid waste collection and disposal, mechanical, and electrical infrastructure systems.

The most recent tourism development criteria are also being produced for the TDA by Mr. James MacGregor. Tour developers should review these documents to acquaint themselves with TDA requirements and accurately determine the types of equipment and operational procedures that are most efficient and cost effective.

There are two infrastructure facilities that deserve special mention for the delivery of heritage resource tour products to a high value market. Those are waste disposal and energy production.

High value markets attracted to new SRSR products expect clean sites. Waste disposal must be effectively accomplished in order to preserve clean sites and regions where tours are conducted. The economic feasibility of these tour products in the SRSR depends entirely on clean sites. This means that rubbish, wastewater, and potential contaminants will have to be removed and properly disposed.

Renewable energy should be a major part of this type of tourism development. The abundance of sunlight and the prevalence of wind create this opportunity. The elimination of petroleum based fuels reduces the risk of site contamination, air pollution from generator exhaust, noise pollution from generators, the cost of operations, and the transport of fuel supplies that adversely impacts the environmental quality of the SRSR.

Clean sites also include minimizing air pollution caused by exhaust emissions and dust. As previously discussed generator emissions can be offset by the use of renewable energy technologies. Vehicles cause exhaust emissions and contribute to air pollution. Obviously, some emissions will occur because of a dependence on vehicles for transporting tourists, supplies, and employees. To the extent possible, the number of vehicles and trips should be minimized. Another source of air pollution is the dust that vehicles cause when traveling along unpaved roads in the SRSR. A single vehicle can create a great cloud of dust that can be seen for many kilometers. Consequently, the scenic quality of a region can be diminished by this form of pollution.
Environmental Education Facilities

The SRSR has the potential to offer cultural and environmental education opportunities to diverse markets. These markets include numerous educational institutions, special interest organizations, faculty and university students who are conducting research, and the Egyptian people interested to learn more about their country.

Environmental education facility requirements are similar to the functional area requirements for the visitor center. Classroom, auditoriums, and laboratories, and library functions are the distinguishing characteristics. The decision to build a separate educational facility should be based on evidence of a strong market demand for this facility. If this demand exists then the actual dimensions of the functional spaces are determined by the results of that market research.

Continuing Education Market

Virtually all major colleges and universities throughout the world have alumni travel programs that encourage travel to unique destinations. Additional special interest tour markets include museums, outdoor oriented clubs and organizations, wildlife societies, and similar organizations. These organizations sponsor and promote study tours to destinations such as the SRSR with its rare environmental and cultural resources. All of these institutions seek excursions that emphasize learning as part of their experience. These institutions represent a large and profitable tourism markets. The availability of educational facilities would be an attractive enticement to these organizations.

Funded Scientific Research

The many significant environmental and cultural resources located in the SRSR can attract scientific research. Examples of potential research opportunities include studies of endangered species, hydrology, vegetation restorations, climatology, geology, history, and archaeology. This research, when conducted by faculty and students from respected educational institutions, can substantially contribute to both the national economy and prestige of Egypt.
SECTION 3 TOURISM DEVELOPMENT PROGRAM

PURPOSE

The purposes of the Tourism Development Program are to:

1. Define the tour product experiences that will be provided in a specific tourism service area, and
2. Specify the delivery systems needed to provide those experiences.

As stated in previous sections, tourism seeks to provide high quality recreational, cultural nature based, and educational experiences. The guide services, visitor centers, accommodations, emergency services, diverse support services, and appropriate infrastructure are the vital elements required to deliver those tourism experiences. The ability to provide those unique experiences and appropriate services and facilities is based on the creation of a comprehensive Tourism Development Program.

The Tourism Development Program contains a detailed description of what tour products will be offered; where they will be located, how they will be provided, and when (the season) they will be offered. Based on this information new tourism products can actually be implemented. The Tourism Development Program is a comprehensive plan that incorporates specific descriptions of the recreational experiences, support services, equipment, tour facilities, accommodations and guest services, and human resources needed to develop new tourism products. The actual size, design, support systems, and guest amenities are calculated to identify the specific tour products that will be offered. All of the information produced in the previous sections of this report is needed to produce the Tourism Development Program.

The Tourism Development Program provides the essential information needed to accomplish site selection and site planning. Specifically, the site must be suitable for the delivery of the tour products, and the most economically and environmentally feasible way to know that is to create the Tourism Development Program.

An equally important goal of the Tourism Development Program is to conserve the environmental and cultural resources of the region in which tours operate and facilities are located. The economic feasibility and sustainability of heritage resource based tourism development depends on this. Consequently, program design and its associated facilities and services need to be consistent in size and design with the environmental setting and cultural values.

Define the Tourism Service Area

The first step in designing a Tourism Development Program is to identify recreation activity areas based upon the cultural and natural heritage resource products described previously in this report. It should be immediately apparent to the tourism investor that selecting well defined tour service areas identifies:

- Distinctly different environmental and cultural heritage based attractions are present in each ecological zone of the SRSR. These attractions appeal to very distinct tourism markets with varying consumer preferences.
• Different environmental conditions in each service area require specially designed accommodations and tourism services in order to safely and effectively deliver quality tourism experiences.
• Guide training and other human resource requirements must be relevant to the conditions and attractions that occur in each of the service areas.
• The availability and quality of infrastructure and emergency response capabilities are distinctly different among the service areas and therefore planning and investment for these tourism development needs varies considerably.
• Transportation access to each of the service areas varies substantially and thus represents different challenges to both the tourism investor and the tourist.
• Environmental management and cultural conservation issues are very different among the various zones. Wildlife habitat conservation in the wadi involves different management practices than the preservation of heritage sites, conservation of the fringe reef coral systems, or maintenance of nomadic subsistence sites.

In summary, the distinctions among tour service areas define the type of tourism products that are offered and the major investment considerations required to develop facilities and services to meet the needs of those markets and the sustainability of the region.

Contents of the Tourism Development Program
The contents of the Tourism Development Program results from combining a very competent knowledge of the SRSR with the tour product and delivery system information described in Sections 1 and 2 of this report. When this information is produced it should be economically and developmentally evaluated. Target market studies and the application of development criteria officially authorized by TDA are needed to evaluate the economic feasibility of the Tourism Development Program.

The remainder of this section summarizes the types of information needed to produce a Tourism Development Program.

• Inventory of the potential environmental, cultural, and historical attractions and recreation activities in specific tourism service areas. This includes consideration of the tolerance of the local environmental and cultural conditions to determine the tolerance of the service area to host the tourist experience.
• Define seasons of use for activities and attractions in terms of high, shoulder, and low.
• Calculate the time required to deliver the tour product.
• Estimate the numbers of visitors per season.
• Identify the tourist’s anticipated behavioral characteristics.
• Identify the experience and skill levels of the tourists. The physical condition, age, and recreational skills of the potential guest should be evaluated to determine the appropriateness of a recreation activity.
• Based on the previous information, design the actual visitor experiences. It is important to note that a single activity can be experienced in a variety of ways. They can also be classified in terms ranging from passive to very active. By example, a nature heritage tour product can be categorized as naturalist guided, self guided, vehicular, hiking, photographic, mountaineering, etc.
• Compatibility among ecotourism tourism experiences should be evaluated.
• Visitor management ratios - define a reasonable relationship between the number of guides and support staff and the number of guests.
• Types and numbers of transportation and recreational equipment required.
• Specialized supplies and logistical support required - by example, everything from water and meal preparation supplies to sunscreen.
• Published field guides, relevant brochures, trail maps, way finding signs, and interpretive signs should be available to the guests.
• Required human resource skills and associated training for guides should include multiple language fluency, hospitality, subject matter expertise, emergency response, communication equipment, and land equipment operator skills.
• For educational venues, be sure to design appropriate curriculum, have text books, and qualified teachers.
• Permits and licenses, when required, must be obtained.
• Insurance must be obtained, e.g., liability, vehicular and property.
• Emergency services capacities must be established. These can be supplied by means of some combination of permanent, seasonal, or roving patrol services and by mutual aid agreements.
• Maintenance and repair of equipment and facilities essential for delivery of tourism services.
• Costs and revenues for the program plan should be calculated.
• Determine best management practices for SRSR environmental resource conservation.
• Determine best management practices for SRSR cultural resource conservation.
SECTION 4 SITE SUITABILITY CRITERIA

INTRODUCTION

Selecting the best locations for heritage tour facilities is based on criteria that support the most feasible delivery of high quality tourism experiences. Decisions regarding the suitability of a site to accomplish that goal are based on a combination of information such as proximity to the tourist attractions, economics, the environmental characteristics of the site, existing land uses, aesthetic characteristics, and compatibility with surrounding lands and communities. Fortunately, an enormous amount of environmental, cultural resource, community, and land planning information exists for both TDA lands and the SRSR.

PURPOSE OF SITE SUITABILITY CRITERIA

The purpose of site suitability criteria is to select the most appropriate locations for the development of new tourism products on TDA lands. They are used to achieve the following objectives:

- **Best access to tour attractions.** The timely delivery of tourism experiences affects visitor satisfaction, their willingness to pay, the frequency of conducting tours, and the costs of providing the product.
- **Most economically feasible.** This means identifying the largest collection of tour products that can be cost effectively provided. The highest valued products that will realize the best return on investment are offered at sites that are attractive, have reasonable development costs, and are reasonably close to support services in order to control operational and maintenance costs.
- **Authentically and attractively represent SRSR’s natural and cultural features.** The physical, aesthetic, and cultural features of the site need to be environmentally clean, attractive, and authentically represent the natural character of the Eastern Desert.
- **Avoid or minimize impacts:** The natural and cultural heritage tour products rely on conserving the environmental quality and cultural integrity of the SRSR. Site selection and its use must be compatible with sustaining those resources.

Site selection criteria relevant to the decision-making needs of the TDA and the conditions of the SRSR are identified below.

1. **Proximity and Transport Access to Heritage Resource Attractions**

   The most valuable sites for adventure tour products are located near cultural and nature attractions that have the best transportation access. As previously described, the new heritage resource tour products are identified in terms of experiences shared with tourists who visit the SRSR. Close proximity and reasonably good transport access to those attractions provides a competitive advantage measured in terms of numbers of features offered, visitor satisfaction, duration of the tour, and equipment and fuel costs.

   Actual implementation of this site selection criterion requires detailed knowledge of the heritage tourism product. This knowledge is derived from the Tourism Development Program that includes identification of attractions to be experienced, most efficient routes to travel, type of transport equipment used, calculations of travel times, and...
availability of support resources required to deliver the product. Again, the facilities that will be located on TDA lands are not the tourism product itself, but one part of a hinterland tourism experience delivery system.

Site suitability determined by:
- Number of attractions within one day travel time
- Type of cultural heritage attractions
- Type of natural heritage attractions
- Quality of attractions
- Actual distance to attractions
- Condition of the tracks
- Condition of trails
- Average travel times from Coastal Road
- Length of tourist season based on weather conditions

2. Environmental Quality

Tourists who purchase high value cultural and nature tour products want settings that exhibit environmental quality. Entrances to sites, the sites themselves, and the land that surrounds them have to be attractive and possess environmental integrity in order to be suitable.

Unfortunately, vast areas of land along both sides of the Red Sea coastal road and in the expanses of the wadis near this road are badly contaminated. Specifically:
- There is a huge amount of rubbish that is discarded and then distributed throughout the region by the constant winds. Most of these contaminants are plastic bags and bottles. A host of pollutants such as oils and chemicals are discarded in these containers also. The extent of contamination is a serious concern because it affects the environmental integrity of the wadis, coastal plains, mangroves, fringe reef, and marine ecosystems.
- Many thousands of tons of construction waste is dumped along the roadside or dumped inside the wadis. The construction waste consists primarily of dirt, stone, old coral, brick, concrete and other materials. The waste buries and kills scarce vegetation, alters wildlife habitat, and changes the topography which then impacts the flow of water. The aesthetic aspects are equally severe. In many instances high construction waste piles prevent views of the Red Sea and eliminate reduce views of the mountains and wadis.

Criteria used in the site selection process includes:
- Landscapes that are clean and unpolluted
- Landscapes that accurately represent the natural environment
- Indigenous plants and animals
- Interpretation potential of the site
- Visually attractive landscapes
- Excellent views from the site
- No environmental hazards, such a flood zones

Site suitability determined by:
3. **Proximity to Tour Support Facilities**

Enjoyable and safe tour experiences require the type of support facilities and services described in previous sections of this report. The location of visitor centers, toilets, and emergency services, for example, will contribute substantially to delivering the tourism products sought by this market. Commercial tourism developments on TDA lands will enjoy economic benefits from locations that are near tour support facilities.

Use of this site selection criterion requires knowledge of the location of both existing and proposed support facilities and services described in previous sections of this report. It also requires knowledge of the capacities of these facilities. Close proximity to these facilities and services is preferable to long distances.

Site suitability determined by proximity:
- Distance from visitor center
- Distance from emergency services
- Distance from fuel
- Distance from toilets
- Distance from rest stations
- Vehicle storage and repair services

4. **Size of the Site**

The site serves many purposes in the delivery of the tourism product. Guest facilities, support services, employee housing, infrastructure, attractive landscapes that offer interpretive services, parking, and open spaces all require land. The site needs to be large enough to accommodate these uses.

When calculating the size of the site it is valuable to consider both the destination and the day use tourism market. An important tourism market is the day use market comprised of persons who want to take tours, purchase local crafts, equipment, supplies, food, and beverage services. Land use planning for this market is advisable.

Site suitability determined by:
- Number of hectares of proposed site
- Potential to purchase sufficient land

5. **Compatible Adjacent Land Uses**

The uses of the lands surrounding the potential tourism site should contribute to a quality tourism experience. Conflicting land uses such as incompatible development, rubbish, odors, or visual intrusions that reduce the quality of the tourism experience will also diminish the quality of the tourism product and thus reduce its economic value.
Vast areas of the Red Sea coast are being used for large scale resort developments. These resorts play an important role in Egypt’s economic development strategy, but they are incompatible with the demands of a high end tour market. The resorts attract a mass market and this is inconsistent with the small scale, un-congested setting that heritage tours require. Consequently, both actual proximity and visual dominance of the large scale resorts are to be avoided when selecting cultural and nature heritage tour sites.

Mining and quarry activities occur throughout the SRSR. Gold is being mined aggressively at Sukari. Alamanite is mined in great quantities near Cabalsi. Phosphates are still being mined, gypsum is occasionally mined, and granite and talc are being quarried in many areas of the SRSR. Geological survey crews steadily examine the region to find new deposits. This continues a tradition of land use that has existed for thousands of years. Obviously, tourism site development should not be located near these active mining and quarry operations. Less obvious is the need to avoid roads used by mining trucks and employees. This large scale truck traffic is incompatible with both an entry experience and for tour routes.

Information regarding adjacent land uses ownership is required to select a site. Site inspections must be conducted to identify compatibility issues.

Site suitability determined by:
- Existing land uses of adjacent property
- Proposed land uses of adjacent property
- Land ownership of adjacent property
- Visual assessment of adjacent property
- Site inspections of adjacent property

6. Expansion Potential of the Site

The ability to expand tour capacity depends on combining the previous two criteria: site size and adjacent land uses. During the last 15 years the SRSR has experienced the geographic expansion of tour operations and the TDA wants to diversify tour products. It is probable that continuation of these trends will create opportunities for developers to expand their tourism markets. Obviously, the capability to expand tour operations should be considered when selecting a site.

Site suitability determined by:
- Existing land uses of adjacent property
- Proposed land uses of adjacent property
- Land ownership of adjacent property

7. Compatible with Local Communities

Tourism products, and the many activities needed to support those products, will affect local communities. Some communities, such as Marsa Alam and Hamata, may want reasonably close proximity to tourism sites in order to benefit from jobs and to create markets for their goods and services. Others may consider tourism an intrusion of their way of life and therefore want distance between themselves and the tourism site. Application of this criterion requires consultation with local communities.
The cultural values and traditions of local communities deserve respect. Communities want to continue their customs, religion, and social practices and the quality of cultural tourism experiences depends on the conservation of those practices. Criteria obtained from consultation with local communities should determine:

- The allowable involvement of "outsiders" in the host community.
- The involvement of local people to lead tours and participate economically.
- The strengthening or establishment of educational programs that promote indigenous language and cultural practices.
- The expansion and improvement of local infrastructure to meet the needs of both the local communities and the tourists.

A variety of techniques are available for applying these criteria, but all of those techniques involve some type of citizen participation process.

8. Compatible with Nomadic People

Nomadic people, by definition, use different lands through the entire year. Tourism site selection must be compatible with these people. This means that specific sites and access to those sites need to be preserved. By example, locations that are used for pastures, have wells, and are sources of subsistence should not be developed. Equally important, access to those sites must remain open. Sites should not be selected if they disrupt the lives of the indigenous, nomadic people.

While the number of traditional people in the SRSR environment is small, the subsistence uses they make of that environment, including herding, hunting, gathering materials for food and handicrafts, charcoal production, and fishing, are vital to their survival. The use of TDA lands should not disturb those subsistence uses.

Site suitability determined by:

- Are lands used by nomadic people for subsistence?
- Are lands the traditional paths or nomadic people?
- Are there Islamic shrines on the land?

9. Proximity to Labor Force

Egypt wants tourism products to provide economic benefits to its people. Local people know the SRSR and their knowledge of its conditions and cultural values would strengthen the tourism product. It is acknowledged that very few persons live in the SRSR, but any opportunity to provide them economic benefits should be considered in site selection.

The Ababda Bedouin people, with their intimate knowledge of the hinterland are the persons best suited to either become guides or obtain income from contributing information to guide training programs. Their knowledge of local conditions sharing is valuable for the delivery of tourism products, thus proximity to the Ababda, who want to participate in the delivery of tour products is a site advantage.

10. Proximity to Local Supplies and Services

Local towns and villages are potential sources of supplies and services. The people of these communities can provide maintenance and repair services; they have a variety of commodities for sale; can manufacture certain items; and seasonally they can supply
meat and produce. Efforts to deliver tour products that have local integrity and to achieve objectives of improving local economies will consider proximity to these supplies and services a site advantage.

The Marsa Alam and Hamata economies are changing to tourism. This provides both immediate and long term benefits for investors who locate within a reasonable travel distance from those towns.

11. Minimize Environmental Impacts

Tourism development should not put the environment at risk. The quality of the SRSR’s environmental resources reflects the quality of the tourism product. It is the foundation of the tourism development opportunities. Given this fact, site selection must consider the impacts that development will create and determine if valuable resources would be endangered. Environmentally sensitive zones, such as rare plants, and critical wildlife habitat, should not be developed. Careful site analysis is required to identify the presence of these sensitive areas.

Threats to the ecosystem to be avoided include:

- Water pollution
- Air pollution
- Nesting bird colonies cannot be intruded upon
- Scarce vegetation in the wadis must be protected, and mangroves must be guarded from pollution caused by human activity
- Conservation of critical habitat areas in the wadis and mountains

During the last 10 years SRSR environmental information has been collected and mapped. Environmental reports and maps are useful tools that can be used by either TDA or potential tourism development investors to determine the environmental character of specific sites. These sources are useful tools for selecting environmentally suitable sites.

There are several TDA publications that describe requirements for comprehensive site assessments. The information contained in those assessments should identify the environmentally significant features of a site. This is the information needed to implement “minimization of environmental impacts” site selection criterion.

12. Seasonal Weather Conditions

As previously described, seasonal weather conditions play a major role in the definition and delivery of SRSR tourism products. Although the heat of the summer cannot be avoided, there are definitely sites where tourists can better tolerate SRSR weather conditions. Site characteristic information used to determine suitability includes

- the topography, particularly the geographic aspects of the slopes,
- prevailing winds,
- wind velocity,
- monthly average temperatures, and
- presence of vegetation.

Knowledge of local weather conditions will also benefit the location of facilities on site. Obviously guest facilities should be located in the most attractive and comfortable
locations on the site. But it is also important to apply weather condition information to locate support facilities. By example, knowledge of the prevailing wind directions is used to site water supply and wastewater treatment facilities in order to eliminate or reduce risks of unpleasant odors and noise.

“Gateways” to the Tour Products

The location of the SRSR tour facilities and support services becomes the “Gateway” to the regional attractions and its tourism experiences. This is the significance of the location and the role of the site.

The “Gateway” creates the tourist entry experience by means of its appearance, the information and support services it supplies, and the compatibility of its facilities with the environmental and cultural character of the region. By example, the tourist’s immediate experiences would include an introduction from a well trained guide who may be either (a) an employee of the guest facility, (b) a tour operator who has a concession authorization (c) a government naturalist or ranger, or (d) an educator affiliated with a college or university. The introduction explains the prominent attractions of the tours, the routes of travel and their distinguishing features along those routes, duration of the tours, amenities and special services that will be provided. These services include meals, specialized forms of transport, or supplying backcountry recreation equipment and clothing. Emphasis is placed on accommodating the needs of the tourists and responding to special safety and medical conditions. These activities represent the first impressions of the actual SRSR tour experience.

The appearance of the entrance to the site, the site itself and the landscape surrounding it must be clean and offer attractive views. Again, no rubbish, construction waste, or any other pollutants can be present. The views should be representative of the diverse ecologies of the region including mountains, wadis, and the sea. Views of all three of these elements are ideal.

The information and support services it supplies are those relevant to the tour product delivery system. In summary, this includes:

- essential visitor interpretive and safety information;
- diverse visitor services such as accommodations, food and beverage, and amenities that are culturally appropriate;
- emergency services, supplies, and telecommunications;
- recreation supplies and equipment required to deliver the tourism products.

The type and scale of tour development will affect the environmental quality of its setting. Market evaluations, by example, may show that demand exists for a 300 guest rooms and associated support development. From this perspective development is warranted. But if that size significantly diminishes the environmental integrity of the site then it is inappropriate. The use of multiple sites to achieve the 300 room market is a far more desirable solution.

The local communities of the SRSR consist of persons who reside in permanent residences and those who are nomadic. Both of these local populations deserve respect. The location of tourism products in the hinterland of the SRSR cannot endanger the subsistence existence of nomadic people. Tour sites located in the vicinity of existing settlements must respect local values and privacy, share scarce resources, and demonstrate benefits to local people.

In order to optimize the economic value of the “Gateway” it should be designed and developed to capture the destination, day use, and transient tourism markets. The destination market are persons seeking specialized cultural and nature heritage tours. They are willing to pay a premium
for an extended visit to unique destinations like the SRSR. The destination market generates the largest revenues. The day use market consists of persons who purchase day tours, food and beverage services, and local products. All of these markets are important sources of revenues.

Detailed criteria for the design and development of sites and their facilities are presented in the TDA Development Guidelines Report. Investors are advised to review the information contained in that Report.
SECTION 5  SUITABLE SITES FOR NEW TOUR PRODUCTS

INTRODUCTION

During the week of February 3, 2008 a professional team comprised of tourism, land and environmental planners from Chemonics and TDA investigated several potential sites on TDA lands to determine their suitability for the cultural and nature based heritage resource products described in this report. The team used the site criteria presented in Section 3 of this report to determine the suitability of all of the sites they inspected. The environmental quality of the sites, complete absence of rubbish, good access, and aesthetic qualities were deemed especially important by the team members. Most importantly, the decision to select a specific site resulted from the full consensus of the team members. Based on the criteria and this selection process a total of four sites were identified as very suitable for cultural and nature based tourism development.

TDA lands that were investigated are located within a five kilometer zone that extends inland from the edge of the Red Sea by that distance. The northern limit of the regional investigation was Wadi al Anbaut in the vicinity of the ancient port of Nakari to the junction of Wadi al Maalik and Wadi Lahami in the south. Based on the use of the site suitability criteria and site investigations of this region of the SRSR by the professional team, four suitable sites were selected by the team.

From a north to south direction the four sites are located in

- Wadi Nakari
- Wadi Ghadir,
- Wadi Sharm al Fokairi
- Wadi Lahami

This distribution extends from the north to the south of the Southern Red Sea Region. Each site is distinctly different from the others and is located near different tourist attractions. Consequently, they offer very different tourist experiences in different settings and these distinctions should create unique market identities.

AN OVERVIEW OF THE FOUR SITES

Access

All four sites have excellent access to tour product attractions to the west in the hinterland and to the coastal road in the east. Travel times by off road vehicles are approximately 15 minutes from the coastal road and 20 minutes to significant tour features.

Reasonably close access to the coastal road creates cost effective opportunities to provide supplies and capture a day use market. It is also essential for providing emergency services. The Wadi Nakari and Wadi Ghadir sites are approximately 30 minutes from the Marsa Alam Hospital. The Wadi Fokairi site is approximately 30 minutes from the hospital. The wadi Lahami site is reasonably close to emergency services in Hamata and Abu Ghouson.
In summary, the excellent access to the four sites satisfies several site suitability criteria. They have reasonable proximity to tour support facilities, proximity to labor force, and proximity to local supplies and services.

**Environmental Quality and Minimization of Impacts**

All four sites have superb environmental quality. The TDA and Chemonics site selection team was very focused on this site suitability criterion. The actual sites and their surrounding lands are completely natural, have no rubbish, and no contaminants of any sort have been introduced to the sites or their environs.

Each of the four sites is visually attractive with beautiful views of the mountains and wadis. Except for wadi Ghadir, the sites have excellent views of the Red Sea. The views of the Red Sea show no development and no development is planned for those viewsheds.

All of the sites are in the vicinity of wadis, but facilities that may be constructed would be located on plateaus along the edge of the wadis. This is very important. The environmental integrity of the wadis would not be impacted by construction activity and the visual quality of the wadis would not be negatively impacted.

There are no environmental hazards associated with the four sites. The geologic formations are ancient and stable. There are no rockslides areas in the vicinity of the sites. Winds are steady, but moderate. There is no evidence of scouring or wind built sand drifts near the sites. These would be evidence of severe winds carrying large amounts of sand.

**Size of the Site**

The size of each site varies substantially, but all are sufficient for providing the high quality tour products discussed in this report. The largest site is Wadi Fokairi located on an enormous plateau. The size of facilities and the area they consume have no site limitations. But the construction of exceptionally large facilities would most probably not be attractive to the high value market seeking exclusivity.

In contrast, the Wadi Nakari site is quite large, but the topographic features allow the developer to locate facilities in secluded areas and thus reduce visual impacts of development.

The wadi Ghadir site is in a very beautiful, but more enclosed canyon. Placing structures along the edges of the wadi creates many development opportunities. The size of the site is very suitable for a small to moderate scale development.

The Wadi Lahami site is a plateau overlooking the wadi, the mountain pass, and the Red Sea. There is no land size limit to the type of development that can occur there.

All four of the sites are large enough to accommodate tour development expansion.

**Compatible Adjacent Land Uses**

The natural features and environmental integrity of land surrounding the four sites is undisturbed. The development of high quality tourism facilities would be very appropriate at those sites.

**Compatible with Local Communities**

The three northern sites, Nakari, Ghadir, and Fokairi are close to Marsa Alam. The economic base of this community is being transformed from a traditional fishing and mining community to
a tourism economy. Consequently, it is anticipated that the three northern sites will be very compatible with Marsa Alam.

The Wadi Lahami site is located approximately between Hamata and Berenice. Hamata is the designated Wadi el Gimal National Park headquarters and this role is very positive for a tour development that might be located at the Lahami site. The community of Hamata is developing its schools, electrical capacities, and community services. It is also a place where local people produce crafts and have an economic interest in tour development. Thus it is desirable to locate a tour development operation near this community. Berenice is growing and will probably be a tourism center. Again, this would be compatible with a Lahami tour development project.

Compatible with Nomadic People
Wadi Ghadir is the only site where Bedouin people make their encampments. And most importantly, these people are very friendly with foreigners and welcome them. The other three sites are not used by the Bedouin and therefore there is certainly no conflict of use there.

Seasonal Weather Conditions
Weather conditions at the four sites vary considerably. This will directly impact the length of seasonal operations. The Wadi Nakari location is the most suitable for year round operations. It enjoys sea breezes and shade. The topography allows construction of facilities on slopes that are shielded from the afternoon sun. Wadi Ghadir is also a very desirable site in terms of weather conditions. Its setting within a relatively deep canyon and the availability of shade from vegetation will make it an enjoyable location site for much of the year. The Wadi Fokairi and Lahami sites are on large plateaus that cannot escape the intense sunlight. This fact may limit their use significantly during the summer months. Site planning and facility design will be the key to creating the longest possible season for all of the sites.

Telecommunications
Excellent mobile telephone service is available at all four sites. This is a valuable resource for accomplishing cost effective tour and facility operations. Functions such as tour reservations, travel arrangements, on site management, guest facility operations, supply acquisition, and emergency services are all improved by having excellent telecommunications.

Gateways
Based on all of the site suitability criteria and the professional judgment of the team that inspected the sites, all four are very appropriate for providing the functions of a gateway to the new tourism products.

FOUR PERMANENT SITES

Wadi Nakari Site
The location is:  
N 24 49 881  
E 34 57 502  

Primary entry to this site is to travel southwest from the coastal road across the wide expanse of Wadi Nakari until reaching topographic features that form a much smaller entry to the remainder of the wadi. Travel time is only 10 minutes from the coastal road and approximately 20 minutes to Marsa Alam. A secondary entry is from the southwest and this track connects the Wadi Nakari...
site to the Wadi Ghadir site. Potential operational advantages may be obtained from the relatively close proximity of the two sites.

The entire entry experience is environmentally clean. There was no rubbish or pollutants. The wide expanses quickly narrow to a more confined view of the upper canyon. Views to the north, south and west of the site show the front edge of the mountains. To the east is an open view of the Red Sea. A single promontory and the other topographic features located on the site provide excellent views of the Eastern Desert and the Red Sea. There are no existing or proposed development activities that compete with the scenic quality of the site. The surrounding lands and seashore are in a natural, undeveloped condition.

The site is slightly vegetated, but it is near the most highly vegetated wadis in the SRSR. Consequently, rare plants and animals are nearby, but their habitats would not be threatened by the use of the site.

Wind, as always, prevails, but there are many windbreaks to shelter the site from high velocity winds. In addition, there are no sand dunes to indicate that windborne sand is a problem.

The site is located very close to numerous cultural and natural heritage visitor attractions. All of these may be experienced on well established tracks and routes. A summary of notable attractions include:

**Tangible Cultural Heritage Resources**
- Petroglyphs of animals and boats
- Zabara, a huge ancient emerald mining settlement
- Several Islamic tomb sites
- Roman settlements located along the Edfu Road
- Bokari ancient gold mines
- Shazli Shrine and Village
- Sukari ancient, British and modern gold mine site
- Wadi Sukari numerous Islamic shrines on an ancient battlefield.
- Wadi Anboat ancient gold mining sites, millstones, and settlement
- Ancient Roman tombs
- Ancient Islamic tomb site
- Ancient Port Nakari
- Hangelia ancient and British colonial mining site

**Intangible Cultural Heritage Resources**
- Wadis Tundubah and Anboat have Bedouin camps.

**Natural Heritage Resources**
- Wadi Tundabuh has extensive vegetation and is wildlife habitat
- Wadi Anboat vegetation is used mostly for grazing herds; but gazelle, wild donkeys, wild camels and birds may be seen
- Migratory birds in spring and fall
- Many geologic features
- Excellent terrain for hiking
Wadi Ghadir Site
The location is: N 24 48 143
E 34 57 516

An excellent track from the coastal road provides a very scenic entry through Wadi Ghadir. The wadi is named Ghadir because it has a steady supply of water. A well at the entry, Bir Ghadir, represents an immediate visitor attraction. The water from this well is plentiful but salty. It is a vital supply of water for animals. The entire length of the wadi is highly vegetated. Acacia and tamarisk dominate the botanical species, but several shrubs are also prevalent.

The narrow parts of the wadi have interesting geology and landforms. As the entry progresses through this passage the visitor sees extensive vegetation, dramatic examples of wind erosion, temporary Bedouin encampments, and animals. Dorcas gazelle and wild camels are commonly seen. It is a short distance from the coastal road to the Ghadir site but it is an entirely different experience.

The narrow wadi opens to a large area that would be the actual site of tourism facilities. This site is extensively vegetated with acacia which provide shade, food and utilitarian items for both wildlife and Bedouin. The openings to the north, south and west provide access to numerous attractions through this entire region of the SRSR. There is no need to travel back to the coastal road to experience those attractions.

The Wadi Ghadir site possesses all the characteristics of a remote, secluded site, and yet it has excellent access to both essential services and tourist attractions. This is the most distinct feature of this site. Marsa Alam is 30 minutes away, prominent wildlife and Bedouin attractions are immediately on site, and numerous natural and cultural attractions are nearby.

Development of the Ghadir site requires respect for the environmental quality and cultural uses of the area. Specifically, structures should be built on the plateaus along the edge of the wadi. No development of any type should occur on the wadi itself because it would disturb wildlife, injure the vegetation, and interfere with Bedouin use of the area.

**Tangible Cultural Heritage Resources**
- Excellent access to the Zabara emerald mining settlement
- Large ancient chrome mine and settlement site with many artifacts
- Excellent access to Hangelia ancient mining and settlement site
- Petroglyphs of ancient camel caravans
- Many Islamic tomb sites in the region.

**Intangible Cultural Heritage Resources**
- Bedouin in Wadi Ghadir use the wadi on a seasonal basis and are friendly to strangers.
- Bedouin camps in the nearby wadis.

**Natural Heritage Resources**
- Wadi Ghadir has many geologic, wildlife and vegetative attractions. This region is especially suitable for nature based tours.
- Many rare plant species. These have a variety of medicinal and utilitarian uses.
- Dorcas gazelle seen often and on this region. Wild and domestic camels, goats, birds throughout, ibex possible, and hyraxes in caves in upper wadi.
Many acacia and tamarisk
Geology of the region internationally significant
The landforms are scenic for both photography and hiking
Drift sand dunes on canyon walls

Wadi Sharm al Fokairi Site
The location is: N 24 44 247
E 34 02 181

This site has excellent access from the coastal road and is located near the northeastern boundary of Wadi el Gimal National Park (WGNP). It is 30 minutes from Marsa Alam, 10 minutes from the coastal road, and directly adjacent to WGNP.

This is the largest and least vegetated site among the four that were selected. The land is an enormous plateau with excellent views of the mountains, wadi and Red Sea. But unlike the other three sites, there is virtually no vegetation or wildlife living on this site. The name of this wadi means scarce water and that accurately describes both the site and its setting. The only vegetation in the vicinity is one acacia tree and some shrubs located in the wadi. This sharply contrasts with the WGNP that has an abundance of both vegetation and wildlife. This vivid contrast is a distinct part of the tourist experience at this place.

The site provides two distinctly different entry points to access the WGNP. One is by means of the coastal road to the main entry to the park. Along this route the tourist can visit the new Visitor Center or the ranger station. But this route includes considerable volumes of traffic, a variety of commercial development, and increasing congestion.

The second route to the WGNP represents one of the economic values of the site. This route extends from the site directly to the interior of the park and avoids both congestion and the rubbish that so often is found on the roadway leading to the park. This is a far more pleasant entry experience and certainly will be more attractive to the high value tour market.

The closest tour products that can be offered from this site are located in the Wadi el Gimal National Park. A summary of notable attractions are listed below. A comprehensive listing can be found in the several documents produced for TDA and associated with the creation of the park.

Tangible Cultural Heritage Resources
- Gelia emerald mining town
- Roman sentry posts
- Roman fortifications
- Roman wells and hydruemas
- Sakit mining town site and Temple of Isis
- Nuqrus mining town
- The Roman Road
- Appollonia ancient caravan fort and warehouse
- Cabalsi ancient caravan fort and warehouse
- Phylocan ancient caravan fort and warehouse
- Roman tomb sites
- Islamic tomb sites
Intangible Cultural Heritage Resources
- Bedouin camel herding
- Bedouin food preparation

Natural Heritage Resources
- Rare or unique vegetation such as Anak, the Gordova bush, flowering shrubs that utilitarian value for Bedouin and provide nesting areas for birds, Acacia. Well illustrated field guides for native plants are published.
- Diverse species of birds in all seasons, but at different locations in WGNP. Comprehensive documentation for these are available in well illustrated field guides.
- Wildlife viewing for gazelle, ibex, hydraz, camels, donkeys. Wildlife habitat zones are well known to rangers.

Wadi Lahami Site
The location is: N 24 11 088
E 34 23 250

The Wadi Lahami site is located along an ancient caravan road system that once connected the Red Sea to the inland Roman Road. The Roman Road trade route connected the wealth and trade goods of Africa and South Asia to the Nile River which then carried those commodities onward to the empires of the Mediterranean. Approximately 2000 years ago this site was a key intersection of that transport route. The site is located on a plateau at the entry of a narrow canyon. The wadi itself was part of the trade route and the canyon was protected by a fortress town located at the western edge of the canyon. The wadi is well vegetated and the plateau offers stunning views of the wadi, mountains and Red Sea.

As a result of its unique history, the Lahami site provides entry to a collection of tour attractions that are distinctly different from the other three sites. The cultural heritage attractions are dominated by the antiquities that mark the ancient Roman Road. The living culture is different from the more northern sites. The Bedouin tribal influences include both the Ababdaand Bishari tribes.

The geographical orientation of the site is to the southeast. This is significant because the historical, cultural and natural orientation of the location is to the southeast also. Berenice and Vetus Hydruma, were the great ancient cities that this site was directly related to. The ancient Novum site was a critical source of water that the Lahami Roman Fortress relied upon. Today, Shalateen and its camel market is now the town where present day Bedouin conduct their trade.

The entry to this site from the coastal road is very attractive. However, the actual access road to a tour development should be built along a northern ridge in order to conserve the vegetation of the wadi. The site has sufficient land to construct tour facilities. They would be prominent and therefore the scale of development will be well planned.

A close relationship with the community of Hamata would probably benefit both the Lahami site and the town. Hamata is the headquarters of the Wadi el Gimal National Park and serves as a natural entry to the southern region of this protected area. It has a ranger station, desalinization plant, new school facilities, new electrical power generation, and refrigeration capacities. All of these developments are improving the quality of life and economic conditions of the people of Hamata. It is apparent that tourism plays a large role in Hamata and the creation of a quality tour facility in Wadi Lahami would potentially increase those benefits.
The nature based attractions of Wadi Lahami are not similar to the northern sites. There is less vegetation and less water in this region, consequently there is less wildlife to view. However, the true wilderness character of this region means that Nubian Ibex are more prevalent than in the north and that rare plant species and birds may be seen in the Lahami region. These rare species will attract high value markets.

The cultural traditions of the Bedouin thrive in this region. Tourists interested in cultural attractions will be amazed by the traditions that have been sustained for a thousand years.

**Tangible Cultural Heritage Resources**
- A Roman fort and settlement is at the west end of the narrow canyon
- Vetus Hydruma
- Novum Reservoir
- Berenice
- Ancient settlement site between Vetus Hydruma and Novum
- Roman well on the upper reaches of Wadi Lahami along Roman Road
- Hydrumas (water reservoirs)
- Cabalsi caravan fortress and warehouse
- Appollonia fortress and warehouse
- Gelia emerald mine and settlement
- Hartit well
- Raada well on track between Novum and Hamata
- Sabbarah ancient roman site in vegetated area and near Daort well

**Intangible Cultural Heritage Resources**
- Shalateen Camel Market - Visits to see the Camel Market in El-Shalateen are currently one of the most popular day excursions available in the South Red Sea. There is great potential to develop it into a higher-value product that provides local people the possibility to engage in the offer of tourism-related services.
- Bishari and Ababdatraditional practices.
- Bedouin settlement near Hartit well
- Cultural attractions located in Hamata

**Natural Heritage Resources**
- Vegetation is scarce, but there are several rare plants.
- Plants that are unique to this ecosystem are Mamees *Coccinia Diverifolia* and Mashta *Cleome Droppidera*
- Wildlife habitat to east of Vetus Hydruma
- The number of wells and reservoirs in this region are excellent locations to view wildlife.

**Seasonal Camps**
Seasonal camps serve many important functions in the delivery of tour products in the hinterland. Based on many years of extensive site investigations the locations of numerous seasonal SRSR camp sites have been identified. The location of a seasonal site depends equally...
on the functions that it performs and its suitability, as described in Section 4. Those functions include:

- Extended visits to the SRSR
- Rest stops
- Aid stations
- Supply locations (caches)
- Resource conservation monitoring

For those tourists who wish to remain overnight in the hinterland of the SRSR, remote camp sites must be established at strategic locations. Several vivid experiences can be derived from spending a night in the wilderness of the Eastern Desert. One of the most memorable experiences is the exceptionally clear view of the stars. Constellations and galaxies can be readily identified and ancient methods of stellar navigation can be learned from this experience. Combining the mythical names of the constellations and Egypt's rich cultural history of literature and poetry might provide an opportunity to share a legacy of storytelling.

It is advisable to have Bedouin people lead camp experiences to the fullest extent possible. The Bedouin have a long tradition of sharing what they have with others. It is far more than merely demonstrating the use and cooking of local foods. By example, when Bedouin share a sheep or goat one third is given away to strangers, one third is shared, and one third is kept. In a land of extreme scarcity, the Bedouin demonstrate remarkable generosity.

The solitude and silence is another impressive experience derived from a night in the wadi. For those persons who have never experienced a true wilderness, the opportunity to “listen to the silence” is rare.

The purpose and functions of rest stops, aid stations, and supply locations have been discussed in detail in Section 2 of this report. Seasonal camps, when strategically located along popular tour routes, represent excellent sites for performing those functions.

Conservation of the SRSR’s cultural and natural heritage resources should benefit from resource monitoring. The tour operators and their employees who use the seasonal camps should prevent resource damage and loss. Their presence helps to assure this, but resource monitoring should not be left to chance. The organization responsible for operating the seasonal camp should be required to perform this function.

The sites of seasonal SRSR camps suitable for accomplishing the necessary multiple functions are presented on the map that accompanies this report.
Figure 8  Map Showing Suitable Sites in the Southern Red Sea Region of Egypt

Suitable Sites
Map

Permanent Site
Seasonal Site

ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT

Part 2: Requirements to Define, Locate, and Deliver Adventure Tourism Attractions in the Southern Red Sea Region of Egypt
LIFE Red Sea Project

ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT

Part 3: Studies of Resorts in the Southern Red Sea Region of Egypt

Disclaimer

The Author’s views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.
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<tr>
<td>CDC Community Design Collaborative</td>
</tr>
<tr>
<td>cm Centimeter</td>
</tr>
<tr>
<td>EEAA Egyptian Environmental Affairs Agency</td>
</tr>
<tr>
<td>km² square kilometers</td>
</tr>
<tr>
<td>KVA Kilovolt Ampere</td>
</tr>
<tr>
<td>LIFE Livelihood and Income from the Environment (project)</td>
</tr>
<tr>
<td>LRS LIFE Red Sea Project</td>
</tr>
<tr>
<td>m Meters</td>
</tr>
<tr>
<td>MW Megawatt</td>
</tr>
<tr>
<td>NGO Non-governmental Organization</td>
</tr>
<tr>
<td>PVC Polyvinyl Chloride</td>
</tr>
<tr>
<td>RO Reverse Osmosis</td>
</tr>
<tr>
<td>RSG Red Sea Governorate</td>
</tr>
<tr>
<td>SFO Single Family Occupancy</td>
</tr>
<tr>
<td>SRO Single Resident Occupancy</td>
</tr>
<tr>
<td>SRS Southern Red Sea (region)</td>
</tr>
<tr>
<td>SWM Solid Waste Management</td>
</tr>
<tr>
<td>TDA Tourism Development Authority</td>
</tr>
<tr>
<td>UNESCO United Nations Educational, Scientific, and Cultural Organization</td>
</tr>
<tr>
<td>USAID United States Agency for International Development</td>
</tr>
<tr>
<td>WGNP Wadi el-Gemal National Park</td>
</tr>
</tbody>
</table>
Phase 1: Research and Quantitative Studies
INTRODUCTION

BACKGROUND

The Sustainable Economic Growth in the Red Sea Governorate (RSG) project promotes sustainable natural and cultural tourism development along the Southern Red Sea (SRS) coast that is intended to meet the needs of local residents and expectations of tourists, while protecting the environment and enhancing future economic opportunities.

The SRS region has strong potential for the development of cultural, adventure, and nature-based tourism products given the range of available natural and cultural resources. However, most of these resources are currently underutilized and have not been developed as attractions. If developed appropriately, these tourism resources can become iconic tourist attractions that would increase the length of stay and expenditures by visitors.

Due to Egypt’s proximity to Europe, and inexpensive tour packages, the region is clearly positioned to take full advantage of Egypt’s relative success in establishing a presence in the European soft-adventure market.

OBJECTIVE

This assignment was conducted in support of the Livelihood and Income for the Environment (LIFE) Red Sea (LRS) Project’s efforts to develop a plan for new tourism products in the Southern Red Sea market that meets the growing interest for soft-adventure tourism products in Egypt. The objective of the assignment was to provide benchmarks for the economic impact of current tourism-related activities in the SRS region, specifically Marsa Alam, in terms of income and foreign exchange generated, the leakages associated with those income flows, and the number of jobs created with the SRS region versus the impact of sustainable tourism models.

To that end, data has been collected and analyzed related to the development and operation of resort hotels south of Marsa Alam down to Wadi Lahami. Basic data collected included:

- Number of hotels
- Number of hotel rooms, by category, e.g., by price range and/or classification
- Number of employees
- Number of employees from the Marsa Alam region

Furthermore, data was collected that enabled manipulations and derivations of information like:

- Average annual occupancy by hotel classification, and
- Average daily rate

Specifically, the objective was to determine the following for different hotel categories:

- **The percentage of total hotel guests that book prepaid all-inclusive packages.** For example, through this process the consultant might estimate that 70 percent of all guests at first class hotels (e.g., Marriott, Hilton, and Movenpick hotels) are booked through Tour Operators in their country of origin and prepay packages on an all-inclusive basis. It will also be important to determine how the remaining hotel rooms, are booked. From the above example, it may be further determined that of the remaining 30 percent, 20 percent are booked directly, online, by phone, etc., and the remaining 10 percent are booked via Egyptian travel agents.
• **The nature of arrangements between RS hotels and foreign tour operators.** For example, do the tour operators guarantee or block book a specific number of hotel rooms over a specific period?

• **Average prices paid to hotels by foreign tour operators, and on what basis.** Tour operators might be paying, on average, $50 per room per night, double occupancy, all inclusive (or European Plan, of Modified American Plan, room only, etc.). This information is likely only available through interviews with a sample of hotel operators.

• **Average price at which all-inclusive and other packages are sold for in source markets.** With this information and the estimate of average prices paid to hotels, the consultant will be able to estimate the average profit margin for these tour operators, and the amount of leakage. For example, if Hotel A is selling rooms to foreign tour operators for $50 per room per night, double occupancy, all-inclusive, and selling a package that equates to $50 per person, per night, plus airfare, the profit margin is 100 percent and leakages are 50 percent, or half of the total income generated from foreign tourists for hotel accommodations and meals. To derive these estimates will require examination of specific tour operator catalogues and estimation of the cost of airfare, and other charges included in the package price.

**METHODOLOGY**

As part of the hotel profiling, interviews were conducted with the Tourism Development Authority (TDA), as well as a mix of 3-, 4-, and 5-star hotels. Fourteen hotels (out of 33) were surveyed in the South Red Sea region south of Marsa Alam, representing 40 percent of the current hotel base in the area. The survey was conducted both in Cairo at corporate headquarters for major travel groups (four hotels), and through on-site field visits to ten hotels in the Marsa Alam region. Interviews were primarily conducted with hotel managers and/or financial managers, and in one case, the hotel owner.

In many cases, interviewees were either reluctant, or unable, to provide financial data on revenue, purchasing, servicing costs, and tour operator mark-ups or discounts. However, where enough information was available, approximations have been derived in order to facilitate the comparative analysis. This should be taken in to consideration when reviewing this analysis. It should be noted that data from one hotel was incomplete to the extent that no approximations could be derived, and this interview was accordingly discarded. Therefore, except as otherwise indicated, analyses are based on data from 13 hotels.

Of the 14 hotels surveyed, 13 were 100 percent Egyptian-owned, either by corporate travel groups, or family-owned groups. One hotel was 100 percent Kuwaiti-owned. The sample distribution by classification and location is illustrated in Table 1.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Sample Distribution of Hotels by Classification and Location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5-Star</td>
</tr>
<tr>
<td>Marsa Shagra</td>
<td>1</td>
</tr>
<tr>
<td>Om Gorifat Bay</td>
<td>2</td>
</tr>
<tr>
<td>Port Ghalib</td>
<td>—</td>
</tr>
<tr>
<td>Wadi El-Gimal</td>
<td>—</td>
</tr>
<tr>
<td>Wadi Lahami</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>3</td>
</tr>
</tbody>
</table>
GENERAL FINDINGS

ROOM CAPACITY

As illustrated in the table below, the total number of rooms in the sample was 3,376, with the average number of rooms per hotel being 260. The highest capacity was in a 5-star hotel with 532 rooms, and the lowest capacity was in a 4-star hotel with 115 rooms.

Table 2    Room Capacity

<table>
<thead>
<tr>
<th></th>
<th>Total Number of Rooms</th>
<th>Average Number of Rooms</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Star</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td>160</td>
</tr>
<tr>
<td>4 Star</td>
<td>2020</td>
<td>224</td>
<td>360</td>
<td>115</td>
</tr>
<tr>
<td>5 Star</td>
<td>1196</td>
<td>399</td>
<td>532</td>
<td>300</td>
</tr>
<tr>
<td>Overall Sample</td>
<td>3376</td>
<td>260</td>
<td>532</td>
<td>115</td>
</tr>
</tbody>
</table>

For purposes of the following analyses, actual room capacity for each hotel was multiplied by 365 days to derive the total annual capacity for each hotel. Actual room nights were then derived based on occupancy percentages provided by each hotel.

OCCUPANCY RATES

Hotel occupancy rates have been calculated on the basis of actual room nights versus total capacity. Occupancy rates discussed below are averages for the year 2006.

Hotels interviewed indicated that several variables need to be taken into consideration with regards to occupancy as rates fluctuate throughout the year depending on the season and the market.

All in all, the actual total occupancy rate (over the entire sample) was 61 percent. Five-star hotels indicated a range between 43 – 67 percent. Four-star hotels were primarily in the 70 – 85 percent range, but with one outlier at 33 percent for a hotel which is still under construction, is still difficult to access from the main Hurghada – Marsa Alam road, and has no beach access. The single 3-star hotel had an occupancy rate of 55 percent.

Figure 1    Total Capacity vs. Actual Occupancy
Most hotels have either been completed within the last few years, and/or are still under construction, so occupancy rates continue to increase annually, with the exception of one 4-star hotel which is facing financial difficulties.

LENGTH OF STAY

The average length of stay is eight days for both 4- and 5-star hotels. Only the 3-star hotel had an average length of stay of 9 days. However, the majority of stays (more than 80 percent) were seven days (one week) in length, decreasing incrementally for 16 day – 21 day stays.

Length of stay is primarily determined by charter/tour operator arrangements which are generally on a weekly rotation. Therefore, stays for durations longer than one week tend to be for either two or three weeks, which accounts for the slightly higher averages for lengths of stay.

Table 3 illustrates the average length of stay for different hotel classifications, based on weighted calculations as derived from information provided by the hotels.

Table 3  Average Length of Stay

<table>
<thead>
<tr>
<th>Number of Days</th>
<th>Average Length of Stay</th>
<th>Overall Average</th>
<th>5 Star</th>
<th>4 Star</th>
<th>3 Star</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

Average Stay as a Percentage (from available data**)

<table>
<thead>
<tr>
<th></th>
<th>Overall Average</th>
<th>5 Star</th>
<th>4 Star</th>
<th>3 Star</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 days</td>
<td>N/A</td>
<td>81.67%</td>
<td>80.00%</td>
<td></td>
</tr>
<tr>
<td>14-16 days</td>
<td>N/A</td>
<td>16.67%</td>
<td>20.00%</td>
<td></td>
</tr>
<tr>
<td>21 days***</td>
<td>N/A</td>
<td>1.67%</td>
<td>0.00%</td>
<td></td>
</tr>
</tbody>
</table>

N/A = Data not available
* Note that the majority of stays were 7 days in length
** 4 hotels provided % breakouts by week (three 4-star hotels and one 3-star hotel)
*** Based on one hotel

TYPES OF ACCOMMODATION

The majority of hotels operate on an “all-inclusive” basis, with “half-board” rooming ranking second. However, it should be stresssed that “all-inclusive” means different things at different hotels. “All-inclusive can mean all meals, soft drinks, and local alcoholic beverages at one hotel, or all meals and soft drinks, exclusive of alcohol at another. Hotels offering both options consider “all-inclusive” to include local alcoholic beverages, while “full-board” is exclusive of alcohol.

Overall, almost 70% of the rooms are sold on all-inclusive basis, followed by 30 percent sold on half-board basis. Bed and breakfast rooms constituted around 1% of accommodation, with “room only” accommodation accounting for 0.08% of the rooms sold in Marsa Alam. As Figure 3 shows, while all-inclusive accommodation is predominant across all hotel categories, they seem to be more prevalent among five stars hotels.
A closer look at the sample is more revealing. Seven hotels indicated that between 95 – 100 percent of their rooms were sold on an “all-inclusive” basis. Two hotels indicated that 100 percent of their rooms were sold on an “all-inclusive” basis. One hotel sells primarily half-board accommodation with 90 percent of their rooms sold on that basis. Finally, three hotels indicated that approximately 65 percent of their rooms were sold on an “all-inclusive” basis, with the remaining 35 percent being “half-board.”
EMPLOYMENT

The total number of employees in the survey sample is 3,377, with an average of 260 employees per hotel of 260. The highest number of employees in any given hotel is 455, while the lowest is 75.

Management percentages of total employees range between 3.5 – ten percent. Most management comes either from Cairo or Alexandria, although some comes from other northern governorates such as Menoufiya and Dakhalyia, and, very infrequently, Luxor. The majority of hotel staff comes from the Nile Valley in Upper Egypt; primarily from Luxor, Aswan and Qena, although a fairly large number also come from Quseir.

EMPLOYEES FROM MARSA ALAM

Only two hotels hired staff indigenous to Marsa Alam with a total of only 82 employees out of the 3,377 coming from the region. Interestingly, the trend for hiring indigenous employees is inversely proportional to the hotel classification and size; as can be seen from Table 4.

Table 4  Marsa Alam Employment

<table>
<thead>
<tr>
<th>Property</th>
<th>Total Employees</th>
<th>Total Employees from Marsa Alam (derived)</th>
<th>% of Employees from Marsa Alam</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-Star</td>
<td>220</td>
<td>66</td>
<td>30.00%</td>
</tr>
<tr>
<td>4-Star</td>
<td>2123</td>
<td>16</td>
<td>0.75%</td>
</tr>
<tr>
<td>5-Star</td>
<td>1034</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total</td>
<td>3377</td>
<td>82</td>
<td>2.43%</td>
</tr>
</tbody>
</table>

Hotel staff hired from Marsa Alam tends to be primarily involved in dive operations (zodiac drivers, for example) as they have generally previously been fishermen. As highlighted above, the 3-star hotel had 30 percent (or 66 employees) from the Marsa Alam region and these employees were primarily from Wadi El-Gimal.

However, there was a noted reluctance to hire local staff because, in the opinion of the respondents, it is not yet in their culture to work in a structured employment environment. For example:
- they are not inclined to work set hours
- they may fail to report to duty
- they do not understand the job requirements or the necessity to fulfill them, and
- there is a tendency to disregard safety and hygiene precautions and procedures.

EMPLOYMENT CONDITIONS

As the majority of hotel staff come from outside the region, all hotels have staff housing. Employees generally work daily for a set period of time (one example was 30 days) and then get a long break such as 10 days.

Employees per Room

Overall employment to total rooms is virtually one-to-one, with 3,376 total rooms and 3,377 total employees. However, there is a trend towards a higher ratio of employees to rooms in the lower
hotel classifications, which also tend to be smaller hotels, indicating that smaller hotels are more labor-intensive.

Table 5  Ratio of Employees to Rooms

<table>
<thead>
<tr>
<th></th>
<th>Total Rooms</th>
<th>Total Employees</th>
<th>Employees per Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-Star</td>
<td>160</td>
<td>220</td>
<td>1.38</td>
</tr>
<tr>
<td>4-Star</td>
<td>2020</td>
<td>2123</td>
<td>1.05</td>
</tr>
<tr>
<td>5-Star</td>
<td>1196</td>
<td>1034</td>
<td>0.86</td>
</tr>
<tr>
<td>Overall Sample</td>
<td>3376</td>
<td>3377</td>
<td>1.00</td>
</tr>
</tbody>
</table>

In conclusion, evidence suggests that smaller hotels tend to be more labor-intensive and may have a higher propensity to hire locally.
FINANCIAL DATA

ROOM RATES

Hotels calculate and quote rates differently. Some hotels calculate average room rates on the basis of room only, but others may calculate on the basis of average room rates double occupancy, or a weighted average of all room rates (all-inclusive, half-board, single occupancy) based on occupancy. Others quote pre-tax rates, or post-tax rates. Still others quote rates based only on the room itself, and meals are additional per person per meal. Based on calculations provided by general or financial managers, room rates were derived for these cases.

Notwithstanding the fact that average room rates are based on double-occupancy, it is important to note that occupancy in a room may actually be higher than two persons per room, as often there are families with children, or groups of friends staying together. More specifically, some hotels have “family rooms” designed for families versus simply double-occupancy.

In cases where average room rates were not available, average rates for comparative purposes were derived on the basis of estimated revenue divided by actual room nights. As room rates are quoted on a double-occupancy basis, these rates were then divided by two in order to determine the average room rate per person, per night, based on double-occupancy.

Average room rates per person, per night, double-occupancy, by hotel classification are highlighted in the chart below in comparison to average all-inclusive room rates per person, per night, double-occupancy. Hotel managers indicated that these rates were the rates provided to tour operators, but that has been difficult to verify. However, anecdotal information suggests that these figures are somewhat close to reality.

Figure 4  Average Room Rates

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1 Unless otherwise stated, quoted room rates are generally for a double room rather than per person, per night.
2 An explanation of revenue derivation follows in the section entitled Revenue.
REVENUE

Many hotel managers either did not know their annual revenue or were reluctant to disclose it. Therefore, where enough relevant data was available, such as room rates per room category and occupancy per category, estimated revenue has been derived.

Estimated revenue has been derived using weighted averages of actual occupancy per type of accommodation multiplied by room rates. For instance, if a 100-room hotel indicated 70 percent occupancy then their occupancy was 70 rooms per night. Seventy rooms per night over a period of one year totals 25550 actual room nights (70 * 365 = 25,550).

If 50 percent of rooms sold were on a half-board basis, and 50 percent of rooms sold were on an all-inclusive basis, the actual room nights for half-board and all-inclusive would be 12,775 each.

Actual room nights per room category were then multiplied by the rate for each respective category to derive the revenue for each room category, and total hotel revenue, similar to the example for the fictional hotel shown in Table 6:

Table 6  Illustrative Revenue Calculation (Fictional Hotel)

<table>
<thead>
<tr>
<th>Actual Room Nights</th>
<th>Room Rate Per Night (double-occupancy)</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Half-board</td>
<td>12,775</td>
<td>€ 35</td>
</tr>
<tr>
<td>All-inclusive</td>
<td>12,775</td>
<td>€ 50</td>
</tr>
<tr>
<td>Total</td>
<td>25,550</td>
<td>€ 85</td>
</tr>
</tbody>
</table>

Total derived revenue for 2006 for all hotels in the sample is illustrated in Figure 5:

Figure 5  Total Revenue of Sample Hotels

PURCHASING

Purchasing expenditures were a bit more problematic to derive, as not enough information was provided in all cases. Purchasing costs have been derived for four hotels. These costs were

---

3 This is for illustrative purposes only. There were no hotels in the sample with this number of rooms.
calculated based on the overall percentage of revenue spent on purchases, as indicated by the specific hotels. Average purchasing costs for 5-star hotels are based on actual purchasing patterns of two hotels. The 4-star purchasing average is based on purchasing patterns of six hotels. The 3-star hotel provided neither purchasing values nor percentages, so this information could not be derived. Average revenue and purchasing for the six 4- and two 5-star hotels mentioned above are highlighted in Figure 6 and Table 7, below.

Figure 6 Average Financial Data for 2006 by Hotel Classification

Table 7 Financial Data, 2006

<table>
<thead>
<tr>
<th>Hotel Classification</th>
<th>Average Annual Revenue (Million Euros)</th>
<th>Average Annual Purchases of Goods and Services</th>
<th>Average Annual Purchasing as % of Average Annual Revenue (By hotel classification)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Stars</td>
<td>€ 1.30</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4 Stars</td>
<td>€ 3.19</td>
<td>€ 1.29</td>
<td>40.36%</td>
</tr>
<tr>
<td>5 Stars</td>
<td>€ 6.63</td>
<td>€ 0.80</td>
<td>12.11%</td>
</tr>
<tr>
<td>Average of 4- and 5-Star Hotels</td>
<td>€ 4.05</td>
<td>€ 1.17</td>
<td>28.81%</td>
</tr>
</tbody>
</table>

Purchasing Patterns

The majority of purchasing is done in Cairo with most hotels purchasing 100 percent of goods from Cairo. All 5-star hotels purchase 100 percent from Cairo, through corporate travel group headquarters. The 4-star hotels have more balanced purchasing patterns between Cairo and Hurghada. The only 3-star hotel indicated that they purchase approximately evenly between Cairo and Hurghada. Three hotels purchase between 60 – 90 percent of goods from Hurghada. Only two 4-star hotels purchase a significant percentage of items locally at 25 and 60 percent, respectively. In the case of the hotel which indicated that it purchases 60 percent locally, they indicated that they purchased from local suppliers who brought goods in from Cairo. It is important to note that while these figures were provided directly from hotels and were not

Enhancing Sustainable Tourism in the Southern Red Sea Region of Egypt

PART 3: STUDIES OF RESORTS IN THE SOUTHERN RED SEA REGION OF EGYPT
derived, they have not been verified and should be approached with caution, as they are inconsistent with other data.

Reasons cited for not purchasing locally include:
- The hotel group makes all purchases in Cairo
- Locally-supplied goods and services are more expensive
- Locally-supplied goods are generally of lower quality (specifically fruits and vegetables)

Average purchasing patterns illustrated in the chart below are based only on the seven hotels which responded to this survey question. Information for the other hotels cannot be derived from the information available.

**Figure 7  Purchasing Patterns**

![Purchasing Patterns Chart]

**SERVICING**

Servicing costs were difficult to determine and were only provided in a few cases. Servicing costs are therefore based on actual or derived data from the 4- and 5-star sample. Five-star servicing costs were based on actual or derived data from all three hotels. Four-star servicing costs were based on data from only five hotels. Data from the lone 3-star hotel, although provided by the hotel, was discarded as being grossly inconsistent with other data.

**Table 8  Average Cost of Servicing per Person per Night**

<table>
<thead>
<tr>
<th></th>
<th>Overall Average</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Stars</td>
<td>€ 21.76</td>
<td>€ 31.00</td>
<td>€ 11.11</td>
</tr>
<tr>
<td>4 Stars</td>
<td>€ 13.49</td>
<td>€ 20.00</td>
<td>€ 7.10</td>
</tr>
<tr>
<td>Overall Sample</td>
<td>€ 16.59</td>
<td>€ 31.00</td>
<td>€ 7.10</td>
</tr>
</tbody>
</table>

**TAXES**

By law only shareholding companies are allowed to invest in the region. Shareholding companies in Egypt fall into one of two types:
- Companies registered under law 8 for 1996 for investment companies
- Companies registered under law 159 for 2005

Table 9 compares the tax treatment for both types of companies. The major difference is that pertaining to the income tax. Law 8 companies enjoy an income tax holiday of 10 years, whereas law 159 companies follow the regular tax law (law 5/2005). All companies established after 2005, would be registered under law 159.

Table 9  Tax Treatment for Shareholding Companies

<table>
<thead>
<tr>
<th>Description</th>
<th>Base of Calculation</th>
<th>Applicable Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Law 159 Companies</td>
</tr>
<tr>
<td>I. Company Establishment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company registration</td>
<td>Size of capital max LE 6,000</td>
<td>max LE 6,000</td>
</tr>
<tr>
<td>Land registration</td>
<td>Size of land max LE 2,000 -0-</td>
<td>-0-</td>
</tr>
<tr>
<td>Customs on building equipment</td>
<td>Value and category of equipment 20% -40%</td>
<td>5%</td>
</tr>
<tr>
<td>II. Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll tax</td>
<td>Salary : First LE 9,000 / year</td>
<td>-0-</td>
</tr>
<tr>
<td></td>
<td>LE 15,000 - LE 20,000 / year</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>LE 20,000 - LE 40,000 / year</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>LE 40,000 and more / year</td>
<td>20%</td>
</tr>
<tr>
<td>Social security contribution</td>
<td>Basic salary up to LE 750/month</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>Allowances up to LE 500/month</td>
<td>35%</td>
</tr>
<tr>
<td>Withheld tax</td>
<td>Purchases 0.50%</td>
<td>0.50%</td>
</tr>
<tr>
<td></td>
<td>Professional fees (eg. Audit) 5%</td>
<td>5%</td>
</tr>
<tr>
<td>Sales tax</td>
<td>Total hotel bills including service charge</td>
<td>10%</td>
</tr>
<tr>
<td>Municipal tax</td>
<td>Rooms revenue 2%</td>
<td>2%</td>
</tr>
<tr>
<td>Income tax</td>
<td>Net margin after interest 20%</td>
<td>-0-    (10 years starting year of operation)</td>
</tr>
<tr>
<td></td>
<td>Dividends -0-</td>
<td>-0-</td>
</tr>
</tbody>
</table>

Field investigation revealed that all hotels investigated in our sample in Marsa Alam were established under law 8. The reason is that investment in the region started well before law 159 came into effect. Those who have started operation as such enjoy the aforementioned tax holiday.

Companies that were established before 2005 but are not yet operational were granted a grace period of three years during which they should complete construction. Once construction is completed they will enjoy the 10 years income tax exemption.
SOURCE MARKETS

PRIMARY MARKETS/NATIONALITIES

Currently, Italians and Germans dominate the market, with Italians making up approximately 50 percent of all guests in the sample. For example, Italians were the primary source market in seven hotels (ranging between 50 – 99 percent of occupancy). Germans were the primary source market in four hotels (ranging between 40 – 60 percent of occupancy). One hotel indicated that their primary market was evenly split between Italians and Germans at 50 percent each.

Markets are seasonal and each market has its own season, or several seasons per year. Markets are also driven by the economy in the market country, and can vary from year to year. Germans and Italians tend to come at different times and according to hotel managers do not commingle well.

British guests were the only other primary source market, and were only primary in one hotel at 70 percent of occupancy. However, as the overall British percentage was nominal, it has been folded into the calculation for “other” nationalities indicated in Figure 8 below.

There is a trend towards attracting more Russian guests. With only a few exceptions, Egyptian and foreign resident guests account for less than one percent. Other markets currently served include Austrian, French, Swiss, Ukrainian, and Dutch.

Figure 8  Primary Guest Nationality as a Percentage of Occupancy

Figure 9  Estimated Number of Room Nights by Guest Nationality, 2006
NEW TARGET MARKETS

New target markets tend to be focused on Western Europe and Russia, with the French market being the most frequently noted Western European market. Other nationalities mentioned include Spanish, British, Scandinavian, American, and German and Italian (for those not currently serving these markets).

Some suggestions were made on the basis of markets not currently being served, such as the Scandinavian and American markets, for example. The suggestion regarding the American market was also tempered with the realization that they are competing for this market with the proximity of the Caribbean to the US market. Suggestions for new target markets were also based on the consideration of which nationalities have a reputation as “good spenders.”

Hotels also take into consideration mixing nationalities that will get along when considering new markets (for example Spanish and Italians can commingle, whereas Italians and Germans do not mix well). They need to take into consideration new markets which will match well with current clientele so as not to diminish or dilute their existing markets. They also take into consideration the seasonality of markets.

BOOKING METHODS

The majority of hotel arrangements are made through tour operators. Eight of 13 hotels indicated that foreign tour operators accounted for between 90 – 100 percent of bookings in 2006. One hotel indicated that only five percent of bookings are made through foreign tour operators. The remainder of hotels indicated that between 60 – 80 percent of bookings were through tour operators.

Overall, foreign tour operators accounted for 86 percent of room nights in 2006. As illustrated in the chart below, 5-star hotels average 89 percent of bookings through tour operators, while 4- and 3-star hotels averaged 84 and 99 percent, respectively.

Only one hotel indicated that the majority of their bookings were made through direct bookings – and these are made through corporate headquarters in Cairo (50 percent). Further, only one hotel indicated a quantifiable percentage of bookings through Egyptian travel agents (30 percent). Online booking is increasing incrementally, but is still a far second to tour operators.

Figure 10  Booking Methods
TOUR OPERATORS

Hotels have specific arrangements with tour operators which guarantee a percentage of bookings. For example, one hotel revealed that they cooperate with only one Italian tour operator, which guarantees 70 percent of bookings.

Rates provided by hotels to tour operators fluctuate based on variables including season and occupancy, economic conditions in the source market.

These same variables, in addition to whether tour operators are simply trying to fill spaces to meet the quotas for which they have committed, impact rates which tour operators offer their guests. As such, hotels generally claimed to be unaware of the mark-up of their room rates. They further cited that since holidays are sold on a package basis including airfare, and sometimes diving, it is difficult to determine the actual room rate charged.

Although managers generally either did not know, or were reluctant to provide information on tour operator mark-ups of room rates, some said that their “rack” rates were discounted by between 10 – 15 percent for tour operators, and those with higher occupancy often get even better deals. Conversely to this, one manager indicated that while he was not aware of the actual range of mark-ups, he believed it to be not less than 60 percent.
ACTIVITIES

DIVING GUESTS AND ARRANGEMENTS

Although many hotels initially started as diving hotels, there has been a trend towards more “relaxation” guests. Divers who come primarily for Red Sea diving range between 20 – 30 percent of hotel guests, although the percentage may go as high as 90 percent.

Eleven of 13 hotels indicated that diving arrangements are booked 100 percent through on-site dive centers rented to private dive operators which are mostly foreign-owned (German and Italian). The only revenue hotels receive through dive operations is rent.

Diving arrangements arranged through off-site dive operators are primarily included in the overall package through the tour operator, or arranged through the tour operator. Only two hotels, both operated through the same travel group, indicated that any guest diving arrangements were are booked through other than on-site dive centers. In each case, the hotel estimated that 70 percent of diving arrangements are booked through on-site dive centers, and the remaining 30 percent for each hotel was evenly divided between off-site dive centers, and off-site diving arrangements which were booked through the hotel. They defined off-site dive arrangements booked through the hotel to mean pre-paid dive excursions for which scheduling was done through the hotel.

OTHER EXCURSIONS

The primary excursion after diving is desert safaris, followed by excursions to Aswan and Luxor, and the Shalateen Camel Market, as well as beach buggy rides. New activities include surfing and kite surfing, and an astronomy center near Marsa Shagra.

Hotels tended to have very limited data on these other excursions as they are primarily made either through tour operators or other on-site operators (e.g. kite surfing), which rent the venue location, similar to dive operators. However, some hotels estimated that between 40 – 50 percent of guests participated in desert safaris. (Seven respondents indicated that between 20 – 50 percent of guests go on desert safaris, while four were in the 45 – 50 percent range, and three were between 20 – 30 percent).

Most estimated that ten – 20 percent of guests travel to Luxor/Aswan. The Shalateen Camel Market was a destination for approximately ten percent of guests (among those who responded). Only one hotel indicated a high percentage of guests travel to Luxor/Aswan (70 percent), with the majority of those who responded indicating that between ten – 20 percent of guests make this trip. Hotels do not receive revenue from these activities other than the rent they receive for the venue locations.
PREFERRED MARKETING METHODS

Preferred marketing methods, in descending order of preference, are shown in Figure 11, while hotel ratings of specific marketing method effectiveness are highlighted in Table 10.

![Preferred Marketing Methods](image)

Table 10  Marketing Method Effectiveness Ratings by Number of Hotels

<table>
<thead>
<tr>
<th>Method</th>
<th>N/A</th>
<th>Ineffective</th>
<th>Somewhat Effective</th>
<th>Effective</th>
<th>Most Effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television advertising</td>
<td>7</td>
<td>5</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Print advertising</td>
<td>4</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Tour operator familiarization</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Press and media trips</td>
<td>8</td>
<td>2</td>
<td>0</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Websites and internet advertising</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Special event and promotions</td>
<td>9</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>International specialized exhibitions</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Word-of-mouth</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
</tbody>
</table>

In many cases, such as with respect to print or television advertising, hotels indicated that a marketing method was ineffective simply because they did not conduct this type of marketing. However, they noted that tour operators frequently did this type of marketing either through local television advertising or through brochures which included spreads on individual resorts. In such cases, while the hotels did not do the marketing themselves, they believed that it was effective.
With the exception of one hotel, those participating in international exhibitions indicated that they are very effective. The lone hotel which indicated international exhibitions were not effective suggested that door-to-door marketing to tour operators in other countries would be more effective.

Finally, although “word-of-mouth” was not on the questionnaire, several hotels indicated that this was a highly effective means of marketing, and highlighted that they have a high level or repeat guests who bring other guests each time they visit.

PARTICIPANTS’ RECOMMENDATIONS FOR IMPROVED MARKETING

Recommendations for the government to help improve marketing of the region ran along three themes: increased/improved advertising, transportation and logistical issues, and environmental awareness and legislation.

Specific suggestions included the following:

- **Increased/improved advertising:**
  - Print advertising
  - Television advertising, including promotional programs on Egypt as a whole, as well as specific to the Marsa Alam region
  - Internet advertising – on the region as a whole, and specific resorts
- **Transportation and logistical issues:**
  - Market the fact that there is an international airport in Marsa Alam
  - Widen and improve the safety on the road from Safaga south to Marsa Alam and beyond
  - Rescind the requirement for convoys/caravans between Luxor and Safaga
- **Environmental awareness and legislation:**
  - Produce environmental awareness programs on the natural environment in the region, specifically on the fragility of the reefs, feeding of fish, and other environmental hazards
  - Pass/enforce legislation restricting the number of divers and boats in the area, possibly including restrictions on proximity of boats to the coast and reefs.
Phase 2: Case Study of the Basata Ecolodge in Neweiba: The Economics of Simplicity

ACKNOWLEDGEMENT

Entrust Development & Management Consultants is deeply indebted to the staff and management of Basata resort in Neweiba. They were generous with both the material and time without which this work would not have been possible.

All photographs included in this report were either provided by Engineer Sherif El-Ghamrawy, Basata’s Owner and General Manager, or downloaded from Basata’s website.

Cairo, March 2008
**BACKGROUND**

Basata Ecolodge is located 45 km south of Taba and 23 km north of Neweiba, on the Neweiba – Taba road, approximately 450 km from Cairo. It is situated in a small bay called Ras Burayka surrounded by cliffs on the Gulf of Aqaba. The first resort on the Gulf of Aqaba, and probably the first ecolodge in Egypt, Basata was established in 1986, 4 years after the owner, Engineer Sherif El-Ghamrawy, first visited the area, shortly after Sinai was handed back to Egypt by Israel.

**Figure 12** The Sinai Peninsula and Location of Basata

**Figure 13** Basata - Ras El Burka Bay

One remarkable thing about Basata is that has experienced significant growth over the years, while experiencing virtually no downturns, compared to other resorts and hotels in Sinai, even in crisis times following terrorist activities in the region. Originally no more than a camp, today Basata has 10 chalets, 17 huts, and a camping area for 150 persons. Overall, in a high season, Basata can now accommodate almost 350 guests. The following pictures depict the development of Basata between 1986 and 2006:

Despite this growth, Basata managed to remain faithful to its original concept as venue of cultural exchange while respecting, and minimizing the damage done to the environment. The Responsible Tourism Awards highly commended Basata as the second best facility in a marine...
environment. Al Jazeera TV channel aired a 5-minutes feature on Basata as one of the internationally acclaimed ecotourism destinations.

Figure 14  Basata Bay, 1986

Figure 15  Basata Bay, 2006
DESCRIPTION

PHYSICAL FACILITY

In building Basata, the management has opted to:
- Preserve the nature of the land, thus using light structures
- Abide by the carrying capacity of the location
- Use natural materials in construction
- Preserve the fragile arid nature of the location
- Plant only local plants for gardening.

Basata’s accommodation facilities consist of:
- 17 bamboo and reeds huts along the shoreline
- 10 mud bricks chalets in the back of the resort
- A camping area for 150 persons.

Overall, in a high season, Basata can now accommodate almost 350 guests.

Figure 16  Exterior and Interior of the Bamboo Hut

The huts have basic furniture of wood and reeds and handmade rugs. Guests supply their own linens.

Figure 17  Exterior and Interior of a Chalet
Chalets are furnished with relatively more sophisticated furniture, yet still faithful to the concept of simplicity. They are equipped with electricity and solar heaters for hot water. Unlike the huts, each chalet has its own bathroom.

The main center of activity in Basata is the large main hut located in the middle of the resort. Built from bamboo and reed, the hut is composed of:

- A reception area
- A large communal kitchen for the guests with a refrigerator used to keep dairies, juices, and water, and a small stock of foodstuffs
- The resort’s kitchen where dinner is cooked, and where bread and pizza are baked
- Three interconnected living areas.

Figure 18  Basata’s Communal Living Room and Kitchen

The resort has two communal bathrooms, one at each end of the resort. One of the bathrooms has hot water.

Figure 19  One of Basata’s Two Communal Bathrooms
In addition, Basata has a mosque, a school, a greenhouse, and an animal farm.

**Figure 20  Basata Community**

All construction is of locally available material (rocks, mud bricks, reed, and wood), with minimal use of concrete. The resort has its own desalination plant and two electric generators.

**Figure 21  Basata’s Desalination Plant**

**ACTIVITIES AND ACCOMMODATION**

**The Rules of Basata**

Upon arrival, guests are given an orientation to the “rules of the house,” that are also clearly displayed in drawings and text in the main hut. These rules reflect Basata’s concept of cultural exchange and respect for the environment.
Figure 22  The Basata Resort’s House Rules

1. Guests will separate their wastes at the source, especially in the communal kitchen.
2. The coral reef and marine life are to be preserved. Guests are forbidden to harpoon fish or other marine life, or to step on or touch the corals.
3. Avoid sound pollution. Guests are encouraged to keep mobile telephones on silent mode.
4. Maintain the cleanliness of the beach and the facility.
5. Use care in smoking and properly dispose of cigarette butts.
6. Respect the local culture: no topless sunbathing, nudity, or public display of romantic affection are allowed.
7. Alcohol is not served by the resort.

Guests are asked to follow the rules and to report any violations. According to the management, they are particularly adamant about the preservation of the coral reef.

The orientation also covers the guests’ utilization of the self-service kitchen, which is open 24 hours a day. Guests record what they consume on a tally sheet and settle their bill when checking out. Guests are expected to wash their own dishes and utensils. Basata serves an optional seafood or vegetarian dinner on alternate nights, and pizza is made available throughout the day. A refrigerator is used to store dairy goods, bottled water, and juices. Guests can use the refrigerator to store their food for a small daily charge.

Activities

Available activities are mainly focused on the environment. They include desert safaris, camel safaris, trekking, bird watching, and snorkeling. The resort does not have or allow for electronic entertainment equipment (e.g. T.V. or radio). Rather, a Spanish guitar is available for those who are interested in trying, and sometimes Bedouins build a fire and gather the guests to chant their local songs or poetry.

Relationship with the Local Community

While the relationship with the environment is one of Basata’s assets, another is the relationship with the local Bedouin community. Unlike other conventional hotels, Basata encourages and stimulates interaction between the local community and the tourists. Bedouins are allowed to enter and exit Basata and intermingle with the guests freely. Bedouin women are also allowed to freely display and directly sell their products to the guests, or sell them through the bazaar at the resort. Furthermore, Bedouins were trained and hired by the resort and now constitute one-third of Basata’s workforce. Bedouins are subcontracted by Basata to conduct desert and camel safaris, as well as provide fish. Bedouin children are allowed entry for free in the school that Basata established. Over the years the relationship between Basata and the local community has evolved to become one of full partnership. Basata is accepted as part of the community, and the community became an asset for Basata. By gaining the trust of the locals, the resort’s management has been asked to intermediate between officials and Bedouins in the region.

Security

One of examples that show the value of Basata’s relationship with the community is the safety and security the resort enjoys. Unlike other hotels and resorts in Sinai, Basata is not heavily guarded by the Egyptian security forces. According to Sherif El Ghamrawy, the owner of the
resort, he surprised the Ministry of Interior when he asked them not to place guards at his gates or guard his resort. His justification was that:

- Basata does not receive Israeli guests, and is as such unlikely to be targeted by anti-Israeli operations.
- Guests are asked to respect local traditions, and alcohol is not served in Basata, thus reducing the likelihood of being targeted by fundamentalists.
- Basata employs and subcontracts Bedouins, and is hence unlikely to be targeted by elements of the disenfranchised local population.

In summary then, the very business model of eco-tourism as applied by Basata constituted its main source of security.

ENVIRONMENTAL MANAGEMENT

Basata

Basata implements an elaborate system of environmental management that is suited to the nature of the place. With no infrastructure for water, wastewater, or solid waste, Basata had to develop an environmental management system that is based on minimizing waste, conserving water, and recycling.

Separation at source is undertaken for both wastewater and solid waste. In the kitchen, waste is sourced by the guests themselves into separate plastic bins for metal, glass, returnable glass, plastics, leftover food, and other stuff.

Figure 23 Basata’s Kitchen Waste Separation Bins

Plastic bottles are shredded and sold to a recycling business in Cairo together with paper and glass. Basata’s small animal farm recycles the food leftovers into fertilizer that is used in the greenhouse to grow vegetables or utilized in mixing the mud bricks used in construction.

The resort has a water and wastewater management program. The desalination plant provides water to the kitchen and bathrooms. Bathrooms are equipped with taps that run for six seconds per press. The resort has two sewage systems: one for the wastewater coming from the toilets, and one for the grey water coming from the showers and basins. The latter is collected and mixed with the desalination plant’s brine to water the landscape and irrigate the garden. Brine is also used for flushing toilets and construction work.
The end result of the system is that the tourist in Basata consumes an average of 60–70 liters per day of water, compared to the average consumption in 5-star hotels of 500–700 liters per person per day. Basata’s guests also produces a meager 2 m² per day of wastewater.

Hemaya

Basata has established and hosted Hemaya, an environmental NGO that operates in the Taba–Neweiba region. Established in 1997, the NGO has proved to be a powerful local asset that has:

- Initiated and undertook the first solid waste management program covering all of the Neweiba–Taba region with the participation of all hotels, shops, Bedouin tribes, international forces, and security forces.
- Involved Bedouins in separation and processing of solid waste.
- Organized more than 35 cleaning campaigns covering the city and the beaches.
- Planted 150 palm trees in Neweiba’s port area.
- Conducted medical campaigns.
- Made an underwater survey of the Abou Galloun Protectorate.
- Participated in Vodaphone’s “My School” campaign.
- Enhanced environmental public awareness through events and workshops.
- Conducted environmental feasibility studies on a variety of topics.

Hemaya is currently cooperating with the Protectorates Sector of the EEAA in:

- Developing a training and management system for an ecolodge in Saint Catherine.
- Providing technical assistance to the establishment of a solid waste management center in St. Catherine.
- Contributing to building toilets in Gabal Moussa.
- Signed a protocol with EEAA, by virtue of which Hemaya monitors abidance by the environment law throughout the bay and reporting infringements to the protectorates.
- Donating and operating a patrol boat, in cooperation with the protectorate

Figure 24  Hemaya and the Protectorate Joint Patrol
MANAGEMENT AND ECONOMICS OF BASATA

ROOM RATES

Table 11 Basata Rates, 2007

<table>
<thead>
<tr>
<th>Lodging</th>
<th>Egyptians (L.E.)</th>
<th>Foreigners (EU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day Use/person</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Camping/person</td>
<td>33</td>
<td>10</td>
</tr>
<tr>
<td>Hut/person</td>
<td>48</td>
<td>14</td>
</tr>
<tr>
<td>Single hut</td>
<td>75</td>
<td>18</td>
</tr>
<tr>
<td>Chalet (up to 3 people)</td>
<td>280</td>
<td>60</td>
</tr>
<tr>
<td>Extra person in chalet</td>
<td>75</td>
<td>18</td>
</tr>
</tbody>
</table>

Notes:  
A tax of 15% is added to the above rates  
A hut accommodates an average of 4 persons  
A chalet accommodates around 2.5 persons

GUESTS

Guests are roughly divided between Europeans and Egyptians. As the above table shows, European guests seem to be relatively more profitable than Egyptians. In addition, one intern noted that Egyptian guests are less profitable than foreign ones for the following reasons:

1. They are less likely to order dinner  
2. They bring their own food rather than use the supplies of the kitchen  
3. They are less likely to go on safaris.

One distinguishing feature of Basata’s style of management that sets it apart from conventional hotels is that the guest is not always right. While the ecolodge provides a relaxed atmosphere, the management is adamant about following the rules of the house, especially those pertaining to preservation of the coral reef and the environment.

The resort, like other ecolodges, targets the market niche of ecotourists and adventure tourists that are environmentally conscious. At the time of conducting the case study, guests included a writer, two musicians, a yoga instructor, and a film director. These are exemplary of the kind of guests Basata attracts.

EXPANSION AND GROWTH

One remarkable thing about Basata is that has experienced significant growth over the years, while experiencing virtually no downturns, compared to other resorts and hotels in Sinai, even in crisis times following terrorist activities in the region. On average, Basata’s occupancy hovers above 80 percent. In 2006, despite the occurrence of terrorist attacks targeting Taba and Neweiba, the occupancy rate fell only slightly to 74 percent.

Expansion is limited by the carrying capacity of the location, and according to Basata’s management, the resort has already reached its limits of expansion. Growth, as such, could come by adding value, and hence increasing price, rather than by increasing the capacity of the resort.
SALES AND MARKETING

This balance between the carrying capacity of the location and the potential for expansion has naturally affected Basata’s sales and marketing strategy. Sales and marketing effort are governed by the carrying capacity. Basata found no need to pursue an aggressive strategy aiming to increase the number of guests. For example, the resort does not have a brochure, or utilize other mass marketing or advertisement tools. Rather, the resort relies mainly on word of mouth and a group of loyal guests that have developed a connection with Basata over the years. Ecotourism guidebooks and specialized Internet advertising are other marketing tools that prove useful. Basata does not rely on tour operators or travel agents. Only 4 percent of the guests come from foreign tour operators and Egyptian travel agents. The rest rely on direct booking; mainly by telephone.

LIMITATIONS

Basata management faces significant difficulties pertaining to the regularity and price with which they obtain foodstuffs and other supplies. The remoteness of the resort, together with its small size, makes it an unattractive customer for most suppliers. This is especially the case with suppliers of fresh fruits and vegetables that should be making frequent deliveries to ensure that the fruits and vegetables the resort serves are of acceptable quality. Naturally, this is not the case, and Basata’s management has to drive to Ismailia or Cairo to buy the resort’s needs.

The downturn that tourism in Neweiba experienced following the 2006 terrorist attacks has made this limitation more severe. Before this downturn, wholesalers used to send their trucks to provide supplies to several large resorts. Basata was able to place and receive their orders on the same trucks. At the time the study was conducted, these trucks became less frequent. While bigger resorts with large refrigeration facilities are able to store their food supplies for longer periods, Basata’s single refrigerator puts the ecolodge at a disadvantage in this regard.

Given the resort’s small size, Basata’s management often is unable to obtain foodstuff from wholesalers, and has to deal with retailers at a relatively high price. Because most fruit and vegetable retailers don’t issue invoices or vouchers, these expenses are in most cases not counted by the tax authority, and are not deducted from revenues, but counted towards their profits. Naturally, this also applies to all transactions with the Bedouin community to obtain fish, various services (e.g. maintenance), and safari trips, all of which are exclusively in the informal domain.

Overall, Basata management estimates that there are LE20,000–30,000 of expenses per month that they fail to document for audit or tax purposes.

EMPLOYMENT

Basata has 22 employees on the payroll, seven of whom are Bedouins. Bedouin employees were trained and placed in jobs that are suitable for their culture, skills, and qualifications. With the exception of the maintenance mechanic, whose salary is LE1,500 per month, their salaries are LE500/month each. They work as a maintenance supervisor, maintenance assistant, two security guards, a kitchen assistant, a janitor, and one woman is employed by the animal farm.

LINKS WITH THE LOCAL ECONOMY

In addition to directly employing Bedouins, the resort has developed strong economic ties with the local community.
Camel Safaris

Camel safaris are organized by Bedouins. The hotel charges LE130/person per day. This price includes food (vegetables, rice and pasta), and the cost charged by the Bedouins (LE80 per camel). The Bedouins bring along flour to bake bread, and tea. Bedouins do not ask for tips from the tourists. Last October, Bedouins earned at least LE15,000 from camel safaris organized by Basata alone.

According to the resort’s management, from a business standpoint, the camel trip is not lucrative for the hotel, because the tourists check out of the hotel during the trip which may reach a week in duration.

Jeep Safaris

A jeep safari takes half a day. Basata’s daily charge is LE450/car/day. The Bedouins charge the resort LE300/day/car. On average, Basata rents out 80 cars per year for the guests.

The Bedouin staff sometimes participates in safaris as well, thereby earning additional income.

Food Requirements

The ecolodge offers an optional dinner to the guests (vegetarian meal and fish meal interchangeably). For this purpose, Basata buys fish for about LE7,000 from the local Bedouin fisherman every month.
CONCLUSION

Basata’s business model is in stark contrast to the prevailing mass tourism model. In its basic elements the model has the following pillars:

- Low investment capital
- Low working capital
- Niche marketing
- High value
- High returns
- High retention rate by the local community
- Expansion limited by the carrying capacity of the location.

Basata, as shown in this study, is a case in point (see Annex 1 for the questionnaire filled out by resort’s management). While definitely a successful model of responsible investment, Basata still suffers from several problems that the report has touched on.

First, the carrying capacity creates a barrier for future expansion of the resort. Growth through adding value would require significant innovation if a sizeable increase in revenue is to take place. This is a challenge in itself since Basata in effect sells simplicity.

Second, the remoteness of the location, while an asset for the guests, is a setback for the management when it comes to obtaining supplies and services on a timely basis and at reasonable prices.

Third, the limited size of Basata as an enterprise, coupled with its remoteness, and the requirements of the legal and regulatory framework governing business operations, forces Basata to adopt informal transactions that cannot be accounted for in its financial records. This either eats away at Basata’s profit margin, or possibly force it to practice irregular bookkeeping, an option that may have dire consequences.

Fourth, the continued encroachment on the environment in locations and areas surrounding Basata threatens to eventually cause Basata’s main asset—the environment—to deteriorate. Such encroachments include illegal fishing and harmful practices of the other resorts in the Neweiba–Taba region, the uninformed tourists, as well as the practices of the Bedouin population itself. While Basata has invested in Hemaya, the environmental NGO, to combat these practices, the capacity of GOE institutions and local authorities need to be significantly enhanced.
ANNEX 1: BASATA QUESTIONNAIRE

Egypt’s Ministry of Tourism and the Egyptian Tourism Development Authority, in cooperation with the US Agency for International Development (USAID), are conducting a Market and Economic Impact Study of the tourism industry in the Red Sea Region.

The purpose of this survey is to provide critical inputs into planning efforts aimed at improving the competitiveness of the hotel industry, in terms of marketing, development, profitability and product diversification.

Chemonics International, the USAID contractor responsible for implementation of the USAID-funded Livelihoods and Income From the Environment (LIFE) Red Sea project, has subcontracted execution of this survey to Entrust-DMC.

The results of the survey will be held in strict confidence. Results will be aggregated, and once they are tabulated the survey questionnaires will be deleted. No individual hotel data will be released by Chemonics/Entrust.

GENERAL

1. Name of hotel Basata
2. Level of hotel Ecolodge
3. Location of hotel South Sinai – 23 KM north of Nweiba’
4. Nationality of owners (top three shareholders)
   4a. Country Egypt Ownership 100 %
   4b. Country Ownership %
   4c. Country Ownership %
5. Number of rooms 10 chalets + 17 huts + camping area for 150 pax
6. Number of employees 22
7. What is the approximate percentage of employees from the region? 33%

FINANCIAL

8. Average annual occupancy (2006) 74% - Note: this occupancy rate was achieved despite terrorist attacks. Normally occupancy is above 80%
9. Average length of stay (2006) 4.4 days
10. What was the average daily rate in USD in 2006?
   10a. Room only 12 EUR/person per night in a hut
   10b. Bed and breakfast
   10c. Half-board

Enhancing Sustainable Tourism in the Southern Red Sea Region of Egypt 33
PART 3: STUDIES OF RESORTS IN THE SOUTHERN RED SEA REGION OF EGYPT
10d. All-inclusive (all meals included)  

11. What percentage of room nights did you sell in each category in 2006?  
   
   11a. Room only  
   
   11b. Bed and breakfast  
   
   11c. Half-board  
   
   11d. All-inclusive (all meals included)  

12. What was the hotel's total revenue in USD in 2006?  
   $400,000  

13. On average, how much did it cost to service hotel guests, per person, per night in USD in 2006?  
   Approx. $8.5  

14. What was the hotel's annual purchase of goods and services in USD in 2006? (for example, food, beverages, bedding, towels, silverware, glassware, kitchen equipment, housekeeping supplies, software, accounting services, et cetera).  
   $140,000  

15. What was the approximate percentage of those goods and services purchased in the region in 2006?  
   25%  

16. What was the approximate percentage of goods and services purchased from other regions in Egypt in 2006?  
   75%  

17. Approximate percentage of goods and services purchased/imported from outside of Egypt  
   0%  

MARKETING  

18. What was your most important source market?  
   Europe/Egypt  

19. What was the approximate percentage of guests from this market?  
   52%  

20. What was the approximate percentage of guests who are Egyptian?  
   41%  

21. What was the approximate percentage of guests who are foreign residents in Egypt?  
   7%  

22. What other geographic market would you like to more fully develop?  
   (Select top priority)  

23. What percentage of hotel guests visit primarily for diving?  
   %  

24. How are diving excursions organized?  
   
   24a. Onsite dive center  
   
   24b. Offsite dive center arranged through hotel  
   
   24c. Offsite dive center arranged independently  

25. What percentage of hotel guests participate in paid excursions other than diving?  
   
   25a. Desert safaris  
   32%
25b. Other ☐ 21%

26. **What percentage of room nights in 2006 were booked at your hotel through:**
   26a. Foreign tour operators ☐ 2%
   26b. Direct booking (online reservations, telephone, etc) ☐ 96%
   26c. Egyptian travel agents ☐ 2%

27. **Please rate methods of marketing Marsa Alam in terms of effectiveness, with 1 being ineffective and 4 being highly effective**
   27a. Television advertising ☐
   27b. Print advertising ☐
   27c. Tour operator familiarization ☐
   27d. Press and media trips ☐
   27e. Websites and internet advertising ☐
   27f. Special event and promotions ☐
   27g. International specialized exhibitions ☐
   27h. Word of mouth ☐
   27i. Guidebooks ☐

28. **What other type of marketing would you suggest be pursued more aggressively?** ☐

What can the Egyptian government do to improve marketing? ☐
Phase 3: Database on Resorts in the Southern Red Sea Region of Egypt
### LIFE Red Sea Hotel Survey Database

<table>
<thead>
<tr>
<th>Question</th>
<th>Hotel 1</th>
<th>Hotel 2</th>
<th>Hotel 3</th>
<th>Hotel 4</th>
<th>Hotel 5</th>
<th>Hotel 6</th>
<th>Hotel 7</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Name of hotel</td>
<td>Solaya Club</td>
<td>Coraya Beach</td>
<td>Calimera Habiba</td>
<td>Kahramana/Amaraya</td>
<td>Coral Beach</td>
<td>Blue Reef Resort</td>
<td>Cataract</td>
</tr>
<tr>
<td>2 Level of hotel</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>3 Location of hotel</td>
<td>Om Gorifat Bay</td>
<td>Om Gorifat Bay</td>
<td>Marsa Shagra</td>
<td>Marsa Shagra</td>
<td>Port Ghalib</td>
<td>Marsa Shagra</td>
<td>Marsa Shagra</td>
</tr>
<tr>
<td>4 Ownership</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>4a1 Primary ownership (nationality)</td>
<td>Egyptian</td>
<td>Egyptian</td>
<td>Egyptian</td>
<td>Egyptian</td>
<td>Kuwaiti</td>
<td>Egyptian</td>
<td>Egyptian</td>
</tr>
<tr>
<td>4a2 Primary ownership (%)</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
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<tr>
<td>4b1 Secondary ownership (nationality)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4b2 Secondary ownership (%)</td>
<td></td>
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<tr>
<td>4c1 Tertiary ownership (nationality)</td>
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<tr>
<td>4c2 Tertiary ownership (%)</td>
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<td></td>
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</tr>
<tr>
<td>5 Number of rooms</td>
<td>209</td>
<td>364</td>
<td>300</td>
<td>278</td>
<td>166</td>
<td>131</td>
<td>302</td>
</tr>
<tr>
<td>6 Number of employees</td>
<td>173</td>
<td>246</td>
<td>455</td>
<td>368</td>
<td>142</td>
<td>145</td>
<td>320</td>
</tr>
<tr>
<td>7 What is the approximate percentage of employees from the Marsa Alam region? (includes Al Quseir)</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td><strong>FINANCIAL</strong></td>
<td></td>
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</tr>
<tr>
<td>8 Average annual occupancy (2006) (%)</td>
<td>53.00%</td>
<td>43.00%</td>
<td>67.00%</td>
<td>85.00%</td>
<td>33.00%</td>
<td>75.00%</td>
<td>70.00%</td>
</tr>
<tr>
<td>9 Average length of stay (2006) (days)</td>
<td>7</td>
<td>8</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>10 What was the average daily rate in USD in 2006?</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>10a1 Room only (per person, per night, double)</td>
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<tr>
<td>10a2 Room only (per person, per night, single)</td>
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<tr>
<td>10a3 Room only (per room, assuming double occupancy)</td>
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<td></td>
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<tr>
<td>10b1 Bed and breakfast (per person, per night, double)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>10b2 Bed and breakfast (per person, per night, single)</td>
<td></td>
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</tr>
<tr>
<td>10b3 Bed and breakfast (per room, assuming double occupancy)</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>10c1 Half-board (per person, per night, double)</td>
<td>€ 37.27</td>
<td>€ 33.88</td>
<td>€ 21.26</td>
<td></td>
<td></td>
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<td>10c2 Half-board (per person, per night, single)</td>
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<tr>
<td>10c3 Half-board (per room, assuming double occupancy)</td>
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</tr>
<tr>
<td>10d1 All-inclusive (per person, per night, double)</td>
<td>€ 44.05</td>
<td>€ 40.66</td>
<td></td>
<td></td>
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<tr>
<td>10d2 All-inclusive (per person, per night, single)</td>
<td></td>
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<tr>
<td>10d3 All-inclusive (per room, assuming double occupancy)</td>
<td></td>
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<tr>
<td>10e Average room rate overall</td>
<td>€ 61.20</td>
<td>€ 75.60</td>
<td>€ 45.52</td>
<td>€ 43.94</td>
<td>€ 41.29</td>
<td>€ 37.57</td>
<td>€ 70.00</td>
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<td>#</td>
<td>Question</td>
<td>Hotel 1</td>
<td>Hotel 2</td>
<td>Hotel 3</td>
<td>Hotel 4</td>
<td>Hotel 5</td>
<td>Hotel 6</td>
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</tr>
<tr>
<td>11</td>
<td>What percentage of room nights did you sell in each category in 2006?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11a</td>
<td>Room only</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>11b</td>
<td>Bed and breakfast</td>
<td>0.00%</td>
<td>0.00%</td>
<td>5.00%</td>
<td>5.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>11c</td>
<td>Half-board</td>
<td>0.00%</td>
<td>40.00%</td>
<td>5.00%</td>
<td>28.00%</td>
<td>100.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>11d</td>
<td>All-inclusive</td>
<td>100.00%</td>
<td>60.00%</td>
<td>90.00%</td>
<td>67.00%</td>
<td>0.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>12</td>
<td>What was the hotel's total revenue in 2006? (Million Euros)</td>
<td>€ 2.88</td>
<td>€ 4.57</td>
<td>€ 4.00</td>
<td>€ 3.79</td>
<td>€ 0.83</td>
<td>€ 1.34</td>
</tr>
<tr>
<td>13</td>
<td>On average, how much did it cost to service hotel guests, per person, per night in Euros in 2006?</td>
<td>€ 18.26</td>
<td>€ 23.18</td>
<td>€ 11.11</td>
<td>€ 9.83</td>
<td>€ 7.10</td>
<td>€ 0.00</td>
</tr>
<tr>
<td>14</td>
<td>What was the hotel's annual purchase of goods and services in 2006? (Million Euros)</td>
<td>€ 0.56</td>
<td>€ 1.05</td>
<td>€ 1.36</td>
<td>€ 1.29</td>
<td>€ 0.00</td>
<td>€ 1.75</td>
</tr>
<tr>
<td>15</td>
<td>What was the approximate percentage of those goods and services purchased in Marsa Alam in 2006?</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>25.00%</td>
</tr>
<tr>
<td>16</td>
<td>What was the approximate percentage of goods and services purchased from other regions in Egypt in 2006?</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>75.00%</td>
</tr>
<tr>
<td>16a</td>
<td>Cairo</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>75.00%</td>
</tr>
<tr>
<td>16b</td>
<td>Hurghada</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>75.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>17</td>
<td>What was the approximate percentage of goods and services purchased/imported from outside of Egypt?</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

**MARKETING**

<table>
<thead>
<tr>
<th>18</th>
<th>What was your most important source market?</th>
<th>Italian</th>
<th>German</th>
<th>Italian</th>
<th>Italian</th>
<th>British</th>
<th>Italian</th>
<th>Italian</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>What was the approximate percentage of guests from this market?</td>
<td>80.00%</td>
<td>60.00%</td>
<td>70.00%</td>
<td>70.00%</td>
<td>70.00%</td>
<td>99.98%</td>
<td>70.00%</td>
</tr>
<tr>
<td>20</td>
<td>What was the approximate percentage of guests who are Egyptian?</td>
<td>0.00%</td>
<td>0.00%</td>
<td>3.00%</td>
<td>3.00%</td>
<td>7.00%</td>
<td>0.10%</td>
<td>5.00%</td>
</tr>
<tr>
<td>21</td>
<td>What was the approximate percentage of guests who are foreign residents in Egypt?</td>
<td>0.00%</td>
<td>0.00%</td>
<td>10.00%</td>
<td>10.00%</td>
<td>1.00%</td>
<td>0.10%</td>
<td>5.00%</td>
</tr>
<tr>
<td>22</td>
<td>What other geographic market would you like to more fully develop? (Top priority)</td>
<td>Spain</td>
<td>French</td>
<td>British</td>
<td>French</td>
<td>Russian</td>
<td>Russian</td>
<td>German</td>
</tr>
<tr>
<td>23</td>
<td>What percentage of hotel guests visit primarily for Marsa Alam diving?</td>
<td>25.00%</td>
<td>40.00%</td>
<td>10.00%</td>
<td>10.00%</td>
<td>80.00%</td>
<td>10.00%</td>
<td>60.00%</td>
</tr>
<tr>
<td>24</td>
<td>How are diving excursions organized? (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24a</td>
<td>Onsite dive center (%)</td>
<td>100.00%</td>
<td>100.00%</td>
<td>70.00%</td>
<td>70.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
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<tr>
<td>24b</td>
<td>Offsite dive center arranged through hotel (%)</td>
<td>0.00%</td>
<td>0.00%</td>
<td>15.00%</td>
<td>15.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>24c</td>
<td>Offsite dive center arranged independently (%)</td>
<td>0.00%</td>
<td>0.00%</td>
<td>15.00%</td>
<td>15.00%</td>
<td>0.00%</td>
<td>0.00%</td>
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### LIFE Red Sea Hotel Survey Database

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<th>Hotel 4</th>
<th>Hotel 5</th>
<th>Hotel 6</th>
<th>Hotel 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>What percentage of hotel guests participate in paid excursions other than diving?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25a</td>
<td>Desert safaris (%)</td>
<td>50.00%</td>
<td>20.00%</td>
<td>45.00%</td>
<td>45.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>30.00%</td>
</tr>
<tr>
<td>25b1</td>
<td>Other -----------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>25b2</td>
<td>Other (%)</td>
<td>1.00%</td>
<td>70.00%</td>
<td>20.00%</td>
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<td></td>
<td></td>
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<tr>
<td>25c1</td>
<td>Other -----------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>25c2</td>
<td>Other (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>26</td>
<td>What percentage of room nights in 2006 were booked at your hotel through:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26a</td>
<td>Foreign tour operators (%)</td>
<td>90.00%</td>
<td>65.00%</td>
<td>97.00%</td>
<td>95.00%</td>
<td>60.00%</td>
<td>100.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>26b</td>
<td>Direct booking (online reservations, telephone, etc.) (%)</td>
<td>0.00%</td>
<td>5.00%</td>
<td>1.00%</td>
<td>2.00%</td>
<td>40.00%</td>
<td>0.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>26c</td>
<td>Egyptian travel agents (%)</td>
<td>10.00%</td>
<td>30.00%</td>
<td>2.00%</td>
<td>3.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>27</td>
<td>Please rate methods of marketing Marsa Alam in terms of effectiveness, with 1 being ineffective and 4 being highly effective</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27a</td>
<td>Television advertising</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>27b</td>
<td>Print advertising</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>0</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>27c</td>
<td>Your operator familiarization</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>27d</td>
<td>Press and media trips</td>
<td>3</td>
<td>3</td>
<td>3</td>
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<td>0</td>
<td>0</td>
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<tr>
<td>27e</td>
<td>Websites and internet advertising</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>0</td>
<td>4</td>
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<tr>
<td>27f</td>
<td>Special event and promotions</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>27g</td>
<td>International specialized exhibitions</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>27h</td>
<td>Word-of-mouth</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>What other types of marketing would you suggest be pursued more aggressively?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28a</td>
<td>Print advertising</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>28b</td>
<td>Print advertising</td>
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<tr>
<td>28c</td>
<td>Print advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>What can the Egyptian government do to improve marketing?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29a</td>
<td>Familiarization trips; online promotion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Familiarization trips; online promotion</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Enhancing Sustainable Tourism in the Southern Red Sea Region of Egypt
Part 3: Studies of Resorts in the Southern Red Sea Region of Egypt

39
### LIFE Red Sea Hotel Survey Database

<table>
<thead>
<tr>
<th>#</th>
<th>Question</th>
<th>Hotel 1</th>
<th>Hotel 2</th>
<th>Hotel 3</th>
<th>Hotel 4</th>
<th>Hotel 5</th>
<th>Hotel 6</th>
<th>Hotel 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>29b</td>
<td>Facilitate transportation</td>
<td>Facilitate transportation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Market the international airport at Marsa Alam</td>
</tr>
<tr>
<td>29c</td>
<td>Better legislation to preserve the environment</td>
<td>Better legislation to preserve the environment</td>
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</table>
LIFE Red Sea Hotel Survey Database

<table>
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<tr>
<th>#</th>
<th>Question</th>
<th>Hotel 1</th>
<th>Hotel 2</th>
<th>Hotel 3</th>
<th>Hotel 4</th>
<th>Hotel 5</th>
<th>Hotel 6</th>
<th>Hotel 7</th>
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</thead>
<tbody>
<tr>
<td>Notes</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>Several hotels refused to disclose financial information. Where specific data was not available, we have attempted to derive this information based on available data. Cells highlighted in pink indicate derived figures. Cells highlighted in yellow indicate information which is either not applicable or unavailable, and could not be derived from available information. The exchange rate used for conversion of LE to Euro was based on the rate for 12/1/2007 on <a href="http://www.oanda.com/convert/classic">www.oanda.com/convert/classic</a>. The rate used was Euro 1 = LE 8.116. Financial data for hotels 3 and 4 is based on 2007 figures year to date.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>By Specific Data Line</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>9</td>
<td>Average length of stay is based on percentages of occupancy for 1, 2 and 3 week stays.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10e</td>
<td>Average room rates for hotels 1 and 2 were provided directly from the hotel owner, and are based on 2006 rates. Average room rates for hotels 3 - 13 were derived on the basis of overall revenue divided by the total number of room nights in 2006. Room nights were calculated by multiplying the number of rooms by average annual occupancy by 365 days.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Annual revenue for 2006 for hotels 9 - 13 was derived. The calculation was based on the overall number of room nights, divided by room category, and multiplied by</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Average cost of servicing hotel guests per person per night for hotels 5, 7 and 11 was derived based on percentages of room rate spent on servicing each guest. Percentages were provided by respondents.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Average hotel purchasing for 2006 for hotels 6, 8 and 12 was derived based on percentages of overall revenue. Percentages were provided by respondents.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Percentages for some activities were unavailable from hotel management as they are arranged either by tour operators or on-site service providers operated indepen</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>In cases where respondents indicated that a certain type of marketing was not utilized, a &quot;0&quot; has been entered.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27h</td>
<td>&quot;Word-of-mouth&quot; marketing was not on the questionnaire. However, the hotels highlighted with ratings of &quot;4&quot; each indicated independently that this was highly effective.</td>
<td></td>
<td></td>
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## LIFE Red Sea Hotel Survey Database

### GENERAL

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<th>Hotel 9</th>
<th>Hotel 10</th>
<th>Hotel 11</th>
<th>Hotel 12</th>
<th>Hotel 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Name of hotel</td>
<td>Elphistone/ Vera Club</td>
<td>Shams Alam</td>
<td>Lahami Bay</td>
<td>Lamaya/ Samaya</td>
<td>Brayka Bay</td>
<td>Zabargad</td>
</tr>
<tr>
<td>2</td>
<td>Level of hotel</td>
<td>4+</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>Location of hotel</td>
<td>Marsa Shagra</td>
<td>Wadi El-Gimal</td>
<td>Wadi Lahami</td>
<td>Om Gorifat Bay</td>
<td>Marsa Shagra</td>
<td>Wadi Lahami</td>
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<tr>
<td>4</td>
<td>Ownership</td>
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<tr>
<td>4a1</td>
<td>Primary ownership (nationality)</td>
<td>Egyptian</td>
<td>Egyptian</td>
<td>Egyptian</td>
<td>Egyptian</td>
<td>Egyptian</td>
<td>Egyptian</td>
</tr>
<tr>
<td>4a2</td>
<td>Primary ownership (%)</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
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<tr>
<td>4b1</td>
<td>Secondary ownership (nationality)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>4b2</td>
<td>Secondary ownership (%)</td>
<td></td>
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</tr>
<tr>
<td>4c1</td>
<td>Tertiary ownership (nationality)</td>
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</tr>
<tr>
<td>4c2</td>
<td>Tertiary ownership (%)</td>
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<tr>
<td>5</td>
<td>Number of rooms</td>
<td>275</td>
<td>160</td>
<td>184</td>
<td>532</td>
<td>360</td>
<td>115</td>
</tr>
<tr>
<td>6</td>
<td>Number of employees</td>
<td>250</td>
<td>220</td>
<td>260</td>
<td>333</td>
<td>370</td>
<td>75</td>
</tr>
<tr>
<td>7</td>
<td>What is the approximate percentage of employees from the Marsa Alam region? (includes Al Quseir)</td>
<td>0.00%</td>
<td>30.00%</td>
<td>0.10%</td>
<td>0.00%</td>
<td>0.00%</td>
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### FINANCIAL

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<th>Hotel 11</th>
<th>Hotel 12</th>
<th>Hotel 13</th>
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<tbody>
<tr>
<td>8</td>
<td>Average annual occupancy (2006) (%)</td>
<td>80.00%</td>
<td>55.00%</td>
<td>70.00%</td>
<td>47.00%</td>
<td>60.00%</td>
<td>70.00%</td>
</tr>
<tr>
<td>9</td>
<td>Average length of stay (2006) (days)</td>
<td>7</td>
<td>9</td>
<td>14</td>
<td>8</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>What was the average daily rate in USD in 2006?</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>10a1</td>
<td>Room only (per person, per night, double)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>10a2</td>
<td>Room only (per person, per night, single)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>10a3</td>
<td>Room only (per room, assuming double occupancy)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>10b1</td>
<td>Bed and breakfast (per person, per night, double)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10b2</td>
<td>Bed and breakfast (per person, per night, single)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>10b3</td>
<td>Bed and breakfast (per room, assuming double occupancy)</td>
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<td></td>
</tr>
<tr>
<td>10c1</td>
<td>Half-board (per person, per night, double)</td>
<td>€ 28.00</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>10c2</td>
<td>Half-board (per person, per night, single)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10c3</td>
<td>Half-board (per room, assuming double occupancy)</td>
<td>€ 59.00</td>
<td>€ 30.00</td>
<td>€ 60.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10d1</td>
<td>All-inclusive (per person, per night, double)</td>
<td>€ 34.00</td>
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<tr>
<td>10d2</td>
<td>All-inclusive (per person, per night, single)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>10d3</td>
<td>All-inclusive (per room, assuming double occupancy)</td>
<td>€ 68.00</td>
<td>€ 45.00</td>
<td>€ 85.00</td>
<td>€ 124.00</td>
<td>€ 81.63</td>
<td></td>
</tr>
<tr>
<td>10e</td>
<td>Average room rate overall</td>
<td>€ 37.36</td>
<td>€ 40.50</td>
<td>€ 62.50</td>
<td>€ 124.00</td>
<td>€ 80.82</td>
<td>€ 76.00</td>
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</table>
### LIFE Red Sea Hotel Survey Database

<table>
<thead>
<tr>
<th>#</th>
<th>Question</th>
<th>Hotel 8</th>
<th>Hotel 9</th>
<th>Hotel 10</th>
<th>Hotel 11</th>
<th>Hotel 12</th>
<th>Hotel 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>What percentage of room nights did you sell in each category in 2006?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11a</td>
<td>Room only</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>1.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>11b</td>
<td>Bed and breakfast</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>11c</td>
<td>Half-board</td>
<td>5.00%</td>
<td>30.00%</td>
<td>90.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>11d</td>
<td>All-inclusive</td>
<td>95.00%</td>
<td>70.00%</td>
<td>10.00%</td>
<td>100.00%</td>
<td>99.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>12</td>
<td>What was the hotel’s total revenue in 2006? (Million Euros)</td>
<td>€ 2.96</td>
<td>€ 1.30</td>
<td>€ 2.94</td>
<td>€ 11.32</td>
<td>€ 6.37</td>
<td>€ 2.23</td>
</tr>
<tr>
<td>13</td>
<td>On average, how much did it cost to service hotel guests, per person, per night in Euros in 2006?</td>
<td>€ 0.00</td>
<td>€ 25.00</td>
<td>€ 0.00</td>
<td>€ 31.00</td>
<td>€ 0.00</td>
<td>€ 20.00</td>
</tr>
<tr>
<td>14</td>
<td>What was the hotel’s annual purchase of goods and services in 2006? (Million Euros)</td>
<td>€ 1.63</td>
<td>€ 0.00</td>
<td>€ 0.00</td>
<td>€ 0.00</td>
<td>€ 2.87</td>
<td>€ 0.00</td>
</tr>
<tr>
<td>15</td>
<td>What was the approximate percentage of those goods and services purchased in Marsa Alam in 2006?</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>16</td>
<td>What was the approximate percentage of goods and services purchased from other regions in Egypt in 2006?</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>16a</td>
<td>Cairo</td>
<td>100.00%</td>
<td>50.00%</td>
<td>90.00%</td>
<td>100.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16b</td>
<td>Hurghada</td>
<td>90.00%</td>
<td>50.00%</td>
<td>10.00%</td>
<td>100.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>17</td>
<td>What was the approximate percentage of goods and services purchased/imported from outside of Egypt?</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

### MARKETING

<table>
<thead>
<tr>
<th>18</th>
<th>What was your most important source market?</th>
<th>Italian</th>
<th>German/Italian equally</th>
<th>German</th>
<th>German</th>
<th>Italian</th>
<th>German</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>What was the approximate percentage of guests from this market?</td>
<td>90.00%</td>
<td>50.00%</td>
<td>60.00%</td>
<td>40.00%</td>
<td>50.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>20</td>
<td>What was the approximate percentage of guests who are Egyptian?</td>
<td>&lt;1%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>1.00%</td>
<td>1.00%</td>
<td>0.50%</td>
</tr>
<tr>
<td>21</td>
<td>What was the approximate percentage of guests who are foreign residents in Egypt?</td>
<td>0.00%</td>
<td>0.00%</td>
<td>1.00%</td>
<td>1.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>22</td>
<td>What other geographic market would you like to be more fully develop? (Top priority)</td>
<td>Western and European</td>
<td>Russian</td>
<td>Scandinavian</td>
<td>none</td>
<td>American</td>
<td>Italian</td>
</tr>
<tr>
<td>23</td>
<td>What percentage of hotel guests visit primarily for Marsa Alam diving?</td>
<td>20.00%</td>
<td>20.00%</td>
<td>50.00%</td>
<td>30.00%</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>How are diving excursions organized? (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24a</td>
<td>Onsite dive center (%)</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>24b</td>
<td>Offsite dive center arranged through hotel (%)</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>24c</td>
<td>Offsite dive center arranged independently (%)</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
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</table>
### LIFE Red Sea Hotel Survey Database

#### Question

<table>
<thead>
<tr>
<th>#</th>
<th>Question</th>
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<th>Hotel 9</th>
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<th>Hotel 12</th>
<th>Hotel 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>What percentage of hotel guests participate in paid excursions other than diving?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25a</td>
<td>Desert safaris (%)</td>
<td>20.00%</td>
<td>50.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>25b1</td>
<td>Other Luxor/Aswan Surfing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25b2</td>
<td>Other (%)</td>
<td>10.00%</td>
<td>10.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25c1</td>
<td>Other Shalateen camel market</td>
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<td></td>
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</tr>
<tr>
<td>25c2</td>
<td>Other (%)</td>
<td>10.00%</td>
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</tbody>
</table>

#### Question

<table>
<thead>
<tr>
<th>#</th>
<th>Question</th>
<th>Hotel 8</th>
<th>Hotel 9</th>
<th>Hotel 10</th>
<th>Hotel 11</th>
<th>Hotel 12</th>
<th>Hotel 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>What percentage of room nights in 2006 were booked at your hotel through:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26a</td>
<td>Foreign tour operators (%)</td>
<td>100.00%</td>
<td>99.00%</td>
<td>98.00%</td>
<td>97.00%</td>
<td>70.00%</td>
<td></td>
</tr>
<tr>
<td>26b</td>
<td>Direct booking (online reservations, telephone, etc.) (%)</td>
<td>0.00%</td>
<td>1.00%</td>
<td>1.00%</td>
<td>2.00%</td>
<td>5.00%</td>
<td>30.00%</td>
</tr>
<tr>
<td>26c</td>
<td>Egyptian travel agents (%)</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>15.00%</td>
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#### Question

<table>
<thead>
<tr>
<th>#</th>
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<th>Hotel 11</th>
<th>Hotel 12</th>
<th>Hotel 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>Please rate methods of marketing Marsa Alam in terms of effectiveness, with 1 being ineffective and 4 being highly effective</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27a</td>
<td>Television advertising</td>
<td>1.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>4.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>27b</td>
<td>Print advertising</td>
<td>2.00%</td>
<td>3.00%</td>
<td>2.00%</td>
<td>0.00%</td>
<td>4.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>27c</td>
<td>Tour operator familiarization</td>
<td>4.00%</td>
<td>3.00%</td>
<td>4.00%</td>
<td>4.00%</td>
<td>4.00%</td>
<td>4.00%</td>
</tr>
<tr>
<td>27d</td>
<td>Press and media trips</td>
<td>1.00%</td>
<td>1.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>27e</td>
<td>Websites and internet advertising</td>
<td>4.00%</td>
<td>3.00%</td>
<td>4.00%</td>
<td>4.00%</td>
<td>2.00%</td>
<td>4.00%</td>
</tr>
<tr>
<td>27f</td>
<td>Special event and promotions</td>
<td>0.00%</td>
<td>4.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>27g</td>
<td>International specialized exhibitions</td>
<td>0.00%</td>
<td>4.00%</td>
<td>4.00%</td>
<td>4.00%</td>
<td>4.00%</td>
<td>4.00%</td>
</tr>
<tr>
<td>27h</td>
<td>Word-of-mouth</td>
<td></td>
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</tbody>
</table>

#### Question

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<th>Hotel 11</th>
<th>Hotel 12</th>
<th>Hotel 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>28</td>
<td>What other types of marketing would you suggest be pursued more aggressively?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28a</td>
<td>Build shopping malls; provide more activities for guests</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28b</td>
<td>Market more aggressively in Russia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28c</td>
<td>Invite ITB - more familiarization; spending more money on external advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28b</td>
<td>Travel guides</td>
<td></td>
<td></td>
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</tbody>
</table>

#### Question

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<th>Hotel 11</th>
<th>Hotel 12</th>
<th>Hotel 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>What can the Egyptian government do to improve marketing?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29a</td>
<td>More internet and TV advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29b</td>
<td>More marketing on the region and country</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29c</td>
<td>Picture advertising with MAGIC words</td>
<td></td>
<td></td>
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</tbody>
</table>

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Enhancing Sustainable Tourism in the Southern Red Sea Region of Egypt

Part 3: Studies of Resorts in the Southern Red Sea Region of Egypt
<table>
<thead>
<tr>
<th>#</th>
<th>Question</th>
<th>Hotel 8</th>
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<th>Hotel 10</th>
<th>Hotel 11</th>
<th>Hotel 12</th>
<th>Hotel 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>29b</td>
<td>Improve transportation. Widen the road, have more flights, cancel the convoy between Luxor and Safaga</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29c</td>
<td>Conduct environmental awareness programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Several hotels refused to disclose financial information.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cells highlighted in pink indicate derived figures.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The exchange rate used for conversion of LE to USD was 20X.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By Specific Data Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 Average length of stay is based on percentages.</td>
</tr>
<tr>
<td>10 Average room rates for hotels 1 and 2 were provided.</td>
</tr>
<tr>
<td>Average room rates for hotels 3 - 13 were derived.</td>
</tr>
<tr>
<td>Room nights were calculated by multiplying the percentage.</td>
</tr>
<tr>
<td>12 Annual revenue for 2006 for hotels 9 - 13 was inappropriate category rate.</td>
</tr>
<tr>
<td>13 Average cost of servicing hotel guests per person.</td>
</tr>
<tr>
<td>Percentages were provided by respondents.</td>
</tr>
<tr>
<td>14 Average hotel purchasing for 2006 for hotels 6, 8.</td>
</tr>
<tr>
<td>25 Percentages for some activities were unavailable.</td>
</tr>
<tr>
<td>27 In cases where respondents indicated that a certain activity was not on the questionnaires.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIFE Red Sea Hotel Survey Database</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>Notes</td>
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<tr>
<td><strong>General</strong></td>
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<tr>
<td>Several hotels refused to disclose financial information.</td>
</tr>
<tr>
<td>Cells highlighted in pink indicate derived figures.</td>
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<tr>
<td>The exchange rate used for conversion of LE to USD was 20X.</td>
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<tr>
<td>9 Average length of stay is based on percentages.</td>
</tr>
<tr>
<td>10 Average room rates for hotels 1 and 2 were provided.</td>
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<tr>
<td>Average room rates for hotels 3 - 13 were derived.</td>
</tr>
<tr>
<td>Room nights were calculated by multiplying the percentage.</td>
</tr>
<tr>
<td>12 Annual revenue for 2006 for hotels 9 - 13 was inappropriate category rate.</td>
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<td>13 Average cost of servicing hotel guests per person.</td>
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<tr>
<td>Percentages were provided by respondents.</td>
</tr>
<tr>
<td>14 Average hotel purchasing for 2006 for hotels 6, 8.</td>
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<td>25 Percentages for some activities were unavailable.</td>
</tr>
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<td>27 In cases where respondents indicated that a certain activity was not on the questionnaires.</td>
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</table>
LIFE Red Sea Project

ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT

Part 4: Comparative Economic Impact Analysis of Traditional versus Sustainable Resort Development in the Southern Red Sea Region of Egypt

MARCH 2008

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International.
LIFE Red Sea Project

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Part 4: Comparative Economic Impact Analysis of Traditional versus Sustainable Resort Development in the Southern Red Sea Region of Egypt

Disclaimer

The Author’s views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.
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ACRONYMS AND ABBREVIATIONS

CDC  Community Design Collaborative

cm   Centimeter

EEAA  Egyptian Environmental Affairs Agency

km²  square kilometers

LIFE  Livelihood and Income from the Environment (project)

LRS  LIFE Red Sea Project

m    Meters

MW   Megawatt

NGO  Non-governmental Organization

PVC  Polyvinyl Chloride

RSG  Red Sea Governorate

SFO  Single Family Occupancy

SRO  Single Resident Occupancy

SRS  Southern Red Sea (region)

SWM  Solid Waste Management

TDA  Tourism Development Authority

UNESCO  United Nations Educational, Scientific, and Cultural Organization

USAID  United States Agency for International Development

WGNP  Wadi el-Gemal National Park
INTRODUCTION

PURPOSE OF THE STUDY

Compare the estimated economic impacts of traditional mass-market resort development vs. environmentally sustainable, community-focused, up-market development (“Ecoresorts”) in the Southern Red Sea Region (SRSR).

In simplified terms, the aim of this study is to compare, for each model:

- **Direct Impacts** – Jobs created and income generated by resorts
- **Indirect Impacts** – Jobs created and income generated by suppliers to the resort industry (business expenditures).
- **Induced Impacts** – Jobs created and income generated from expenditures by employees of resorts and resort industry suppliers in the local economy (household expenditures).

METHODOLOGY

**Economic Impact Analysis (EIA)**—An estimate of the extent to which an economic activity contributes to the economic development (jobs, income, tax revenues, etc.) of a defined area of study (SRSR).

EAI estimates the income earned and jobs created from a given activity (tourist spending), how much of that income is spent locally, and how long those expenditures circulate within an economy before being exported for the purchase of goods and services produced elsewhere.

For example, if a hotel guest pays $100 for a one-night stay at a Red Sea Resort, some of that income will be used to pay hotel employee salaries. A portion of those wages will then be spent by employees to buy food from the local grocer. The grocer will buy some of its products from local farmers, who will in turn use part of that income to buy fertilizer.

While that dollar or pound of income can in theory circulate indefinitely (and the larger and more integrated the economic area, the greater the number of rounds of spending), in reality leakages occur, through the purchase of goods and services produced outside the area.

A local economy’s ability to minimize leakages defines the **economic multipliers** that are used to estimate indirect and induced impacts (together referred to as “secondary impacts”), and are a critical component of the total economic impact of a given industry or activity.

There are a number of methods used to define multipliers. The most common is an **Input-Output Model**, a mathematical translation of an **Input-Output Table**, a matrix which depicts the inter-relationships between different sectors of an economy and measures the relative contribution (in terms of wages, profits, rents, etc.) of each to total output.

The major drawback of this approach is that it requires tremendous amounts of detailed data to produce an Input-Output table. In most developing countries this level of detail is not available for the tourism industry (it is generally lumped into a broader “Services” category.)

Given the lack of a sufficiently detailed Input-Output Table for Egypt, let alone the Red Sea region, we have used a modified approach that estimates appropriate multipliers from a mix of:

- Data collected through surveys of existing resorts in the SRSR
• Case studies and surveys of ecoresorts, both within and outside Egypt, that closely match the proposed model
• An analysis of economic multipliers used in other destinations with similar characteristics (e.g., rural, remote resort areas).

Economic multipliers for tourism spending tend to range between 1.1 and 1.9, depending upon size and degree of development of the study area, i.e., larger and more developed economies tend to have fewer leakages and thus have higher multipliers and receive greater economic benefits from visitor spending.

For example, an employment multiplier of 1.3 would mean that for every 100 jobs created by a resort, 30 jobs would be created (100 x 1.3) by backward-linked suppliers to that industry (indirect impacts) and from household expenditures by employee of hotels and suppliers (induced impacts).

In a study area where most supplies are imported (e.g., from the Nile Valley), or where employees migrate from other areas and remit most of their wages back to their region of origin (e.g., Nile Valley), employment and other multipliers will tend to be fairly low.

An economy’s ability to retain spending (reduce leakages) also affects economic ratios, measures used to estimate the impacts of visitor spending in terms of jobs, income, profits, taxes, value added, etc. For example, existing hotels surveyed in the study area earned 51.2 million euros in 2006 and employed 3,377 persons, yielding a ratio of 65 jobs created for every 1 million euros in revenues.

These ratios can be calculated for both direct and secondary impacts, and are a primary tool used in conducting our analysis of visitor spending.

There are other non-economic ratios that can be used both to estimate impacts and verify the findings derived from other estimating techniques, e.g., the number of employees per room for different classes and types of hotels.

For example, from our survey of existing hotels, an estimated that 97 percent of employees in the SRSR are recruited from outside the region. The study “Measuring and Reporting the Impacts of Tourism on Poverty estimated that Red Sea “migrant” hotel employees remit an average of 63 percent of wages back to in the Nile Valley. This is a common pattern for traditional resorts located in remote rural areas.

Ecoresorts exhibit a quite different pattern. For the types of ecoresorts proposed, employing local residents is a core objective and component of efforts to support local community development. In the ecoresort case studies included in this analysis, more than 70 percent of employees are from local communities. The economic impact of wages earned by ecoresort employees therefore tend to have a much more significant impact on the local economy (larger multiplier).

Another critical component in estimating secondary impacts is the capture rate. While the local economy tends to capture most visitor spending on services (guided tours, meals at restaurants, etc.), the share of income generated through the purchase of goods is equal only to the margin or profit earned by retailers and wholesalers (if they are located within the study area), plus the percentage of those goods produced locally. The greater the percentage of goods imported, and the lower the local content, the lower the capture rate the impact of visitor and employee spending.
The ecoresort model presented also has as a core value the purchase of, and in many cases assistance in production of (through training, technical assistance, and access to credit) local inputs. This approach significantly increases the impact of visitor spending on local communities and economies.

In summary, the purpose of this study is to answer two fundamental questions:

- How much economic benefit can be derived from development of sustainable, up-market, community-based tourism – ecoresorts.
- How does that level of benefits compare to the economic impacts that would result from the current model – traditional, mass-market resort development.

There are, of course, a number of other factors that should be evaluated in determining which of these alternative development approaches should be pursued, including the social, cultural, and environmental impacts. This study focuses exclusively on economic impacts.

**DATA SOURCES**

A survey of and interviews with existing resort hotels in the SRSR. Of 33 hotels currently in operation, 13 participated in the survey and included a mix of 5-star (3), 4-star (9) and 3-star (1) hotels.

A survey of and interviews with six ecoresorts operating in Egypt and other countries and regions (2 in Egypt, 1 in Dubai, 2 in the Caribbean, and 1 in Australia).

Secondary data (prior studies and desk research).

A review and analysis of hotel and tourism economic impact studies and multipliers used in similar studies for destinations with similar characteristics. In total more than 40 reports and studies were reviewed.

Based upon the above analysis we are confident the assumptions used in this study are fair and reasonable.

**ASSUMPTIONS**

The Traditional mass-market resort model is an average profile of the existing hotels in the study area that participated in the survey.

The Ecoresort model used, based on the profiles of ecoresorts interviewed in and outside Egypt is an up-market model, with high average daily rates and higher levels of expenditures outside the hotel than guests of mass market resorts (i.e., the proposed model is not focused on the development of budget eco-accommodations geared toward backpackers and other low spending demographics).

This analysis looks only at impacts from resort operations. It does not include construction impacts, which are short term in nature and typically only included when the decision is between development vs. no development, not different types of development.

**MODEL ASSUMPTIONS**

The Ecoresort model proposes a total of 300 rooms within the study area. There would be a mix of quality levels and price points, from small, very exclusive, luxury accommodations, with rates as high as 800-1,000 euros per room per night, to larger, more affordable accommodations with average rates of 200 euros per night, which is the range included within our survey of Ecoresorts.
The average rate per guest per night used in this model is 230 euros, or roughly 437 euros per room per night.

The Traditional Resort model projects a total of 2,000 rooms would be built. There would be mix of quality levels (3, 4, and 5 star). Average rates would range between 37-125 euros per night, which is the range exhibited in our survey of existing hotels. The average rate per person, per night, is 33.5 euros, or an average daily rate of 67 euros per night, which match the average pre-room and per-person rates estimated through our survey of existing hotels.

Ecoresort guests are more highly educated, have more interest in the nature, culture and history of destinations they visit, have higher household incomes, and spend more per day across expenditure categories, including food and beverage, guided tours and entertainment, handicrafts and souvenirs, and other expenditures than guests of Traditional resort guests.

A higher percentage of Ecoresorts and Ecoresort guests will book rooms on a half-board or breakfast-only basis, and therefore will spend more in local restaurants and bars per day than traditional resort guests. Most traditional resorts in the Red Sea region are sold on an all-inclusive basis. Recent studies estimate that large all-inclusive resorts have 50 percent higher leakages than hotels where some meals and activities are not included.
RESULTS

From the results of surveys, Ecoresorts hire roughly double the number of employees per room as Traditional mass-market resorts. They also have a much higher propensity to employ people from local communities. For the 13 hotels surveyed in the study area, only 3 percent of employees are from within the region, vs. 70 percent for Ecoresorts.

Ecoresorts also make extensive efforts to purchase, and in some cases assist in the production of local inputs, both for construction and operation. Ecoresorts surveyed purchase 30-50 percent of inputs locally. Traditional resorts surveyed purchase 0% of inputs locally.

In summary, for every expenditure category studied, Ecoresorts and Ecoresort guests have a much higher propensity to spend money within local communities, and to spend more overall. In short, the economic impacts of Ecoresorts on the local communities and regions in which they operate are exponentially larger, on a per guest or room basis, that Traditional mass-market resorts.

REALITY CHECK

There is, in our view, significant potential within the Southern Red Sea area for the type of low-impact, up-market, community-focused resort development proposed here. Exploiting that potential will, however, required significant technical assistance efforts (training, capacity building, access to credit), focused primarily on local communities.

There are investors in Egypt interested in pursuing this type of development, but to be successful it will require a different approach to land planning. Densities will need to be significantly lower and design and architectural guidelines would need to be implemented. A 40-room ecoresort with € 500 per night rates cannot be built 500 meters down the beach from a € 40 per night mass-market resort.

In discussing local communities that would benefit from this type of development, it is important to define the boundaries of those communities. People living within the Wadi Gimal Protected Area number only about 2,000, meaning the available workforce is likely less than 250 people (primarily working-age men).

Assuming all of them would be interested in working in an ecoresort (an unlikely scenario), the total number of rooms that could be supported would be 125. Thus the definition of “local community” likely needs to include Marsa Alam and other nearby population centers.
SUMMARY AND CONCLUSION

The current mass-market resort development model has very little positive economic impact on Red Sea communities. Nearly all of the inputs (labor, capital, goods and services) required for the operation of these resorts are imported from the Nile Valley and most hotel guests never venture out beyond the walls of all-inclusive resorts.

While there are benefits from this model to Egypt as a whole, those benefits are quite small relative to the investment required for hotel construction, roads, water, waste treatment, and electricity.

Hotels currently operating in the region operate on very thin profit margins, and a significant share of those profits are retained in source markets, by the foreign tour operators who book virtually all of the room nights in these hotels.

There is an alternative model that can be used to promote local economic development that will require much less significant investment in infrastructure and help the Red Sea region and Egypt retain more of the benefits of tourism investment and spending.

This model will also help to diversify the market base for Red Sea tourism and reduce pressures on existing hotels to block-book most of their inventory through foreign tour operators, at very low prices.

Not discussed in this report are the potential impacts on existing hotels of doubling the room supply of mass-market resorts, and the likely effect that would have on prices, occupancies, and profitability.

The lower-density approach will also help to reduce pressures on the natural resources that are the foundation of Red Sea tourism and an important part of Egypt’s environmental heritage.

In this analysis, for example, roughly 27,000 ecoresort guests per year (300 rooms, average length of stay of 5 nights) would produce the same level of direct spending, and significantly more local jobs and economic impacts than 180,000 mass-market resort guests (2,000 rooms, 5 night stay).

There is little doubt that environmental resources are being degraded by mass-market tourism development. The most important impacts are to the Egyptian Red Sea coast’s coral reefs. The principal sources of degradation include:

Suspension of fine sediments. From dredge and fill operations, creation of artificial lagoons, construction of large marine structures, and mining and quarrying. These suspended particles have damaged not only coral reefs, but also sea grass beds, mangroves, and other marine life (i.e., the entire food chain).

Untreated or poorly treated liquid waste. While most large hotels have their own package plants, treated effluents are sometimes discharged into the sea. Significant coral reef damage is has already occurred in a number of areas along the Red Sea coast.

Desalination operations. Most of the fresh water for resort hotels is produced through desalination. The waste product from this process is brine with a very heavy concentrations of salt and other minerals. This spent brine has been proven to cause damage to or kill coral reefs.

Tourist activities. While the impact from individual operations, including diving, boating, do not have a significant impact, the cumulative impact from millions of tourists participating in marine-based activities each year undoubtedly leads to reef degradation.
Left unchecked, these environmental pressures will eventually destroy the marine resource base and leave the country with no alternative development approaches.

The lower density, lower impact approach modeled here would yield significantly less negative environmental impacts per dollar or pound of tourism revenue generated for the region and the country. Not only through more friendly environmental practices (e.g., natural waste recycling, water conservation, no dredge and fill operations, low-impact construction, etc.) but also because many fewer tourists would be required to generate the same levels of visitor income.
### MODEL ASSUMPTIONS – BASE CASE

<table>
<thead>
<tr>
<th>Variable</th>
<th>Ecoresort</th>
<th>Traditional</th>
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</thead>
<tbody>
<tr>
<td>Number of Rooms Built</td>
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<tr>
<td>Rate per person per night (euros)</td>
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<td>65%</td>
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<td>1.9</td>
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<tr>
<td>Percentage of employees hired locally</td>
<td>70%</td>
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<tr>
<td>Percentage of goods procured locally</td>
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<td>5%</td>
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<tr>
<td>Average Daily Spend Tours &amp; Entertainment (euros)</td>
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</tr>
<tr>
<td>Average Daily Spend Restaurants &amp; Bars (euros)</td>
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<tr>
<td>Average Daily Spend Handicrafts &amp; Souvenirs (euros)</td>
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<td>Average Daily Spend Miscellaneous (euros)</td>
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### IMPACTS – BASE CASE

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<th>Traditional</th>
</tr>
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<tbody>
<tr>
<td>Number of Visitor Nights</td>
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<td>901,550</td>
</tr>
<tr>
<td>Total Direct Spending (€ millions)</td>
<td>41.52</td>
<td>51.84</td>
</tr>
<tr>
<td>Total Direct Impacts Sales (€ millions)</td>
<td>59.13</td>
<td>46.02</td>
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<tr>
<td>Capture Rate</td>
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<td>76%</td>
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<tr>
<td>Total Jobs Created</td>
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<td>Total Jobs Created for Local Residents</td>
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<td>691</td>
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<tr>
<td>Total Income Impacts (€ millions)</td>
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<tr>
<td>Value Added Impacts (€ millions)</td>
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<td>Fiscal Impact (National Government) (€ millions)</td>
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### IMPACTS – SENSITIVITY ANALYSIS, ROOM

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### IMPACTS – SENSITIVITY ANALYSIS, RATES

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<td>150</td>
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<td>.36</td>
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### IMPACTS – “BREAK-EVEN” ANALYSIS, ROOMS

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<td>59.86</td>
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<tbody>
<tr>
<td>Number of Rooms</td>
<td>300</td>
<td>2,650</td>
</tr>
<tr>
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<td>908</td>
<td>915</td>
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</table>

**PART 4: COMPARATIVE ECONOMIC IMPACT ANALYSIS OF TRADITIONAL VS. SUSTAINABLE RESORT DEVELOPMENT IN THE SOUTHERN RED SEA REGION OF EGYPT**
### IMPACTS – “BREAK-EVEN” ANALYSIS, RATES

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<td>915</td>
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# MULTIPLIERS AND RATIOS

## Assigned Multipliers & Ratios

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<td>Ratio of Employees to rooms</td>
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<tr>
<td>Sales Multiplier, Lodging</td>
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<td>1.28</td>
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<tr>
<td>Sales Multiplier, Restaurants &amp; Bars</td>
<td>1.58</td>
<td>1.58</td>
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<tr>
<td>Sales Multiplier, Handicrafts &amp; Souvenirs</td>
<td>1.60</td>
<td>1.60</td>
</tr>
<tr>
<td>Sales Multiplier, Miscellaneous expenditures</td>
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<td>1.53</td>
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<tr>
<td>Sales Multiplier, Lodging</td>
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<tr>
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<td>Sales Tax, Rooms Revenue, Local</td>
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## Multipliers & Ratios Derived from Model

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<tr>
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<td>Jobs Multiplier</td>
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<td>Income Multiplier</td>
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</tr>
<tr>
<td>Value-added Multiplier</td>
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<td>1.24</td>
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</table>
Comparative Economic Impact Analysis - Traditional vs. Sustainable Resort Development

Southern Red Sea Coast
March 3, 2008
-DRAFT-
Purpose of Study

• Compare the estimated economic impacts of traditional mass-market resort development vs. environmentally sustainable, community-focused, up-market development (“Ecoresorts”) in the Southern Red Sea Region (SRSR).

• In simplified terms, the aim of this study is to compare, for each model:
  – **Direct Impacts** – Jobs created and income generated by resorts
  – **Indirect Impacts** – Jobs created and income generated by suppliers to the resort industry (business expenditures).
  – **Induced Impacts** – Jobs created and income generated from expenditures by employees of resorts and resort industry suppliers in the local economy (household expenditures).
Methodology

- **Economic Impact Analysis (EIA)**—An estimate of the extent to which an economic activity contributes to the economic development (jobs, income, tax revenues, etc.) of a defined area of study (SRSR).

- EAI estimates the income earned and jobs created from a given activity (tourist spending), how much of that income is spent locally, and how long those expenditures circulate within an economy before being *exported* for the purchase of goods and services produced elsewhere.

- For example, if a hotel guest pays $100 for a one-night stay at a Red Sea Resort, some of that income will be used to pay hotel employee salaries. A portion of those wages will then be spent by employees to buy food from the local grocer. The grocer will buy some of its products from local farmers, who will in turn use part of that income to buy fertilizer.
Methodology

- While that dollar or pound of income can in theory circulate indefinitely (and the larger and more integrated the economic area, the greater the number of rounds of spending), in reality leakages occur, through the purchase of goods and services produced outside the area.

- A local economy’s ability to minimize leakages defines the economic multipliers that are used to estimate indirect and induced impacts (together referred to as “secondary impacts”), and are a critical component of the total economic impact of a given industry or activity.

- There are a number of methods used to define multipliers. The most common is an Input-Output Model, a mathematical translation of an Input-Output Table, a matrix which depicts the inter-relationships between different sectors of an economy and measures the relative contribution (in terms of wages, profits, rents, etc.) of each to total output.
Methodology

• The major drawback of this approach is that it requires tremendous amounts of detailed data to produce an Input-Output table. In most developing countries this level of detail is not available for the tourism industry (it is generally lumped into a broader “Services” category.)

• Given the lack of a sufficiently detailed Input-Output Table for Egypt, let alone the Red Sea region, we have used a modified approach that estimates appropriate multipliers from a mix of:
  – Data collected through surveys of existing resorts in the SRSR
  – Case studies and surveys of ecoresorts, both within and outside Egypt, that closely match the proposed model
  – An analysis of economic multipliers used in other destinations with similar characteristics (e.g., rural, remote resort areas).
Methodology

- Economic multipliers for tourism spending tend to range between 1.1 and 1.9, depending upon size and degree of development of the study area, i.e., larger and more developed economies tend to have fewer leakages and thus have higher multipliers and receive greater economic benefits from visitor spending.

- For example, an employment multiplier of 1.3 would mean that for every 100 jobs created by a resort, 30 jobs would be created (100 x 1.3) by backward-linked suppliers to that industry (indirect impacts) and from household expenditures by employee of hotels and suppliers (induced impacts).

- In a study area where most supplies are imported (e.g., from the Nile Valley), or where employees migrate from other areas and remit most of their wages back to their region of origin (e.g., Nile Valley), employment and other multipliers will tend to be fairly low.
Methodology

• An economy’s ability to retain spending (reduce leakages) also affects economic ratios, measures used to estimate the impacts of visitor spending in terms of jobs, income, profits, taxes, value added, etc. For example, existing hotels surveyed in the study area earned 51.2 million euros in 2006 and employed 3,377 persons, yielding a ratio of 65 jobs created for every 1 million euros in revenues.

• These ratios can be calculated for both direct and secondary impacts, and are a primary tool used in conducting our analysis of visitor spending.

• There are other non-economic ratios that can be used both to estimate impacts and verify the findings derived from other estimating techniques, e.g., the number of employees per room for different classes and types of hotels.
Methodology

- For example, from our survey of existing hotels, an estimated that 97 percent of employees in the SRSR are recruited from outside the region.

- The study “Measuring and Reporting the Impacts of Tourism on Poverty” estimated that Red Sea “migrant” hotel employees remit an average of 63 percent of wages back to the Nile Valley. This is a common pattern for traditional resorts located in remote rural areas.

- Ecoresorts exhibit a quite different pattern. For the types of ecoresorts proposed, employing local residents is a core objective and component of efforts to support local community development. In the ecoresort case studies included in this analysis, more than 70 percent of employees are from local communities.

- The economic impact of wages earned by ecoresort employees therefore tend to have a much more significant impact on the local economy (larger multiplier).
Methodology

• Another critical component in estimating secondary impacts is the capture rate. While the local economy tends to capture most visitor spending on services (guided tours, meals at restaurants, etc.), the share of income generated through the purchase of goods is equal only to the margin or profit earned by retailers and wholesalers (if they are located within the study area), plus the percentage of those goods produced locally.

• The greater the percentage of goods imported, and the lower the local content, the lower the capture rate the impact of visitor and employee spending.

• The ecoresort model presented also has as a core value the purchase of, and in many cases assistance in production of (through training, technical assistance, and access to credit) local inputs. This approach significantly increases the impact of visitor spending on local communities and economies.
Methodology

In summary, the purpose of this study is to answer two fundamental questions:

- How much economic benefit can be derived from development of sustainable, up-market, community-based tourism – ecoresorts.
- How does that level of benefits compare to the economic impacts that would result from the current model – traditional, mass-market resort development.

There are, of course, a number of other factors that should be evaluated in determining which of these alternative development approaches should be pursued, including the social, cultural, and environmental impacts. This study focuses exclusively on economic impacts.
Data Sources

• A survey of and interviews with existing resort hotels in the SRSR. Of 33 hotels currently in operation, 13 participated in the survey and included a mix of 5-star (3), 4-star (9) and 3-star (1) hotels.

• A survey of and interviews with six ecoresorts operating in Egypt and other countries and regions (2 in Egypt, 1 in Dubai, 2 in the Caribbean, and 1 in Australia).

• Secondary data (prior studies and desk research).

• A review and analysis of hotel and tourism economic impact studies and multipliers used in similar studies for destinations with similar characteristics. In total more than 40 reports and studies were reviewed.

• Based upon the above analysis we are confident the assumptions used in this study are fair and reasonable.
Study Assumptions

• The Traditional mass-market resort model is an average profile of the existing hotels in the study area that participated in the survey.

• The Ecoresort model used, based on the profiles of ecoresorts interviewed in and outside Egypt is an up-market model, with high average daily rates and higher levels of expenditures outside the hotel than guests of mass market resorts (i.e., the proposed model is not focused on the development of budget eco-accommodations geared toward backpackers and other low spending demographics).

• This analysis looks only at impacts from resort operations. It does not include construction impacts, which are short term in nature and typically only included when the decision is between development vs. no development, not different types of development.
Model Assumptions

- The **Ecoresort model** proposes a total of 300 rooms within the study area. There would be a mix of quality levels and price points, from small, very exclusive, luxury accommodations, with rates as high as 800-1,000 euros per room per night, to larger, more affordable accommodations with average rates of 200 euros per night, which is the range included within our survey of Ecoresorts. The average rate per guest per night used in this model is 230 euros, or roughly 437 euros per room per night.

- The **Traditional Resort model** projects a total of 2,000 rooms would be built. There would be mix of quality levels (3, 4, and 5 star). Average rates would range between 37-125 euros per night, which is the range exhibited in our survey of existing hotels. The average rate per person, per night, is 33.5 euros, or an average daily rate of 67 euros per night, which match the average pre-room and per-person rates estimated through our survey of existing hotels.
Model Assumptions

- Ecoresort guests are more highly educated, have more interest in the nature, culture and history of destinations they visit, have higher household incomes, and spend more per day across expenditure categories, including food and beverage, guided tours and entertainment, handicrafts and souvenirs, and other expenditures than guests of Traditional resort guests.

- A higher percentage of Ecoresorts and Ecoresort guests will book rooms on a half-board or breakfast-only basis, and therefore will spend more in local restaurants and bars per day than traditional resort guests. Most traditional resorts in the Red Sea region are sold on an all-inclusive basis. Recent studies estimate that large all-inclusive resorts have 50 percent higher leakages than hotels where some meals and activities are not included.
Model Assumptions

- From the results of surveys, Ecoresorts hire roughly double the number of employees per room as Traditional mass-market resorts. They also have a much higher propensity to employ people from local communities. For the 13 hotels surveyed in the study area, only 3 percent of employees are from within the region, vs. 70 percent for Ecoresorts.

- Ecoresorts also make extensive efforts to purchase, and in some cases assist in the production of local inputs, both for construction and operation. Ecoresorts surveyed purchase 30-50 percent of inputs locally. Traditional resorts surveyed purchase 0% of inputs locally.

- In summary, for every expenditure category studied, Ecoresorts and Ecoresort guests have a much higher propensity to spend money within local communities, and to spend more overall. In short, the economic impacts of Ecoresorts on the local communities and regions in which they operate are exponentially larger, on a per guest or room basis, that Traditional mass-market resorts.
## Model Assumptions – Base Case

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Number of Rooms Built</td>
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<td>Rate per person per night (euros)</td>
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<td>Average Annual Occupancy</td>
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<td>65%</td>
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<td>Double Occupancy Factor</td>
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<td>1.9</td>
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<td>Average Number of Employees per room</td>
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<tr>
<td>Percentage of employees hired locally</td>
<td>70%</td>
<td>5%</td>
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<tr>
<td>Percentage of goods procured locally</td>
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<td>Average Daily Spend Tours &amp; Entertainment (euros)</td>
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<td>Average Daily Spend Restaurants &amp; Bars (euros)</td>
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<td>Average Daily Spend Handicrafts &amp; Souvenirs (euros)</td>
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# Impacts – Base Case

<table>
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<tr>
<th>Variable</th>
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<tbody>
<tr>
<td>Number of Visitor Nights</td>
<td>135,233</td>
<td>901,550</td>
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<tr>
<td>Total Direct Spending (€ millions)</td>
<td>41.52</td>
<td>51.84</td>
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<td>Total Direct Impacts Sales (€ millions)</td>
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<tr>
<td>Capture Rate</td>
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<td>76%</td>
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<tr>
<td>Total Jobs Created</td>
<td>1,089</td>
<td>3,351</td>
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<tr>
<td>Total Jobs Created for Local Residents</td>
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<tr>
<td>Total Income Impacts (€ millions)</td>
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<td>Value Added Impacts (€ millions)</td>
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<td>26.51</td>
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# Impacts – Sensitivity Analysis, Rooms

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<td>76%</td>
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## Impacts – Sensitivity Analysis, Rates

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<td>901,550</td>
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<td>Direct Spending (€ml)</td>
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## Impacts – “Break-even” Analysis, Rooms

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<tbody>
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<tr>
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<td>908</td>
<td>915</td>
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### Impacts – “Break-even” Analysis, Rates

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<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Daily Rate</td>
<td>170</td>
<td>33.5</td>
</tr>
<tr>
<td>Sales Impacts (€ml)</td>
<td>46.00</td>
<td>46.02</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Ecoresort</th>
<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Daily Rate</td>
<td>150</td>
<td>33.5</td>
</tr>
<tr>
<td>Income Impacts (€ml)</td>
<td>16.48</td>
<td>16.42</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Ecoresort</th>
<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Daily Rate</td>
<td>165</td>
<td>33.5</td>
</tr>
<tr>
<td>Local Jobs Created</td>
<td>696</td>
<td>691</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Ecoresort</th>
<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Daily Rate</td>
<td>156</td>
<td>33.5</td>
</tr>
<tr>
<td>Value Added (€ml)</td>
<td>26.52</td>
<td>26.51</td>
</tr>
</tbody>
</table>
## Multipliers & Ratios

<table>
<thead>
<tr>
<th>Assigned Multipliers &amp; Ratios</th>
<th>Ecoresort</th>
<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of Employees to rooms</td>
<td>2:1</td>
<td>1:1</td>
</tr>
<tr>
<td>Sales Multiplier, Lodging</td>
<td>1.62</td>
<td>1.28</td>
</tr>
<tr>
<td>Sales Multiplier, Restaurants &amp; Bars</td>
<td>1.58</td>
<td>1.58</td>
</tr>
<tr>
<td>Sales Multiplier, Handicrafts &amp; Souvenirs</td>
<td>1.60</td>
<td>1.60</td>
</tr>
<tr>
<td>Sales Multiplier, Miscellaneous expenditures</td>
<td>1.53</td>
<td>1.53</td>
</tr>
<tr>
<td>Sales Multiplier, Lodging</td>
<td>1.60</td>
<td>1.60</td>
</tr>
<tr>
<td>Sales Tax, National</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Sales Tax, Rooms Revenue, Local</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>
## Multipliers & Ratios

<table>
<thead>
<tr>
<th>Multipliers &amp; Ratios Derived from Model</th>
<th>Ecoresort</th>
<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Multiplier</td>
<td>1.54</td>
<td>1.17</td>
</tr>
<tr>
<td>Jobs Multiplier</td>
<td>1.44</td>
<td>1.08</td>
</tr>
<tr>
<td>Income Multiplier</td>
<td>1.60</td>
<td>1.10</td>
</tr>
<tr>
<td>Value-added Multiplier</td>
<td>1.62</td>
<td>1.24</td>
</tr>
</tbody>
</table>
Reality Check

• There is, in our view, significant potential within the Southern Red Sea area for the type of low-impact, up-market, community-focused resort development proposed here. Exploiting that potential will, however, required significant technical assistance efforts (training, capacity building, access to credit), focused primarily on local communities.

• There are investors in Egypt interested in pursuing this type of development, but to be successful it will require a different approach to land planning. Densities will need to be significantly lower and design and architectural guidelines would need to be implemented. A 40-room ecoresort with €500 per night rates cannot be built 500 meters down the beach from a €40 per night mass-market resort.
Reality Check

• In discussing local communities that would benefit from this type of development, it is important to define the boundaries of those communities. People living within the Wadi Gimal Protected Area number only about 2,000, meaning the available workforce is likely less than 250 people (primarily working-age men).

• Assuming all of them would be interested in working in an ecoresort (an unlikely scenario), the total number of rooms that could be supported would be 125. Thus the definition of “local community” likely needs to include Marsa Alam and other nearby population centers.
Summary and Conclusion

- The current mass-market resort development model has very little positive economic impact on Red Sea communities. Nearly all of the inputs (labor, capital, goods and services) required for the operation of these resorts are imported from the Nile Valley and most hotel guests never venture out beyond the walls of all-inclusive resorts.

- While there are benefits from this model to Egypt as a whole, those benefits are quite small relative to the investment required for hotel construction, roads, water, waste treatment, and electricity.

- Hotels currently operating in the region operate on very thin profit margins, and a significant share of those profits are retained in source markets, by the foreign tour operators who book virtually all of the room nights in these hotels.
There is an alternative model that can be used to promote local economic development that will require much less significant investment in infrastructure and help the Red Sea region and Egypt retain more of the benefits of tourism investment and spending.

This model will also help to diversify the market base for Red Sea tourism and reduce pressures on existing hotels to block-book most of their inventory through foreign tour operators, at very low prices.

Not discussed in this report are the potential impacts on existing hotels of doubling the room supply of mass-market resorts, and the likely effect that would have on prices, occupancies, and profitability.
Summary and Conclusion

• The lower-density approach will also help to reduce pressures on the natural resources that are the foundation of Red Sea tourism and an important part of Egypt’s environmental heritage.

• In this analysis, for example, roughly 27,000 ecoresort guests per year (300 rooms, average length of stay of 5 nights) would produce the same level of direct spending, and significantly more local jobs and economic impacts than 180,000 mass-market resort guests (2,000 rooms, 5 night stay).

• There is little doubt that environmental resources are being degraded by mass-market tourism development. The most important impacts are to the Egyptian Red Sea coast’s coral reefs. The principal sources of degradation include:

• **Suspension of fine sediments.** From dredge and fill operations, creation of artificial lagoons, construction of large marine structures, and mining and quarrying. These suspended particles have damaged not only coral reefs, but also sea grass beds, mangroves, and other marine life (i.e., the entire food chain).
Summary and Conclusion

• **Untreated or poorly treated liquid waste.** While most large hotels have their own package plants, treated effluents are sometimes discharged into the sea. Significant coral reef damage is has already occurred in a number of areas along the Red Sea coast.

• **Desalinization operations.** Most of the fresh water for resort hotels is produced through desalinization. The waste product from this process is brine with a very heavy concentrations of salt and other minerals. This spent brine has been proven to cause damage to or kill coral reefs.

• **Tourist activities.** While the impact from individual operations, including diving, boating, do not have a significant impact, the cumulative impact from millions of tourists participating in marine-based activities each year undoubtedly leads to reef degradation.
Summary and Conclusion

- Left unchecked, these environmental pressures will eventually destroy the marine resource base and leave the country with no alternative development approaches.

- The lower density, lower impact approach modeled here would yield significantly less negative environmental impacts per dollar or pound of tourism revenue generated for the region and the country. Not only through more friendly environmental practices (e.g., natural waste recycling, water conservation, no dredge and fill operations, low-impact construction, etc.) but also because many fewer tourists would be required to generate the same levels of visitor income.
Next Steps

- ?????????
Thank You
ANNEX B  Traditional Resort Model
### Table 1. Number of Visitor Nights

1. NUMBER OF VISITOR NIGHTS  

<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>SHARE</th>
<th>Visitor Nights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional</td>
<td>100.0%</td>
<td>901,550</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>CHECK SUM</td>
<td>100.0%</td>
<td>901,550</td>
</tr>
</tbody>
</table>

Visitor nights calculated as Number of rooms x 365 days x occupancy rate x double occupancy factor = Number of visitor nights  
In the above example: 2,000 rooms x 365 x .65 x 1.9 = 135,233
<table>
<thead>
<tr>
<th>SPENDING CATEGORY</th>
<th>Traditional (euros)</th>
<th>Avg per Night</th>
<th>Total Spend (€000's)</th>
<th>PCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>33.50</td>
<td>0.00</td>
<td>30,202</td>
<td>58.3%</td>
</tr>
<tr>
<td>Guided tours &amp; entertainment</td>
<td>5.00</td>
<td>0.00</td>
<td>4,508</td>
<td>8.7%</td>
</tr>
<tr>
<td>Restaurants &amp; bars</td>
<td>10.00</td>
<td>0.00</td>
<td>9,016</td>
<td>17.4%</td>
</tr>
<tr>
<td>Handicrafts</td>
<td>4.00</td>
<td>0.00</td>
<td>3,606</td>
<td>7.0%</td>
</tr>
<tr>
<td>Misc. expenditures</td>
<td>5.00</td>
<td>0.00</td>
<td>4,508</td>
<td>8.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>57.50</strong></td>
<td><strong>0.00</strong></td>
<td><strong>51,839</strong></td>
<td><strong>100.0%</strong></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>w/o Total</td>
<td>Traditional</td>
<td>Taxes</td>
</tr>
<tr>
<td>---------------------------</td>
<td>----------</td>
<td>-----------</td>
<td>-------------</td>
<td>-------</td>
</tr>
<tr>
<td>Lodging</td>
<td>30,202</td>
<td>26,966</td>
<td>30,202</td>
<td></td>
</tr>
<tr>
<td>Guided tours &amp; entertainment</td>
<td>4,508</td>
<td>4,098</td>
<td>4,508</td>
<td></td>
</tr>
<tr>
<td>Restaurants &amp; bars</td>
<td>9,016</td>
<td>8,196</td>
<td>9,016</td>
<td></td>
</tr>
<tr>
<td>Handicrafts</td>
<td>3,606</td>
<td>3,278</td>
<td>3,606</td>
<td></td>
</tr>
<tr>
<td>Misc. expenditures</td>
<td>4,508</td>
<td>4,098</td>
<td>4,508</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>51,839</td>
<td>46,636</td>
<td>51,839</td>
<td></td>
</tr>
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</table>
### Table 4. Multipliers for selected tourism-related sectors

#### 2007

<table>
<thead>
<tr>
<th>Sector</th>
<th>Direct effects</th>
<th>Total effects multipliers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jobs/ MM sales</td>
<td>Personal inc/sales</td>
</tr>
<tr>
<td>Hotels And Lodging Places</td>
<td>111.73</td>
<td>0.38</td>
</tr>
<tr>
<td>Guided tours &amp; entertainment</td>
<td>16.23</td>
<td>0.35</td>
</tr>
<tr>
<td>Restaurants &amp; bars</td>
<td>25.22</td>
<td>0.40</td>
</tr>
<tr>
<td>Handicrafts</td>
<td>22.13</td>
<td>0.33</td>
</tr>
<tr>
<td>Misc. expenditures</td>
<td>22.39</td>
<td>0.36</td>
</tr>
<tr>
<td>Food processing</td>
<td>4.72</td>
<td>0.18</td>
</tr>
<tr>
<td>Apparel from purch mate</td>
<td>6.02</td>
<td>0.18</td>
</tr>
<tr>
<td>Petroleum refining</td>
<td>0.37</td>
<td>0.04</td>
</tr>
<tr>
<td>Sporting goods</td>
<td>8.73</td>
<td>0.20</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>7.04</td>
<td>0.27</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>21.13</td>
<td>0.52</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>6.51</td>
<td>0.38</td>
</tr>
</tbody>
</table>

Retail is average or sum of the 7 retail trade sectors

#### Table 4.1 Computation of Direct Effects

<table>
<thead>
<tr>
<th>Spending, sales, income and value added in (€000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending</td>
</tr>
<tr>
<td>Retail Margin</td>
</tr>
<tr>
<td>Wholesale Margin</td>
</tr>
<tr>
<td>Local Prod captured</td>
</tr>
<tr>
<td>W Margin</td>
</tr>
<tr>
<td>Sales Captured</td>
</tr>
<tr>
<td>Direct jobs</td>
</tr>
<tr>
<td>Personal Income</td>
</tr>
<tr>
<td>Property Inc</td>
</tr>
<tr>
<td>Value Added</td>
</tr>
<tr>
<td>Lodging</td>
</tr>
<tr>
<td>Guided tours &amp; entertainment</td>
</tr>
<tr>
<td>Restaurants &amp; bars</td>
</tr>
<tr>
<td>Handicrafts</td>
</tr>
<tr>
<td>Misc. expenditures</td>
</tr>
<tr>
<td>Retail Margin captured</td>
</tr>
<tr>
<td>Wholesale margin captured</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Capture rate</td>
</tr>
</tbody>
</table>

Local Goods production: 2,129 | 47 | 386 | 252 | 589

#### Table 4.2 Computation of Total Effects

<table>
<thead>
<tr>
<th>Spending, sales, income and value added in (€000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales</td>
</tr>
<tr>
<td>Total Jobs</td>
</tr>
<tr>
<td>Personal Income</td>
</tr>
<tr>
<td>Total Value Added</td>
</tr>
<tr>
<td>Direct + Indirect</td>
</tr>
<tr>
<td>Total Sales</td>
</tr>
<tr>
<td>Total Jobs</td>
</tr>
<tr>
<td>Personal Income</td>
</tr>
<tr>
<td>Total Value Added</td>
</tr>
<tr>
<td>Sales</td>
</tr>
<tr>
<td>Direct + Indirect</td>
</tr>
<tr>
<td>Total Sales</td>
</tr>
<tr>
<td>Total Jobs</td>
</tr>
<tr>
<td>Personal Income</td>
</tr>
<tr>
<td>Total Value Added</td>
</tr>
<tr>
<td>Sales</td>
</tr>
<tr>
<td>Direct + Indirect</td>
</tr>
<tr>
<td>Total Sales</td>
</tr>
<tr>
<td>Total Jobs</td>
</tr>
<tr>
<td>Personal Income</td>
</tr>
<tr>
<td>Total Value Added</td>
</tr>
<tr>
<td>Sales</td>
</tr>
<tr>
<td>Direct + Indirect</td>
</tr>
<tr>
<td>category</td>
</tr>
<tr>
<td>-------------------------------</td>
</tr>
<tr>
<td>Lodging</td>
</tr>
<tr>
<td>Guided tours &amp; entertainment</td>
</tr>
<tr>
<td>Restaurants &amp; bars</td>
</tr>
<tr>
<td>Handicrafts</td>
</tr>
<tr>
<td>Misc. expenditures</td>
</tr>
<tr>
<td>Retail Trade</td>
</tr>
<tr>
<td>Wholesale Trade</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

1.15 Type I sales

<table>
<thead>
<tr>
<th>Model Name</th>
<th>Red Sea Ecoresort</th>
<th>YEAR</th>
<th>2007</th>
</tr>
</thead>
</table>
### Table 4. Tax Impacts of Direct Sales and Income (€000’s)

<table>
<thead>
<tr>
<th>Taxes on Spending</th>
<th>Spending</th>
<th>Tax rates</th>
<th></th>
<th>Tax Collections</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Federal</td>
<td>Governor</td>
<td>Local</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>fed</td>
<td>state</td>
<td>local</td>
<td>Total</td>
</tr>
<tr>
<td>Hotel taxes</td>
<td>26,966</td>
<td>10%</td>
<td>0%</td>
<td>2%</td>
<td>2,697</td>
</tr>
<tr>
<td>Taxes on Excursions</td>
<td>4,098</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
<td>410</td>
</tr>
<tr>
<td>Taxes Restaurants &amp; bars</td>
<td>8,196</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
<td>820</td>
</tr>
<tr>
<td>Taxes Handicrafts sales</td>
<td>3,278</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
<td>328</td>
</tr>
<tr>
<td>Other sales taxes</td>
<td>4,098</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
<td>410</td>
</tr>
<tr>
<td><strong>Total Taxes on Spending</strong></td>
<td><strong>4,664</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>5,203</strong></td>
</tr>
<tr>
<td><strong>Taxes on Direct Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Direct Taxes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>5,203</strong></td>
</tr>
</tbody>
</table>

**NOTES:**
- Tax receipts are computed on direct sales and income using the tax rates.
- Tax rates are applied to direct spending and income estimated in previous pages.
- Income tax rates reflect an average tax accounting for normal deductions.
- Spending profiles are assumed to include applicable taxes.
- Taxes are removed in computing sales, income, and employment effects.
SUMMARY OF RESULTS: Traditional Resort Model

<table>
<thead>
<tr>
<th>Year of spending data</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multipliers</td>
<td>Red Sea Ecoresort</td>
</tr>
<tr>
<td>Visitor Nights</td>
<td>901,550</td>
</tr>
<tr>
<td>Average spending</td>
<td>€58</td>
</tr>
<tr>
<td>Total Visitor Spending (€000's)</td>
<td>€51,839</td>
</tr>
<tr>
<td>Capture rate</td>
<td>76%</td>
</tr>
<tr>
<td>Effective spending multiplier</td>
<td>0.89</td>
</tr>
</tbody>
</table>

Table 1. Spending and Visits by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Traditional (euros)</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average spending (€ per day)</td>
<td>€57.50</td>
<td>€0.00</td>
<td>€0.00</td>
<td>€0.00</td>
<td>€57.50</td>
</tr>
<tr>
<td>Visitor nights</td>
<td>901,550</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>901,550</td>
</tr>
<tr>
<td>Total spending (€millions)</td>
<td>€51,839</td>
<td>€0</td>
<td>€0</td>
<td>€0</td>
<td>€51,839</td>
</tr>
</tbody>
</table>

Table 2. Economic Impacts of Visitor Spending

<table>
<thead>
<tr>
<th>Sector/Spending category</th>
<th>Sales €000's</th>
<th>Jobs</th>
<th>Income €000's</th>
<th>Value Added €000's</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct Effects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lodging</td>
<td>25,068</td>
<td>2,801</td>
<td>9,648</td>
<td>15,441</td>
</tr>
<tr>
<td>Guided tours &amp; entertainment</td>
<td>4,508</td>
<td>73</td>
<td>1,735</td>
<td>2,777</td>
</tr>
<tr>
<td>Restaurants &amp; bars</td>
<td>3,433</td>
<td>87</td>
<td>1,219</td>
<td>1,750</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>3,936</td>
<td>99</td>
<td>1,585</td>
<td>816</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>385</td>
<td>9</td>
<td>128</td>
<td>65</td>
</tr>
<tr>
<td>Local Production of Goods</td>
<td>2,129</td>
<td>47</td>
<td>386</td>
<td>589</td>
</tr>
<tr>
<td><strong>Total Direct Effects</strong></td>
<td>39,458</td>
<td>3,115</td>
<td>14,701</td>
<td>21,438</td>
</tr>
<tr>
<td><strong>Secondary Effects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Effects</strong></td>
<td>€46,042</td>
<td>3,351</td>
<td>€16,239</td>
<td>€26,512</td>
</tr>
<tr>
<td>Multiplier</td>
<td>1.17</td>
<td>1.08</td>
<td>1.10</td>
<td>1.24</td>
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</table>
Table 3. Tax Impacts of Direct Sales and Income (€000's)

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>4,664</td>
<td>-</td>
<td>4,664</td>
</tr>
<tr>
<td>State</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Local</td>
<td>539</td>
<td>-</td>
<td>539</td>
</tr>
<tr>
<td>Total</td>
<td>5,203</td>
<td>-</td>
<td>5,203</td>
</tr>
</tbody>
</table>

Table 4. Marginal Impacts

<table>
<thead>
<tr>
<th></th>
<th>change per $1,000 of visitor spending</th>
<th>change per 1,000 visitor nights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending</td>
<td>€ 1,000</td>
<td>€ 58,000</td>
</tr>
<tr>
<td>Direct sales</td>
<td>$ 761</td>
<td>€ 44,148</td>
</tr>
<tr>
<td>Direct personal income</td>
<td>$ 284</td>
<td>€ 16,448</td>
</tr>
<tr>
<td>Direct value added</td>
<td>$ 414</td>
<td>€ 23,985</td>
</tr>
<tr>
<td>Direct jobs</td>
<td>0.060</td>
<td>3.49</td>
</tr>
<tr>
<td>Total sales</td>
<td>€ 888</td>
<td>€ 51,514</td>
</tr>
<tr>
<td>Total personal income</td>
<td>€ 313</td>
<td>€ 18,169</td>
</tr>
<tr>
<td>Total value added</td>
<td>€ 511</td>
<td>€ 29,663</td>
</tr>
<tr>
<td>Total jobs</td>
<td>0.065</td>
<td>3.75</td>
</tr>
</tbody>
</table>

Calculation of Local Jobs Created

140       Total local hotel jobs (.05 percent of total lodging jobs - D22)
691       Total local jobs (local lodging jobs plus (j25) plus other direct and indirect jobs created)
<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>SHARE</th>
<th>Per Ecoresort Guest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecoresort (euros)</td>
<td>100.0%</td>
<td>135,233</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>CHECK SUM</td>
<td>100.0%</td>
<td>135,233</td>
</tr>
</tbody>
</table>

Visitor nights calculated as Number of rooms x 365 days x occupancy rate x double occupancy factor = Number of visitor night
In the above example: 300 rooms x 365 x .65 x 1.9 = 180,310
<table>
<thead>
<tr>
<th>SPENDING CATEGORY</th>
<th>Ecoresort (euros)</th>
<th>NIGHT (€000's)</th>
<th>TOTAL SPEND (€000's)</th>
<th>PCT (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>230.00</td>
<td>0.00</td>
<td>31,103</td>
<td>74.9%</td>
</tr>
<tr>
<td>Guided tours &amp; entertainment</td>
<td>25.00</td>
<td>0.00</td>
<td>3,381</td>
<td>8.1%</td>
</tr>
<tr>
<td>Restaurants &amp; bars</td>
<td>30.00</td>
<td>0.00</td>
<td>4,057</td>
<td>9.8%</td>
</tr>
<tr>
<td>Handicrafts</td>
<td>7.00</td>
<td>0.00</td>
<td>947</td>
<td>2.3%</td>
</tr>
<tr>
<td>Misc. expenditures</td>
<td>15.00</td>
<td>0.00</td>
<td>2,028</td>
<td>4.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>307.00</td>
<td>0.00</td>
<td>41,516</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>Total w/o Taxes</td>
<td>Taxes</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------------</td>
<td>------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td><strong>Ecoresort (euros)</strong></td>
<td>31,103</td>
<td>27,771</td>
<td>31,103</td>
<td></td>
</tr>
<tr>
<td>Lodging</td>
<td>3,381</td>
<td>3,073</td>
<td>3,381</td>
<td></td>
</tr>
<tr>
<td>Guided tours &amp; entertainment</td>
<td>4,057</td>
<td>3,688</td>
<td>4,057</td>
<td></td>
</tr>
<tr>
<td>Restaurants &amp; bars</td>
<td>947</td>
<td>861</td>
<td>947</td>
<td></td>
</tr>
<tr>
<td>Handicrafts</td>
<td>2,028</td>
<td>1,844</td>
<td>2,028</td>
<td></td>
</tr>
<tr>
<td>Misc. expenditures</td>
<td>41,516</td>
<td>37,237</td>
<td>41,516</td>
<td></td>
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</table>

Table 3. Total Spending
Table 4. Multipliers for selected tourism-related sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Direct effects</th>
<th>Total effects multipliers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jobs/ MM sales</td>
<td>Personal Inc/sales</td>
</tr>
<tr>
<td>Hotels And Lodging Places</td>
<td>19.35</td>
<td>0.40</td>
</tr>
<tr>
<td>Guided tours &amp; entertainment</td>
<td>16.23</td>
<td>0.39</td>
</tr>
<tr>
<td>Restaurants &amp; bars</td>
<td>25.22</td>
<td>0.44</td>
</tr>
<tr>
<td>Handicrafts</td>
<td>22.13</td>
<td>0.35</td>
</tr>
<tr>
<td>Misc. expenditures</td>
<td>22.39</td>
<td>0.50</td>
</tr>
<tr>
<td>Food processing</td>
<td>4.72</td>
<td>0.21</td>
</tr>
<tr>
<td>Apparel from purch mate</td>
<td>6.02</td>
<td>0.41</td>
</tr>
<tr>
<td>Petroleum refining</td>
<td>0.37</td>
<td>0.03</td>
</tr>
<tr>
<td>Sporting goods</td>
<td>8.73</td>
<td>0.23</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>7.04</td>
<td>0.33</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>21.13</td>
<td>0.49</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>6.51</td>
<td>0.42</td>
</tr>
</tbody>
</table>

Retail is average or sum of the 7 retail trade sectors.

Table 4.1 Computation of Direct Effects

<table>
<thead>
<tr>
<th>Spending, sales, income and value added in (€000’s)</th>
<th>Jobs</th>
<th>Personal Income</th>
<th>Property Inc</th>
<th>Value Added</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>31,103</td>
<td>602</td>
<td>12,316</td>
<td>4,673.4</td>
</tr>
<tr>
<td>Guided tours &amp; entertainment</td>
<td>3,381</td>
<td>55</td>
<td>598</td>
<td>508.0</td>
</tr>
<tr>
<td>Restaurants &amp; bars</td>
<td>4,057</td>
<td>1,351</td>
<td>499</td>
<td>1,545</td>
</tr>
<tr>
<td>Handicrafts</td>
<td>947</td>
<td>239</td>
<td>116</td>
<td>442</td>
</tr>
<tr>
<td>Misc. expenditures</td>
<td>2,028</td>
<td>452</td>
<td>168</td>
<td>201</td>
</tr>
<tr>
<td>Retail Margin captured</td>
<td>80%</td>
<td>1,634</td>
<td>41</td>
<td>804</td>
</tr>
<tr>
<td>Wholesale Margin captured</td>
<td>20%</td>
<td>157</td>
<td>3</td>
<td>66</td>
</tr>
<tr>
<td>Total</td>
<td>41,516</td>
<td>36,672</td>
<td>710</td>
<td>13,849</td>
</tr>
</tbody>
</table>

Capture rate 88%

Local Goods production

<table>
<thead>
<tr>
<th>Spending</th>
<th>Retail Margin</th>
<th>Wholesale Margin</th>
<th>Local Prod captured</th>
<th>W Margin</th>
<th>Sales Captured</th>
<th>Direct Jobs</th>
<th>Personal Income</th>
<th>Property Inc</th>
<th>Value Added</th>
</tr>
</thead>
</table>

Table 4.2 Computation of Total Effects

<table>
<thead>
<tr>
<th>Spending, sales, income and value added in (€000’s)</th>
<th>Jobs</th>
<th>Personal Income</th>
<th>Property Inc</th>
<th>Value Added</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>31,103</td>
<td>602</td>
<td>12,316</td>
<td>4,673.4</td>
</tr>
<tr>
<td>Guided tours &amp; entertainment</td>
<td>3,381</td>
<td>55</td>
<td>598</td>
<td>508.0</td>
</tr>
<tr>
<td>Restaurants &amp; bars</td>
<td>4,057</td>
<td>1,351</td>
<td>499</td>
<td>1,545</td>
</tr>
<tr>
<td>Handicrafts</td>
<td>947</td>
<td>239</td>
<td>116</td>
<td>442</td>
</tr>
<tr>
<td>Misc. expenditures</td>
<td>2,028</td>
<td>452</td>
<td>168</td>
<td>201</td>
</tr>
<tr>
<td>Retail Margin captured</td>
<td>80%</td>
<td>1,634</td>
<td>41</td>
<td>804</td>
</tr>
<tr>
<td>Wholesale Margin captured</td>
<td>20%</td>
<td>157</td>
<td>3</td>
<td>66</td>
</tr>
<tr>
<td>Total</td>
<td>41,516</td>
<td>36,672</td>
<td>710</td>
<td>13,849</td>
</tr>
<tr>
<td>Model Name</td>
<td>Type I sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>--------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Red Sea Ecoresort</td>
<td>2007</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
### Table 4. Tax Impacts of Direct Sales and Income (€000's)

<table>
<thead>
<tr>
<th>Taxes on Spending</th>
<th>Spending</th>
<th>Tax rates</th>
<th>Tax Collections</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Federal</td>
<td>Governate</td>
<td>Local</td>
</tr>
<tr>
<td></td>
<td></td>
<td>fed</td>
<td>state</td>
<td>local</td>
</tr>
<tr>
<td>Hotel taxes</td>
<td>27,771</td>
<td>10%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes on Excursions</td>
<td>3,073</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes Restaurants &amp; bars</td>
<td>3,688</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes Handicrafts sales</td>
<td>861</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other sales taxes</td>
<td>1,844</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Taxes on Spending</td>
<td>3,724</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes on Direct Income</td>
<td>13,849</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Direct Taxes</td>
<td>3,724</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NOTES:**
- Tax receipts are computed on direct sales and income using the tax rates.
- Tax rates are applied to direct spending and income estimated in previous pages.
- Income tax rates reflect an average tax accounting for normal deductions.
- Spending profiles are assumed to include applicable taxes.
- Taxes are removed in computing sales, income, and employment effects.
SUMMARY OF RESULTS

Year of spending data: 2007
Multipliers: Red Sea Ecoresort
Visitor Nights: 135,233
Average spending: €307 Per Ecoresort Guest
Total Visitor Spending (€000's): €41,516
Capture rate: 93%
Effective spending multiplier: 1.42

Table 1. Spending and Visits by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Ecoresort (euros)</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average spending ($ per day)</td>
<td>€307.00</td>
<td>€0.00</td>
<td>€0.00</td>
<td>€0.00</td>
<td>€0.00</td>
<td>€307.00</td>
</tr>
<tr>
<td>Visitor nights (000's)</td>
<td>135,233</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>135,233</td>
</tr>
<tr>
<td>Total spending ($millions)</td>
<td>€41,516</td>
<td>€0</td>
<td>€0</td>
<td>€0</td>
<td>€0</td>
<td>€41,516</td>
</tr>
</tbody>
</table>

Table 2. Economic Impacts of Visitor Spending

<table>
<thead>
<tr>
<th>Sector/Spending category</th>
<th>Sales €000's</th>
<th>Jobs</th>
<th>Income €000's</th>
<th>Value Added €000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lodging</td>
<td>31,103</td>
<td>602</td>
<td>12,316</td>
<td>19,175</td>
</tr>
<tr>
<td>Guided tours &amp; entertainment</td>
<td>3,381</td>
<td>55</td>
<td>598</td>
<td>2,084</td>
</tr>
<tr>
<td>Restaurants &amp; bars</td>
<td>1,545</td>
<td>39</td>
<td>677</td>
<td>845</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>1,634</td>
<td>41</td>
<td>804</td>
<td>261</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>157</td>
<td>3</td>
<td>66</td>
<td>28</td>
</tr>
<tr>
<td>Local Production of Goods</td>
<td>643</td>
<td>14</td>
<td>258</td>
<td>188</td>
</tr>
<tr>
<td>Total Direct Effects</td>
<td>38,463</td>
<td>755</td>
<td>14,719</td>
<td>22,581</td>
</tr>
<tr>
<td>Secondary Effects</td>
<td>20,670</td>
<td>334</td>
<td>8,782</td>
<td>14,072</td>
</tr>
<tr>
<td>Total Effects</td>
<td>€59,133</td>
<td>1,089</td>
<td>€23,501</td>
<td>€36,654</td>
</tr>
<tr>
<td>Multiplier</td>
<td>1.54</td>
<td>1.44</td>
<td>1.60</td>
<td>1.62</td>
</tr>
</tbody>
</table>
Table 3. Tax Impacts of Direct Sales and Income (€000's)

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>3,724</td>
<td>-</td>
<td>3,724</td>
</tr>
<tr>
<td>State</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Local</td>
<td>555</td>
<td>-</td>
<td>555</td>
</tr>
<tr>
<td>Total</td>
<td>4,279</td>
<td>-</td>
<td>4,279</td>
</tr>
</tbody>
</table>

Table 4. Marginal Impacts

<table>
<thead>
<tr>
<th>Change per $1,000 of visitor spending</th>
<th>Spending €1,000</th>
<th>Direct sales €926</th>
<th>Direct personal income €355</th>
<th>Direct value added €544</th>
<th>Direct jobs 0.018</th>
<th>Total sales €1,424</th>
<th>Total personal income €566</th>
<th>Total value added €883</th>
<th>Total jobs 0.026</th>
</tr>
</thead>
</table>

Calculation of Local Jobs Created

421 Total local hotel jobs (.05 percent of total lodging jobs - D22)
908 Total local jobs (local lodging jobs plus (j25) plus other direct and indirect jobs created)
LIFE Red Sea Project

ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT

Part 5: Manual for Ecolodge Planning, Design, and Operation

MARCH 2008

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International.
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Disclaimer

The Author’s views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.
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</tr>
</thead>
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</tr>
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<td>PREFACE</td>
<td>v</td>
</tr>
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<td>DESIGNING AND OPERATING THE MODERN ECOLODGE</td>
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<td>PREPARATION OF THE MANUAL</td>
<td>v</td>
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<tr>
<td>ECOLODGE MANUAL DESIGN TEAM</td>
<td>v</td>
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ACRONYMS

CEPA  Communications, Education, and Public Awareness
DMP  Destination Management Plan
EAP  Environmental Awards Program
EEAA  Egyptian Environmental Affairs Agency
EEPP  Egyptian Environmental Policy Project
EGP  Egyptian Pound
EMS  Environmental Management Systems
EPDU  Ecotourism Planning and Development Unit of TDA
GIS  Geographical Information Systems
GOE  Government of Egypt
HEPCA  Hurghada Environmental Protection and Conservation Association
IVC  International Visitor Center
LIFE  Livelihoods and Income from the Environment
LRS  LIFE Red Sea (Project)
M&E  Monitoring and Evaluation
MRF  Material Recovery Facility
NCS  Natural Conservation Sector (of the EEAA)
RS  Red Sea
RSG  Red Sea Governorate
RSP  Red Sea Protectorate
SME  Small and Medium Enterprises
SOW  Scope of Work
SRS  Southern Red Sea (Region) from Marsa Alam to Sudan border
START  Scholarship for Tourism Administration and Rural Training
STTA  Short-term Technical Assistance
SW(M)  Solid Waste (Management)
TDA  Tourism Development Authority
USAID  United States Agency for International Development
USD  U.S. Dollar
WGNP  Wadi el-Gemal National Park (Wadi el-Gemal-Hamata Protected Area)
PREFACE

This Ecolodge Planning, Design, Construction, and Operations Manual was specifically designed for Egypt’s Tourism Development Authority (TDA). It was prepared within the Sustainable Economic Growth Initiative of the United States Agency for International Development’s (USAID) Livelihoods and Income from the Environment (LIFE) Red Sea Project (LRS), which is being carried out to continue support for sustainable tourism development in the Red Sea Governorate (RSG).

The manual builds on the previous 5-year Egyptian Environmental Policy Program (EEPP). It is designed to meet the needs of local communities and expectations of tourists, while still protecting the environment and enhancing future economic opportunities. The ecolodge, as a source of environmentally responsible accommodation and an attraction for the desirable ecotourism market, responds to the objectives of the LRS Project.

The purpose of the manual is to identify the criteria that would contribute to a quality ecolodge development and operations on TDA lands in Egypt.

DESIGNING AND OPERATING THE MODERN ECOLODGE

The criteria for ecolodge development and operations have evolved significantly within the last few years. This has been driven by market-demand and growing consumer interest in responsible travel—especially the growing concern to reduce use of fossil fuels to generate electricity and the resulting impact on global warming. New demands are being placed on facilities that wish to be considered environmentally-friendly.

Water conservation is also a major concern for both consumers and suppliers in desert environments. Consequently, all ecolodges must demonstrate a serious effort to reduce consumption and reuse or recycle water.

PREPARATION OF THE MANUAL

An international tourism consultant reviewed:

- All former reports that discussed the development of ecolodges and in particular the report ‘Ecotourism Development Guidelines’
- Other environmental management documents that had been prepared under the program.
- More than a dozen well-known international ecolodges and a selection of 10 to be included in the manual.

The most important function of the manual will be to serve as a checklist that enables TDA to:

- Assess ecolodge proposals from investors by using predetermined evaluation criteria and a value-rated appraisal system
- Work with the ecolodge developer to construct and operate a quality and credible ecolodge.

ECOLODGE MANUAL DESIGN TEAM

The individuals involved in the preparation of this manual were Mr. Assem El-Gazzer, a project coordinator from the LRS Project, implemented by Chemonics International (the USAID
contractor) and Mr. James MacGreagor, ecoplan:net ltd. founder and president, a specialist in ecolodge planning and operations.
SECTION 1: AN INTRODUCTION TO THE ECOLODGE CONCEPT

THE ECOLODGE AND ECOTOURISM

Ecotourism is environmentally responsible travel to areas that typically have a special natural environment. Ecotourism must also:

- Conserve and enhance the environment
- Educate and informs the visitor
- Support conservation and community-based activities
- Sustain the social, cultural and financial well-being of local residents, small businesses and communities.

Ecotourism ensures that the natural and cultural heritage is maintained and improved, historic and archaeological resources are protected, and the local economy benefits directly (salaries, jobs, and training) from ecotourism revenues.

The ‘Ecolodge’ is an important component in the overall ecotourism experience and must reflect all of the above conditions within its day-to-day operations.

The ecolodge was defined by ecoplansltd. (Canada’s first ecotourism and sustainable tourism consulting firm) as, “tourism accommodation that responds to the highest standard of sustainable architecture and site planning, including:

- Implementing current energy and water conservation technologies
- Using local design and construction methods
- Practicing responsible waste management measures.

The ecolodge should guarantee:

- Abolition of hazardous materials
- Assessment of life-cycle environmental impacts of all building materials and all operations-related purchases
- Qualified guest interpretation programs
- Significant contributions to local economic development through fair wage practices and use of local suppliers.\(^1\)

Egypt is well positioned to offer these ecotourism conditions to the environmentally responsible national and international tourist. It is already a popular 4-season nature tourism destination, particularly to the Red Sea and desert environments. However, the abundance of national parks and natural areas, beautiful coastlines, deserts and mountains, can be enjoyed by many ecotourism segments including:

- Hiking and backpacking
- Bird watching

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\(^1\)Tortugero National Park (Costa Rica) Ecolodge Business Plan, Ecoplannet Limited for RBA Architects, British Columbia, Canada, 1996
• Photo safaris
• Sea kayaking
• Visits to tribal villages
• Camel trekking
• Wildlife viewing and interpretation
• Flora and fauna research
• 'Voluntourism.'

Ecotourism is available for all market segments. Ecotourism and ecologically conscientious accommodation is no longer the penchant of a niche market. Consequently, this Ecolodge Manual has been design to reflect the concept that an environmentally friendly facility can appeal to all travelers.

To some extent, most tourists have now become ‘ecotravelers.’ For example, a recent survey by Tourism Concern in the UK found that 96 percent of travelers would rather stay in an environmentally responsible resort than a 5-star property.

Ecological travel has now become more than just “green travel,” it is also mindful travel; personally fulfilling, challenging, and enlightening. Eco-travel encompasses a wide range of activities from a cultural visit to a heritage site, to visiting a local Bedouin camp, to exploring a national park. It can be the quiet pleasure of sampling unique foods beneath a desert tent, learning how to make Bedouin coffee, or taking a wilderness adventure like sea kayaking, hiking or bird-watching.

Consequently the ecolodge operator must strive to broaden his clients’ horizons and allow them to explore beyond what is familiar. Tour packages associated with the ecolodge must take travelers off the conventional or mainstream circuits and encourage a genuine exchange with the natural environment, local communities, and culture, and provide them with a deeper appreciation for the diversity of Egypt.

As ecotourism-related activities gain in popularity, one of the biggest challenges will be balancing the obvious benefits with the potentially negative consequences. Like other forms of tourism, ecotourism and an ecolodge can create social and environmental problems.

The degree of impact ultimately depends on the quality of eco-business management, level of employee training and awareness, and behavior of the tourists themselves.

No matter where tourists go or how they travel in Egypt, they will have an effect on the environment and the people they encounter. However, traveling conscientiously and staying in responsible accommodation can reduce the negative impacts, and in most cases, can help conserve the environment and preserve local and tribal cultures.

The Ecolodge Manual
This ecolodge planning, design and operational manual is one of the first of its kind and the first to be published in Arabic. It has been prepared specifically to assist Egypt’s TDA:
• Assess ecolodge proposals that are submitted by the private sector
• Work with investors to achieve higher standards of environmental and socially responsible accommodation
• Establish basic criteria for all environmentally responsible lodging in Egypt.
While many criteria reflect international standards, they also reflect the unique Egyptian context in terms of its desert and coastal environment, market demand for the Egyptian product and the current state of ecolodge development in the country.

The document also recognizes both the current trend towards the construction of more sustainable tourism facilities as well as the Egyptian government’s interest in promoting and supporting accommodation development that protects and conserves the environment. It builds on current reports prepared for USAID such as ‘Proposed Ecotourism Standards for the Southern Red Sea Region,’ prepared by the Egyptian Environmental Policy Program, by its USAID-funded Policy Support Unit, implemented by International Resources Group, Cairo, 2004. In that respect, the standards and criteria identified in the manual could be applied to any lodging facility including coastal hotels and resorts. While it is understood that the ecotourist is a desirable market for Egypt, it must be appreciated that there is a much larger group of travel consumers that are inherently interested in staying in a property that adheres to the highest standards of environmental protection.

Recent European consumer research studies indicate that more than half of this segment is prepared to spend up to 10–15 percent more to stay in environmentally responsible or ‘green’ facilities.

The manual describes in detail specific Environmental Impact Assessment (EIA), site development, engineering, architectural, and management criteria. It is also important to remember that these criteria are presented within the perceptive of the triple bottom line that accentuates the social, economic, and environmental sustainability of the lodging business.

It is hoped that the user of this manual finds the necessary information to substantially improve upon current design, construction, and operational practices, and commits to support ‘eco-accommodation’ facilities that have a smaller footprint and minimize the serious environmental challenges that face our planet.

In order to achieve the purpose that has been outlined above it is necessary to have the structure and content that provides TDA and investors with a clear understanding of the requirements of developing and operating an ecolodge. Consequently the manual is presented within three parts:

Section I: An Introduction to the Ecolodge Concept
Section II: Ecolodge Planning, Construction, and Operations
Section III: Assessing the ecolodge proposal (the checklist)

Collectively, the three components provide the necessary information and insights to assist TDA and private sector investors to realize the goal of building and operating quality ecolodges in Egypt.

**How to Use the Manual**

The layout of the manual reflects the way it is intended to be used by both TDA and an investor. While not specifically designed for the latter, it is reasonable that a proponent may want to study this document in order to make a successful presentation to TDA. It is in the best interest of the investor to follow the guidelines as closely as possible to achieve the maximum number of points.

The manual has been structured to perform 3 tasks. Section I introduces the reader to the basic concepts of ecolodge development, including increased travel consumer (market) interest in environmentally responsible vacations.
Section II includes a comprehensive description of each of the criteria associated with the planning, construction, and operations of an ecolodge. This section has been design to provide TDA, in particular, with an appreciation of the rationale associated with each criterion. The investor who is not familiar with environmentally responsible architecture would also use it to improve his/her understanding of ecolodge design and operations. Almost 200 criteria have been provided and described in detail. The components of an ecolodge business plan, EIA, life-cycle analysis, and site analysis are included as annexes.

Section III has the checklist and rating system that can be used to assess the quality of each ecolodge application. By applying the proposed rating system, the TDA will be able to assess the degree to which the investor’s project reflects the true intent of an ecolodge.

The Ecolodge Development Concept

The ecolodge is a product of the international ecotourism movement. This phenomenon dates back to the early 1990s, but it was not until the latter part of that decade that the ecolodge became a significant component within the overall ecotourism product offering. As of 2007 it can be assumed that the ecolodge can be found in most major tourism destinations with a higher concentration in Central and South America, Australia, Asia, and the Caribbean. More recently there has been increased construction in the USA/Canada and select areas in Africa and Eastern Europe.

North Africa and the Middle East have been slower to integrate the ecolodge and environmentally responsible accommodation into the tourism product mix. This has been in part because of the softer demand for ecotourism from the European marketplace as well as the lack of the resource base that made ecotourism popular in the first place. For instance, the initial ecotourists—particularly as they evolved in North America—were attracted to tropical rainforests: forest and wildlife viewing available in these biologically rich environments (e.g. Costa Rica National Parks, the Amazon, Belize, and the Galapagos Islands). Even destinations with remarkable wildlife such as the Southern Africa nations have not really capitalized on the ecotourism/wildlife observation market in the way that Central America has.

Demand for responsible products has recently changed, particularly in Western Europe where the concerns about global warming have moved environmental issues to the forefront of the political and economic agenda. A comprehensive 2007 Tripadvisor survey (www.tripadvisor.com/) indicated that 38 percent of travelers surveyed have stayed at an environmentally-friendly hotel, 66 percent believe environmentally-friendly measures in travel are making a difference, and 9 percent specifically seek out environmentally-friendly hotels. Concern for climate change has made energy conservation the number one requirement for an environmentally responsible property, but that is followed closely by water conservation and waste management.

Another study of Canadian travel consumers indicated that more than 70 percent were prepared to pay for carbon offsets and 29 percent were cutting back on air travel in an attempt to reduce greenhouse emissions, again demonstrating a new and dramatic concern for environmentally responsible travel.

Lonely Planet's 2007 'Travelers' Pulse Survey, which polled more than 24,500 people worldwide, showed 84 percent of respondents said they would consider offsetting their emissions in the future and almost one-third (31 percent) had done so in the past. One of the strongest changes for the future was in volunteering. A huge 79 percent of respondents said they would or might volunteer in their future vacations, and 25 percent have already done so in the past. Seventy percent of travelers said they had purposefully travelled in a low-impact way in the past, and
more than 90 percent said they would or might do so in the future. Travellers also have good intentions when it comes to protecting the environment. Although 36 percent had never purposefully considered the environment in their past travels, 93 percent said they would or might purposefully partake in environmentally friendly travel in the future.

Finally this year’s VISA International Consumer Attitude Survey of 5,000 travel consumers in 10 markets found that 88 percent would choose an environmentally operated hotel and tour operator if it were available.

The results of current surveys as well as various consumer trends associated with concern for the environment, particularly in Egypt’s main tourism markets, suggest a broader definition for an ecododge may be in order. With as much as one in three travellers prepared to pay a premium for an environmentally responsible accommodation, ecolodging seems to have progressed beyond the sole interest of the ecotourist. This is not unusual and those working in the ecotourism movement have long talked about the greening of mass tourism and that eventually, in the words of the late Leslie Jarvie, a pioneer in the ecotourism business, “all tourism must become ecotourism!”.

The degree to which Egypt’s tourists are aware of environmental concerns has not been identified. However, many surveys indicate that support for socially and environmentally responsible products in Egypt’s Western European markets—particularly, Germany, the UK, Italy, France, and the Netherlands—is amongst the highest in the world. Furthermore, statements and actions from many of the largest European tour wholesalers and operators (Thomas Cook, TUI, First Choice) indicates they are making a sincere effort to offer a truly ‘green’ product for their increasingly demanding clients.

These source European countries provide as much as 80 percent of the travelers to the Southern Red Sea region. While they may not initially be interested in the classic ecododge, they more than likely have a keen interest in spending their money in a property that clearly demonstrates a concern for the environment. All accommodation, but in particular ‘ecododging’ must endeavor to respond to this travel consumer demand.

This manual will build on the experience and research that has been developed by the ecolodge sector and will integrate the exceptional amount of work that has been done by such leading resort chains such as Accor, Fairmont, and Movenpick. This new accommodation type for Egypt could attract a wider scope of investors and position the country as a new sustainable tourism destination.

**Ecolodge Development Principles**

It is increasingly obvious that the resort sector has been making a sincere effort to emulate many of the environmental procedures that have long been integrated into the standard ecododge. They include but are not limited to:

- Use of local building and landscape materials
- Hiring local labor during construction and operations processes
- Applying innovative water and energy management and conservation solutions (many lodges have been very creative in identifying and adapting new technologies)
- Preparation of informative environmental education programs and materials.

There are two principles that are an integral part of the ecolodge development process that have not been integrated in the new ‘green’ resorts and hotels. They are:

1. Maintaining a scale that reflects the small- to medium-size business
2. Actively including local residents in the development of the facility.

Scale of Development
For the purpose of the manual a property will be considered an ecolodge if it is larger than the typical 20–30 unit property. With a proper layout that reflects the ecotourist’s desire for both contact with nature and privacy, an ecolodge in the Red Sea environment could have as many as 50–60 units, particularly if the layout were divided into separate clusters of, say, 15–20 units. In an era of more personal and customized travel, these smaller groupings of accommodation units are increasingly in demand particularly for wellness retreats, spas, and facilities that offer a more personalized, specialty natural and cultural experiences.

Public Participation in the Planning Process
Most tourism facilities in the Red Sea region have not included participation from the local population in the planning and development processes. Under most contemporary planning programs, this is less than acceptable. Those interested in building a designated ecolodge in Egypt must ensure a reasonable level of local community participation in the development of the facility. The purpose is to respect the intrinsic rights of those affected by the development and guarantee that the ecolodge will have a positive impact on the local economy.

Best Practices in Ecolodge Development
There are hundreds of legitimate ecolodges worldwide and all of them practice some level of environmentally responsible design, operation, and community involvement. Ten such procedures have been identified as ‘Best Practices’ in this manual. They have been selected from a comprehensive review of dozens of properties. Each one was chosen because it has a specific character or orientation that should be of interest to the reader and enable the TDA to appreciate a perspective on the variety of solutions that have been used to protect the environment.

For example, the 3 Rivers Eco Lodge & Sustainable Living Centre in Dominica offers several local educational programs based on tourism revenues; the Maho Bay Camps and Resort on St. John, in the US Virgin Islands have an innovative recycling program; The Ecolodge at Siwa, Siwa, Egypt, exemplifies the use of local construction materials; and Lapa Rios Rainforest Ecolodge in Costa Rica protects a large area of rainforest adjacent to Corcovado National Park.

However, they all meet the basic requirements of an ecolodge, including:

- Use of local construction materials
- Employment of local residents to operate and (in some cases) manage the facility
- Integration of water and energy conservation technologies
- Participation and involvement with local communities in all aspects of visitor services
- A portion of profits returned to community and conservation projects
- Wastewater treatment and recycling
- Various waste management schemes, including composting and recycling
- Fresh food, purchased locally and typically organic.

Unfortunately, only two of those properties mentioned above are from a desert environment; however, all ecolodges emulate basic environmentally-responsible practices that can be infused in any ecolodge in any environment.
For a description of the ‘Best Practices,’ see Annex I.
SECTION 2: DESIGN AND DEVELOPMENT GUIDELINES

PART I: PHYSICAL AREAS AND STANDARDS

Area: Dimensions and Surface

Total Number of Units
The number of units for an ecolodge varies with the size of the site, the reputation of the destination (as an ecotourism region), and the financial capacity of the investor. Smaller business entrepreneurs or non-governmental organizations (NGOs) have typically provided the financing for ecolodges. Consequently, the average number of rooms that are currently found in this industry is not necessarily a good indication of an acceptable size.

The International Finance Corporation (IFC) has suggested the maximum size of an ecolodge should be 70 units. This manual accepts that size, but there are several factors that should determine the size of the ecolodge:
- Overall size of the site (larger sites can support more units at a lower density)
- Density of vegetation (vegetation offers privacy and a sense of separation between units)
- Landforms and topography (larger facilities—more than 50 units—can be divided into small clusters).

Built Area
The ecolodge development, including accommodation units, food and beverage services, and utilities should be contained within 10 percent of total surface. The remaining recreation, access, and maintenance facilities will be strategically located throughout the rest of the site. This remaining 80 percent will also be used for landscaping with an emphasis on screening the individual units and other facilities.

Accommodation Density
Density will respect the same standards as for a 4–5 star resort at 4–6 rooms/feddan (4,200 m²).

Building Types and Height
BUILDING TYPE
The ecolodge can consist of:
- An all-inclusive lodge structure with more than 2 rooms and typically 8–12 rooms
- One unit/one floor bungalow or cabin (semi detached or independent)
- One unit/two floor bungalow or cabin (semi detached or independent)
- A mix of any of the above.

BUILDING HEIGHT
The maximum height is two floors. Some investors may prefer a 2-story option because it has a smaller footprint, provides an interesting spatial arrangement, and can offer guests better views, particularly towards the sea or other vistas.
The two floor limit may be exceeded for certain facilities such as roof patios or observation decks.

**Setback from Shoreline (Coastal Site)**

The legal setback for fixed buildings is 200m.

This is substantially more than necessary for an ecolodge, where 75 m would be more appropriate unless there is a specific environmental feature to be protected. Light structures such as decks and outdoor eating areas can be 25m from the high tide mark.

Permission for adjustments to the setbacks should be taken to the Shoreline Protection Authority.

**Setback from Road (Coastal Site)**

The current TDA guidelines suggest that 50m are required as a setback from the road. This may be inadequate for an ecolodge if there is noise and visual contact with vehicles. This market expects the ‘perception’ of a remote and isolated site. As guidelines, the setback should be a minimum of 200m when there is no screening. With generous use of screening (vegetation) and constructed landforms or berms, 100m is minimum.

**Setback from Road (Inland Desert Site)**

Desert locations within TDA’s 5 km corridor are different and provide an opportunity to offer an adequate setback to provide the sense of isolation and a desert wilderness environment. The final location should also consider ease of pedestrian access to the coastline and marine resources. The minimum setback would be 1 km with no screening.

**Room Size**

The size of the ecolodge room depends on several factors, including demand, market positioning of the ecolodge, and the proposed mix of room dimensions. The trend over the past decade has been to offer larger accommodation units while still protecting on-site resources and minimizing impacts. The larger room may be desirable in the Red Sea Region because of the supply of resort facilities, many with deluxe size rooms at economy rates. Four options should be considered: standard and deluxe rooms, suites, and eco-tents. These room sizes do not include a kitchenette, which would add another third to the size or dimensions of the unit.

All ecolodge units require a balcony or veranda (porch).

**STANDARD ECOLODGE**

Medium-priced ecolodge room sizes are 27–28 m².

The proposed area for a standard room is 26–30 m².

**DELUXE ECOLODGE**

The ecolodge market is continually moving up-scale with increasing room sizes. Rooms average 36–37 m². The proposed area for the deluxe room is 37–39 m².

**ECOLODGE SUITE**

The ecolodge suite has two sleeping areas (bedrooms) and shares a common area with a larger salon and balcony. They are frequently used by families or two couples traveling together (about 20 percent of the ecotourism market). The proposed area for the ecolodge suite is 36–40 m².
ECO-TENT UNIT

The eco-tent is increasingly popular because it provides the guest with more direct contact with the environment and it reduces capital costs without necessarily reducing the rental rate. Many safari-style eco-tents, with quality furnishings can be rented at rates that are much higher than even 4 or 5 star resort accommodation. The proposed area for the eco-tent is 25–38 m².

Room Components and Areas

The mix of components within the ecolodge unit should be of importance to TDA. If certain guidelines are not respected the room may not meet the basic needs of the guests. The following mix of spatial arrangements is proposed:

- Entry and Storage: 15–20 percent
- Living Area: 30–40 percent
- Sleeping Area: 20–40 percent
- Bathroom/Dressing Area: 15–20 percent
- Total furniture: 33 percent
- Add another 30 percent for kitchenette (optional).

Guest Circulation, Administration, and Services Areas

The ecolodge has many of the basic circulation, administration and services areas of the standard resort. There are a few exceptions as an ecolodge typically has a reading room and/or resource centre and a multipurpose room for viewing videos, presentations (by experts) and local entertainment.

Ecolodges are increasingly popular with the fast growing health and wellness market. This suggests that health facilities may be added.

Facilities to be considered are:

- Office, hallways, lobby, storage
- Retail space
- Restaurant and lounge
- Resource centre, reading room,
- Health center
  - Exercise room
  - Skin treatment and massage room
  - Sauna.

Approximately 45 to 60 m² per room should be considered for all these service facilities. For instance a 55-unit ecolodge should consider an additional space of between 2,800–3,000 m² for these services.

Food and Beverage Area

Approximately 1.1–1.7 m² are required for each guest.

The final size of the restaurant will depend on the number of restaurants and if there are more than 1 sittings. A 60-unit ecolodge, which could have more than 140 people at full occupancy, may have 2 sittings to accommodate 60–70 persons each. Because of the mild Egyptian climate, 50–60 percent of the seating area may be on a covered outside deck. This is appropriate in the
coastal sites because they allow better proximity to the shoreline for better viewing and cooler temperatures.

**Recreation Facilities**

The mix of recreation facilities will depend on the preferences of the investor. Those that would be acceptable include tennis court, games area, and a saltwater swimming pool. The latter would have the most significant impact on the environment (pump and filtering); however, with the use of salt water, evaporation control, and solar generated motors this can be minimized. A saltwater swimming pool requires a surface area of 2–3 m² per swimmer. A hot tub should be adequate for 8–10 persons.

**Parking**

Parking lots can have a significant impact on the development of the site, particularly for the larger 50–60 unit facilities. While most travelers will arrive at the site by minibus there is a growing independent ‘fly-drive’ market where the guest rents a car at the airport and experiences the destination with their own transportation.

The final size of the parking areas will be determined by the investor and will be based on the mix of car and bus. Each lot should be adequately screened with vegetation and landforms and covered parking stalls (for sun protection).

The proposed size of the stalls are:

- Automobile: Width: 2.5m × 5.5m
- Motor coach: 3.5m × 12m
- 4×4 vehicles: 3.5m × 6.0m
- Small truck or camper: 3.5m × 6.5m.

**Entrance Road**

The entrance road provides an important part of the arrival experience at the ecolodge. The road alignment should be curvilinear and conform to the shape of the topography. Other considerations include:

- Providing views to special attractions of the site
- Views are controlled by vegetation and landforms
- Travel surface treatment: compacted local gravel
- Maximum grade: 6 percent
- Surface area to be kept to a minimum, i.e. 7m wide.

**Walking and Interpretive Trails**

The ecolodge site is characterized by a network of trails that enable the guest to experience the natural and cultural resources of the area.

These trails should include:

- Interpretive signs identifying local plants
- Seating area with sun protection
- Natural walking surface using crushed local gravel or flat stones
- Average width: 1.2–1.5m.
Company Environmental Record (History) and Policies

Previous Tourism Accommodation and Hospitality Experience

Lack of experience in the accommodation sector is one of the major reasons for bankruptcies in the tourism business. All too frequently investors who have made their money in other industrial sectors are attracted to the opportunity to expand their investments into the hospitality sector. Their lack of knowledge can affect all aspects of the development of a lodging facility, from the hiring of an equally inexperienced architect to inadequate marketing and employing untrained staff.

Typically a sophisticated investor would have at least 10 years of accommodation experience before deciding to build an ecolodge.

However, a local NGO, with international backing may consider the economic opportunities worth purchasing the land despite a lack of previous involvement in the hospitality sector.

The rating system might consider:

<table>
<thead>
<tr>
<th>Experience</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>No experience</td>
<td>0</td>
</tr>
<tr>
<td>Experience in real estate in the region</td>
<td>2</td>
</tr>
<tr>
<td>Experience in the associated hospitality sectors (e.g. a tour or travel agency)</td>
<td>5</td>
</tr>
<tr>
<td>Experience in the accommodation sector</td>
<td>7</td>
</tr>
</tbody>
</table>

Ecolodge/Eco-enterprise Development and Management Experience

The reasons for an investor or an operator becoming interested in the development of an ecolodge may include:

- An awareness of the growing tourist and consumer market interest in environmentally friendly products,
- A serious interest in nature and environmental protection
- Creating local economic development opportunities (particularly NGOs)

It is therefore possible that the proponent may have previous experience in the eco enterprise sector and has an understanding of the activities (construction, operations, purchasing) involved in an ecolodge development. The degree of participation will determine the rating. For instance:

<table>
<thead>
<tr>
<th>Experience</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous use of conservation technologies</td>
<td>2</td>
</tr>
<tr>
<td>Operated a certified (e.g. ISO 14000) company</td>
<td>5</td>
</tr>
<tr>
<td>Owned and operated a fully integrated environmental responsible company</td>
<td>7</td>
</tr>
</tbody>
</table>

Corporate Environmental and Sustainable Development Policy and Performance Standards

This category would give additional support (points) to an investor or NGO that currently operates within a comprehensive corporate environmental policy. As well to receive the full
The company must publish the policy, conduct audits, monitor results and have a reporting system in place. Points would be accorded as follows:

| Published environmental policy | 2 points |
| Also conducts regular audits and makes appropriate changes | 5 points |
| Also has a published reporting system | 7 points |

Knowledge of Egyptian Environmental Laws and Regulations

The ecolodge operator is not only familiar with national and local environmental laws but is aware of the importance of supporting the regulations. There must be an understanding of both land-based and marine regulations.

Desert/Coastal Construction and Operations Experience

Construction and operations of environmentally responsible accommodation in the relatively severe conditions of Egypt requires an understanding of the unique conditions including exceptionally hot weather, a fragile desert and marine environment, operating in a sand/rock setting, and scarcity of water.

| No experience | 0 point |
| Experience in either construction or operations | 2 points |
| Experience in both construction and operations | 5 points |
| Exceptional understanding of the desert and marine environment | 7 points |

Participation in Regional and/or National Environmental, Social, and/or Tourism Organizations

The ecolodge owner and operator should be actively involved in community, environmental and tourism affairs at the national and local level. The ability of the proponent to demonstrate previous commitments and involvement with these associations and organizations will determine the number of points.

Membership in an International Ecotourism/Ecolodge Association

Memberships in organizations associated with ecotourism and ecolodges is an indication of the proponent’s interest in the sector as well as their immediate access to information and statistics. The length of time of the membership should be taken into consideration.

Local Stakeholder Involvement and Benefits

Community Relations Initiatives Plan

The proponent must demonstrate awareness of the importance of both informing the local communities of the proposed ecolodge development as well as including them in the design and operations of the facility.

This commitment is best demonstrated by the preparation of a ‘Community Relations Plan’ that indicates what has been done to date and the initiatives to be taken to establish a relationship between the enterprise and the local stakeholders.
The plan may include but not be limited to:

- Knowledge of the local community and formal/informal economy
- Proposed long term communication and community involvement techniques
- Proposed impacts on local residents, including job creation, creation of small- and medium-sized enterprises (SMEs) and loss of privacy
- Opportunities for local involvement in the operations of the ecolodge including a cost sharing or co-management arrangement
- Opportunities for local purchases including, produce, meats and fish, and handcrafts.

**Stakeholder Contact and Local Awareness of the Ecolodge Project**

Before the ecolodge gets to this evaluation stage, the proponent should be able to demonstrate previous contact with the local community. The extent of the communication will depend on the location.

As a guideline the developer should consider:

- Meeting with the leadership of all communities within 20 km.
- Meeting with all tribal groups within 40 km of the ecolodge and particularly those living in a protectorate
- Identification of local labor and skill sets
- Identification of and discussions with local contractors and suppliers of construction materials, food and beverage, and guide services.

**Local Ownership, Equity Participation, or Co-management**

A fundamental component to ecotourism and sustainable tourism development is the distribution of economic benefits from the tourism project to the local communities and residents.

**Equity Participation**

One of the more successful ways to assure distribution of benefits as well as offering the locals more participation in the overall project is to allocate an equity position in the business. This can be in the form of a joint venture with the local private sector (SMEs, corporations, private investor, or lending [credit] institution).

Equity can be secured by several means including:

- Use of community based finances from say a community development association (CDA)
- Support contribution from an international NGO (development, environment, training) or a donor associated with the project and/or the economic development and environmental protection of the region
- Several select local business people (private equity) with close ties with community development initiatives

**Co-management**

Local residents can benefit from participation in the ecolodge by being allocated a position on the board of directors and a role with the overall management of the facility. This approach can introduce locals to management principles as well as further ensure the protection of the natural resources. With some level of co-management must come financial remuneration to the community through job creation and support for select community initiatives.
Local Ownership

While there are many examples of community owned and operated ecolodges, particularly in Latin and Central America, this has not yet happened in Egypt. This is most likely because the notion of community based development projects is not strong (nor promoted by environmental NGO’s as it is in Latin America) nor is the tourism seen as viable economic options by the local business community. Furthermore most communities do not have the financial resources to embark on these types of projects.

Nevertheless it would seem to be increasingly possible for local entrepreneurs, who perhaps have made profits in other sectors such as fishing and mining, to consider the co-development of an ecolodge in their region.

Sponsorship of Local Environmental Activity

The ecolodge is a catalyst for changing environmental attitudes at the local and regional level. One of the easier and most effective ways to ensure the ecolodges contribution is to sponsor or at least participate with local schools in environment related programs through financial and employee contribution. Ecolodge employees can make a significant contribution because of the environmental knowledge they receive at the ecolodge and if they also come from the community that is an additional asset for change.

The list of potential projects is as limitless as the level of contribution of the ecolodge. There are several themes that re typically associated with the ecolodge. They include but are not limited to:

- Environmental conservation
- Water conservation and recycling
- International programs (e.g. Earth Day)
- Literacy and education programs
- Waste management and composting,

It is also a plus for the identity (branding) of the ecolodge if the clients can be an ongoing part of the program with, say, contributions made throughout the year.

Local Purchase of Supplies

A good business relationship with local producers and suppliers is an indispensable component to the operations of a quality ecolodge. Not only do contracts and agreement support local economic development but also it can ensure that the ecolodge has a good and constant supply of fresh (and frequently organic) produce, fruits, vegetables, meats and fish.

The proponent must identify the types of arrangements that are being considered in the following sectors:

- Fruit and vegetables
- Fish and meats
- Handicrafts
- Guides and interpreters
- Musicians and performing artists.

If these services are not available the proponent should demonstrate their importance by offering the necessary support (financing, training, technical assistance) to ensure that they are eventually obtainable.
**Promotion of Local Arts and Crafts**

The ecolodge can be a regional centre for the expression and promotion of local and traditional crafts and performing artists. Both are very appealing to most travelers and especially the ecotourist. It is in the best interest of the ecolodge and the local artists to have an ongoing program of craft production and sales, traditional music, storytelling and other forms of entertainment within the ecolodge.

The proponent will be expected to demonstrate the types of programs that will be offered. They may include music, dance, storytelling, etc.

**Commitment to the Community**

**Cultural and Sports Activities**

The relationship between the ecolodge and local communities must be direct and continuous. That is best accomplished by instituting or supporting several regular events or initiatives between the ecolodge administration and community leaders and organizations.

The proponent must demonstrate an understanding of the opportunities that are available to collaborate with the communities. Typical ventures include:

- Sponsoring a sports team (uniforms, equipment, tournaments, etc.)
- Supporting a group of local musicians
- Leading a community clean-up and recycling program.

**Community Infrastructure Problems and Emergencies**

An ecolodge has many specialists on staff that may be of assistance to local communities, especially in emergencies. For instance, many properties have as much or more infrastructure than a small tribal village. The operations engineer of a 60 unit facility has experience in such areas as waste management, vehicle repair, water conservation technologies, pumps and machinery, etc. These staff can provide the technical assistance to communities in the overall operations of their facilities.

Other specialists that may be of assistance to a local community include:

- **Chef** that can provide community classes on nutrition
- **Lifeguard** who can offer swimming classes to school children
- **Marketing director** who can assist the community with the promotion of crafts and other goods.
- **Accountant** who can assist with the management of community finances.

The participation of these and other ecolodge professionals and technicians at the community level may also encourage guests to assist in community-based programs.

**Community Liaison Officer**

The best way to establish a firm relationship with the local communities is to have one staff person responsible for the ongoing relationship and communications. This would not necessarily be a full-time position but may include one of the staff that is responsible for visitor services.

The proponent must demonstrate how much time this individual would dedicate to community affairs.
Business Plan, Market Analysis, and Financial Viability

Business Plan

It is unlikely that the ecolodge business would succeed without a professional, and well-researched business plan.

Consequently the Ecolodge Business Plan (EBP) is a key component in the evaluation of the proposed ecolodge viability. If the investor cannot clearly demonstrate the financial capability of the facility, including:

- An understanding of the specialty markets attracted to the ecolodge
- The focus on sustainable landscape planning and architecture
- The commitment to energy and water conservation and waste reduction
- The costs associated with the management and operations of an environmentally responsible facility then it is unlikely that the facility will be successful and the project should be rejected.

Business Plan Purpose

A business plan is a framework and blueprint for the development, marketing and management of the ecolodge and describes the goals, tactics, strategies and management activities to achieve success in the business. It should:

- Provide a clear description of the project including current conditions
- Provide a road map that outlines the requirements to establish a sustainable business over a 3 to 5 year timeframe
- Provides owners, investors and TDA with the necessary accurate information to determine the amount of capital that is required, the debt to equity ratio and the return on investment
- Function as internal blueprint for owners, operators and managers, particularly in the first few years of operation.

If it used to attract investment or secure land from TDA it must be comprehensive, realistic and well presented. For the purpose of this manual it is assumed that the proponent has the investment (see financing plan).

TDA will only review the project from a business sustainability perspective including source of financing as outlined in the plan.

Preparing a Business Plan

The Ecolodge Business Plan (EBP) is a critical feature in making a decision about the merits of the project. Therefore it is important to review the credentials of the author(s). It may be prepared by the owner, investor or an independent consulting firm (including several specialists). In all cases they should demonstrate experience in the following:

- A knowledge of all components of tourism business planning, from market demand to break-even analysis
- Market research and an in-depth understanding of the specialty tourism market segment that could be attracted to the region
An appreciation of the cost implications (and savings) of integrating environmental technologies and management into the capital and operational costs.

Many bankruptcies in the tourism industry have been a result of an ill prepared unprofessional business plan that had

- Unrealistic (or improbable) sales forecasts,
- Incorrect fixed costs estimates
- Inadequate construction and operations cost estimates due to more remote location and
- Inaccurate revenue projections based on poor research.

There are a few conditions that are specific to an ecolodge, which can affect the risk associated with the business. They include but are not limited to the following:

- Loss of environmental integrity including changes in the environmental quality of adjacent national protectorates (e.g. loss of land and marine species, landscape destruction, or poorly planned facilities)
- Inadequate waste management resulting in litter and marine debris throughout the region
- Loss of traditional cultural values because of tribal people leaving the region (urban migration)
- The additional costs associated with interpretive programs, guide services, and contributions to conservation.

**Ecolodge Business Plan Structure**

The degree of detail associated with the EBP is largely dependant upon the proponents desire to demonstrate their knowledge of the ecolodge and accommodation sector. In all case they should provide the TDA with more than enough information to make the assessment of the viability of the business.

The following chart identifies the major components of the EBP. It can be distributed to potential investors to ensure that they meet the TDA requirements.
ECOLODGE BUSINESS PLAN SUMMARY

1. Executive Summary
   - Significant facts that describe the project and identify its viability

2. Description of the Company
   - Experience in the accommodation business
   - Knowledge of the ecotourism sector as well as other markets to be attracted to the property
   - Understanding of environmental responsibility and the triple bottom line

3. Description of the Project
   - Location and site description
   - Project mission, goals and objectives
   - Scope and Scale of the development

4. Market Research and Analysis
   - Description of the ecotourism, nature-based and heritage markets
   - Trends in the various targeted market segments
   - Current demand (international and Egypt) for the individual market segments
   - Trends in the ecotourism and environmental tourism business, especially in Western Europe
   - Competition Analysis including competitive advantage (pricing, location, etc) and obstacles

5. Market Study
   - A description of each individual target,
   - An estimate of the market size and visitor projections
   - Overview of marketing initiatives to be used to attract the individual market segments

6. Operations Plan
   - Operation procedures with an emphasis on the environmentally responsible practices

7. Ecolodge Management Structure
   - Individual management and staff positions and descriptions
   - Management experiences, particularly in eco-businesses

8. Financial Projections
   - Projected financial data (for existing businesses)
   - Performa (projected) cash flow analysis, income statement and balance sheet

9. Marketing Strategy
   - Details of the marketing initiatives by market segment
   - Marketing budget including on-going research initiatives

10. Monitoring and Evaluation
    - Methods to be used to appraise the financial success, meet visitor projections of the business and the ability to meet environmental targets.

Appendices
   - Additional information to support the assumption
The individual components and details of the business plan are:

1. **Executive Summary**
   - A clear and concise summary of the components of the business model
   - Paragraph on the experience of the company, owner and commitment to success
   - Prepared for investors and stakeholders such as TDA
   - Explains how the facility will respond to market demand and react to the competition
   - Specific competitive advantages such as proximity to national park, coastal resources (e.g. coral reefs), heritage facilities and tribal people
   - Opportunities to use the lodge as a vehicle conservation of Egypt’s resources

2. **Description of the Company (Investors, Owner)**
   - An brief description of the companies history and experience in the accommodation sector (particularly in Egypt) and knowledge of eco-business practices and operations,
   - Specific knowledge of the ecotourism sector as well as other markets to be attracted to the property,
   - Role of professional planners, (sustainable) architects and engineers to be hired for the development of the project

3. **Project Ecolodge Business Description**
   - The property location, legal description and an adequate depiction of the site and the adjacent area (a site location map is appropriate)
   - A general narrative outlining the proposed ecolodge business model, including mission and goals
   - Business objectives, rational for success and a description of products, services and contributions.
   - An intelligent explanation of sustainable tourism and the
   - Ecolodge business and how it will be positioned in the region (NOTE, if the proponent cannot give a good description they may not know the business)
   - Overview of the natural and cultural resources of the site and the adjacent region (unique landscape and species, tribal customs, etc.)
   - Financing (and support funding if applicable) sources and trustworthiness
   - Anticipated business growth, profit and financial success
   - Indication of contact with local stakeholders including, if appropriate, tribal people.

4. **Ecolodge Market Analysis**
   - An in depth description of the scope of the sustainable, ecotourism and nature/heritage-based tourism sector. A particular emphasis must be placed on those markets that could be attracted to the facility. In the Red Sea region, for instance, these segments may include; bird watching, hiking, diving, tribal tourism, nature photography, heritage travel
   - A detailed trend analysis: Identify those demographic, geographic (origin) and psychographic (motivational) trends that are shaping travel, particularly in Western Europe
   - Statistical data should be drawn from both secondary research (by country of origin) as well as a survey of travel trade (international and domestic) to determine their interest in the proposed project. Questionnaires used in the survey should be available in the appendix
A market profile should be established for each market segment including age category,
expenditure patterns, educational level, and activity preferences.

**Competition Analysis**

- There are several properties in Egypt that claim to be an ecolodge. Some merit to use
  the name (e.g. Siwa) but others do not. The business plan should clearly identify those
  that are clearly the competition
- Surveys of the foreign tour wholesalers should include a question on potential
  competitors in other destination; in countries with similar resources, i.e. coastline,
desert, tribal/nomadic cultures, and national parks
- An analysis of the competition should include but not be limited to the following:
  - Pricing, amenities, available tour products
  - Environmental practices and technologies
  - Accessibility, resources and attractions
  - Local competition analysis should consider the potential of existing hotels to ‘go green’
    and offer a similar eco-friendly product. There is potential for this if the site is close to
    a national park.
- A description of its competitive advantage and actions that will enable the business to
  maintain that position (e.g. services, marketing, access to unique resources, etc.)
- Provide an indication of how the business will compete against other facilities, in
  Egypt, that claim to be an ecolodge but offer few of the benefits and are typically
  inexpensive

**5. Marketing Study and Visitor Projections**

- Provide an overview of the market research techniques that where used including
  season, selected countries and qualifications of the research team
- Identification of the preferred market segments that would be attracted to the site and
  the adjacent region and obstacles that might prevent success
- Describe, in detail, each potential individual targeted market on a segment-by-segment
  basis including their potential to be attracted to the region as well as the success of the
  competition in attracting similar markets
- Similar characteristics should be identified from different countries in order to define
  the types of product offerings
- The profile of the proposed ecolodge visitor should include:
  - Preference for package trips over independent travel
  - Preference for customized trips over fixed itinerary
  - Preferred amenities and experiences
  - Interest in organic foods, meeting locals, and educational programs
- Market projections, on a segment-by-segment and month-by-month basis are required
  for the first 5 years of the operation, including seasonal variation are required
- The more information that can be provided to TDA the better will be their assessment
  of the owners understanding of the market conditions both now and in the future
- Identification of marketing partnerships and arrangements, including third-party
  internet sites, regional tourism organizations and other regional hotels

**6. Operational Plan**

- Description and details about the day-to-day running of the business including:
- Numbers of employees, functions, green team and environmental coordinator, naturalist and guides
- Description of functional areas of the business (accounting and administration, reservations, housekeeping, kitchen, dining and common areas, and guest rooms)
- Description of conservation and resource protection initiatives
- Available services including food and beverage services, accessible features (trails), guest activities, tour itineraries, available on-site equipment (kayaks and bicycles)
- Participation of the local communities in the ongoing operations (labor, contract services, and village visits)
- Legal issues, regulations, and insurance.

7. Management Structure and Organization
Management and the skills of the managers are critical to the success of the business. Therefore the proponent should:
- Present the names, credentials and experience of all the management staff.
- Identify the responsibilities of each position, particularly the director or ecolodge manager
- Identify training programs to improve the qualifications of the management and local staff
- Indicate access to additional individuals and consultants that can offer input into assuring the successful operations

8. Financial Plan and Projections
- Demonstrate the financial viability of the ecolodge business. This section must be prepared by a person with experience in financial analysis (i.e. accountant, management consultant)
- Demonstrate when the project will be profitable (what year) and the ROI (return on investment)
- Identify the cash requirements to launch and sustain the business to make it successful
- Standard and accepted accounting practices including performance income statements, balance sheet, financial projections (assets and liabilities), financial analysis (cash flow) including capital spending and cash flow from operations, sensitivity analysis, and financial ratios
- Cash flows to be estimated monthly (including seasonal variation).

9. Monitoring and Evaluation
- Identify techniques for on-going assessment of financial performance and appraisal of environmental objectives in terms of energy and waste reduction, and water conservation
- Contribution to biodiversity conservation, community well-being, employee education, and visitor awareness

Appendices
- Additional information to support the assumptions in the EBP
- Market research questionnaires and results
- Minutes of meetings with local stakeholders
- Location maps and references
- Architectural and engineering sketches
PART III: PHYSICAL DESIGN AND EQUIPMENT

Site Selection, EIA, and Site Design

The site selection process, EIA, and overall site design are critical to demonstrating the proponents understanding of the local environment and the environmental issues associated with the development of the site.

This stage of the planning process must be comprehensive and clearly demonstrate that all measures have been taken to ensure the minimal environmental degradation to the site and surrounding area. Furthermore the EIA must identify the social and economic impacts on the local communities as well as any mitigation measures that will be used.

Comprehensive Site Selection Process

It can be assumed in many cases that several sites have been considered before the proponent settles on a specific location. In order to select the best possible site the proponent will have followed a site selection process leading to the final selection.

A typical site selection matrix is shown in Table 1:

<table>
<thead>
<tr>
<th>Select Criteria</th>
<th>Site 1</th>
<th>Site 2</th>
<th>Site 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Suitability</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Adjacent community</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Proximity to highway (access)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Access to shoreline</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Attractive views</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. On site natural resources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. On-site cultural resources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Multi-community potential</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Access to Deep Range</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Multi-activity potential</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Compatibility: adjacent land</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Remoteness + seclusion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Distance from airport</td>
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**Site Inventory and Analysis**

A comprehensive site inventory of all features and assets must be conducted and mapped as part of the proponent’s submission. The site inventory must include all land, and if appropriate coastal zone and adjacent marine resources.

The variety of elements to be included in the regional and site inventory depends on the mix of resources. For the most part they can be grouped into the following categories:

1. Geography + topography
2. Geology
3. Hydrology
4. Soils
5. Wetlands/salt marshes
6. Vegetation
7. Wildlife/habitat
8. Land use
9. Climate + Microclimate
10. Air
11. Heritage, cultural and archaeology
12. Infrastructure
13. Noise,
14. Views and viewscapes
15. Special environmental features

See Annex II for Site Analysis Details.

**Environmental Impact Assessment**

By law, all lodging development requires an EIA. This is also a critical part of the ecolodge planning process. The proponent must demonstrate that responsible professionals performed an adequate EIA. The structure of the EIA varies for different projects; however, the final EIA report must include more or less the following headings:

1. Introduction to the project
2. Description of an EIA for an ecolodge
3. The ecolodge Environmental Impact Assessment Process
4. Policy, Legal and Administrative Framework
5. Description of the Area and Site Environment
6. Description of the Proposed Project
7. Significant Environmental Impacts
8. Socio-economic Analysis of Projects Impacts
9. Analysis of Alternatives
10. Mitigation Action or Measures
11. Environmental Management and Training
12. Monitoring Program or Plan
13. Public and Community Involvement
14. EIA Review Process
15. List of References

A more detailed description of the EIA as it applies to ecolodge development in Egypt can be found in Annex III.

**Site Access and Accessibility**

A description will be provided by the proponent that assess the relative ease of access to the site by land and if appropriate by water. Emphasis is placed on protecting the environment through a minimal degree of road construction.

Preferable locations are relatively close to existing highways and have an existing road base to the property.

**Screening and Visual Integration with Landforms**

Many of the potential ecolodge sites, particularly those adjacent to the Red Sea have little vegetation. Therefore it relatively easy to use landforms (berms) to:

- Screen negative features such as roads and traffic from the ecolodge site
- Create a separation between the ecolodge and adjacent facilities
- Screen the ecolodge from the views onto the site
- Partially obscuring such features such as the parking lot, utility building and maintenance facilities

The use of landforms can integrate the ecolodge into the wider landscape with its hills and mounds. These berms can also be used to:

- Direct wind movement to increase natural ventilation
- Control wind and offer protection in exposed areas and blowing sand
- Create a sense of privacy in different parts of the ecolodge
• Cluster vegetation around select landforms
Landforms must be smooth and curvilinear and appear to be a completely natural shape. Fill should come from the site (from excavations) but additional fill may come from adjacent construction site. It must not be contaminated.

**Facility Location, Layout, and Orientation**
The overall layout of the ecolodge and associated development must reflect the dual purpose of creating an ambient and attractive environment for the visitor as well as protecting the natural features of the site.

To achieve this standard the proponent must demonstrate that some of the following conditions have been created:

- **Visitor experience and ambience**
  - Views within the site and to the surrounding landscape have been maximized
  - Adequate shade is provided by the use of vegetation and facility orientation
  - Local winds are funneled for natural ventilation
  - Individual accommodation units have adequate privacy
  - Movement around the site and connecting of the various facilities is efficient

- **Environmental Protection**
  - All special features on the site are protected
  - Only essential facilities are constructed adjacent to the beach and other focal points on the site
  - The overall footprint of the constructed buildings are kept to a minimum

**Natural/Cultural/Archaeological Resource Protection Measures**
Significant ecological or cultural features can be a major asset and provide a sense of place and identity to the ecolodge. Assuming that the proposed site has several unique features, they must be protected both during construction and during the operational phase.

The guest will typically be interested in unique features so an interpretive program will be appropriate.

**Landscape and Biodiversity Enhancement, and Interpretive Trails**
If the site has already been partially disturbed, the development of the ecolodge provides an excellent opportunity to restore the area to its former quality. Even if the site has not been disturbed it may be possible to expand the level of biodiversity to both enhance the ecological quality as well as improve the overall ambience of the site.

**Native and Drought-resistant Vegetation**
The use of local materials is both aesthetic as well as practical. There are a number of attractive trees and shrubs, particularly in the desert locations, that reflect the character of the local environment, are very hardy and require a minimum maintenance. The use of plants that require a minimal amount of water (xeriscape) can reflect the facilities intent to use as little water as possible.

The proponent should also demonstrate how compost could be used to enhance the water retention capacity of the soil.
Native Trees for Shade and Heat Control

Summer temperatures can be significant and cause the accommodation units to become hot, despite all natural ventilation efforts to reduce the temperatures. The heat gain on all components of the ecolodge can be greatly reduced by providing shade from larger trees. Given proper growing conciliations, the acacia with its leafy structure can provide a natural source of shaded to all buildings and terraces.

Minimal Site Disturbance

The typical coastal and desert site is flat and treeless.

- All changes to the site in order to accommodate the building are immediately visible
- Tracks from construction vehicles can leave scars that last for many years.
- A minimal use of heavy equipment will be incorporated into the construction process
- When possible manual labor will be employed to ensure a sensitive treatment of the landscape

The construction of berms is an exception to these conditions.

Non obtrusive Outdoor Lighting

The use of landscape lighting will be kept to a minimum and reflect the following standards:

- Path lights (solar): .05m high
- Parking lot: 4m high

Lights will be directed directly onto the desired surface and oriented away from the sea in coastal locations.

Recreation Facilities

There are recreation equipment companies that offer low impact facilities. This may include:

- Chloride free salt water pool
- Natural surface games area
- Low energy hot tubs

Site Ambience

Careful site planning offers an excellent opportunity to transfer local environmental values to the visitor at a direct and subtle level. This can be demonstrated through the following:

- Use of interpretive signs to explain the natural interpretive values of the site and vegetation
- Duplication of local plant community association
- Private areas for relaxation, meditation, and contemplation
- Attractive views that promote the aesthetics of the region and the coastal and desert zones

Comprehensive Design Specification

The quality of the final site development can readily be determined by the professionalism of the final site plan. The proponent must demonstrate:

- An understanding of the natural site values to be protected
- The use and maintenance of local indigenous plant material
• An appreciation of site planning and design and creating an appropriate visitor experience.

**Sustainable Architectural Planning and Engineering**

The responsive design and construction of the ecolodge is at the core of offering the client an environmentally responsible travel experience. Existing ecolodges worldwide have been able to demonstrate a remarkable level of sensitivity to both the local (site) environment and surrounding area. Consequently there is a body of knowledge that is readily available to the proponent and this should be demonstrated in the proposal.

The following will define the facility as responsible.

**Quality Professional Services Experience**

The level of professional services of the consulting firm is a reliable indication of the quality of the proposed plan and development. Most of the required services are available in Egypt. These services should include:

- **Architects**
  - Previous experience with the design of environmentally responsible tourist accommodation
  - Knowledge of sustainable architectural practices and materials
- **Landscape Architects**
  - Previous experience in desert landscaping (materials, construction techniques, drip irrigation, etc.)
- **Engineers**
  - Understanding of current environmental technologies (solar and wind power, water recycling, and waste management).

**Material Life-cycle Analysis**

A life cycle design (LCD) or “cradle-to-grave” approach recognizes environmental impacts of the entire life cycle of all architectural resources, from extraction to manufacturing to procurement and eventually the return to nature.

The proponent’s sustainable architect and engineer must clearly demonstrate that an analysis was conducted on the environmental impact of ALL materials in the construction of the ecolodge.

A comprehensive list of the principles associated with ecolodge planning and development life cycle analysis has been prepared for the in Annex IV.

**Alternative Technology Options**

The architect and engineer must clearly demonstrate that they have conducted adequate research and have specified the most appropriate environmentally responsible technologies. This can take place at all levels of the facility and include but not be limited to:

- Energy conservation (wind, sun, thermal; cooling roof materials)
- Water conservation (flow restrictors, metering, water reuse, and recycling)
- Fuel (biogas)
- Waste recycling
Architectural Layout of Facilities
The ecolodge is first and foremost an accommodation facility for visitors to Egypt. It must therefore reflect the basic requirements of an efficient and attractive lodging facility including:

• Orientation to the most attractive views (sleeping units, restaurant and common areas)
• Easy access between the sleeping units and the services
• Private outdoor space (patio, veranda)
• Attractive and charming rooms
• Spacious and appealing eating area

Scale of Development
Ecotourism and increasing all types of specialty tourism are characterized by their relatively small group sizes. While this manual accepts that the ecolodge can exceed 50 units, which is larger than a typical ecolodge, good planning and a proper scale of development can ensure that the client experiences the expected level of privacy and exclusivity that is associated with these types of facilities.

Interior Ambience
Many aspects of the facility and the associated activities define the visitor experience; however the proponent must demonstrate that the interior spaces have been designed to use a minimal amount of resources while still offering a comfortable environment. These require the following considerations:

• Natural lighting through proper placement of windows
• Natural ventilation and shading
• Attractive views
• Visual contact with the surroundings and natural resources

Architectural Motif
The architect must demonstrate a clear effort to reflect the local architecture of the region. This may include all expressions from those of the traditional people (e.g. Ababda in the SRS) to a more regional Egyptian style.

The motif will be demonstrated in the facilities materials, colours, scale and textures.

Use of Color
Muted earth tones that blend with the local environment and reflect light are the best colours for the Egyptian environment.

The use of the local materials (sand, wood, clay) provides an opportunity to maintain a palette of natural colors.

Double glazed Glass and Overhangs
The Ecolodge would not typically have air-conditioning. Solar powered fans are acceptable. Therefore all efforts must be made to reduce heat gain and maintain a relatively cool interior sleeping unit including having all operable double glazed windows, overhangs and shutters.

Efficient Design and Layout
The design of the facility must demonstrate energy efficiency even as it concerns the efficient movements of guest and staff as they walk around the site. This includes:
• Direct relationship between the sleeping units and the common areas
• Efficient connection between the components of the food service area

**Guidelines of Leadership in Energy and Environmental Design**

The Leadership in Energy and Environmental Design (LEED) program has been established by the US Green Building Council and provides an overall description of the requirements of an environmentally responsible building.

Information is available to the proponent at [www.usgbc.org/LEED](http://www.usgbc.org/LEED)

**Comprehensive Architectural Drawings, Specifications, and Supervision**

The quality and comprehensiveness of architectural and engineering drawings will demonstrate the commitment too a responsible construction.

**Building Materials**

**Use of Local, Natural Building Materials**

There are many attractive building materials that are readily available in Egypt. They include but are not limited to the following:

- Stone and sand
- Old coral, particularly from excavation sites
- Reeds, cotton, and hemp

Not only are these materials attractive but also they eliminate the necessity of such energy intensive materials as concrete and metals.

**Local Vegetation for Landscaping**

There will be no imported, ornamental plant materials including grasses shrubs and flowers. Instead the site will be landscaped with only local materials from approximately 100km from the site. The plant list will depend upon the exact location.

There are nurseries in Egypt that can provide the appropriate materials.

**Recycled Building Materials**

Recycled building materials and furniture can be brought from outside the local area.

The identification and selection of these recycled materials will require an effort in Egypt however it is possible to find both recycled wood and glass.

**Wood**

Wood is a desirable material for an ecolodge and will be a favorite of most architects. It is attractive, natural and is available in Egypt. Wood could be imported from outside but only if it is from a certified sustainable forestry operation.

**Furniture, Fixtures, and Decorations**

It is entirely reasonable to expect that all furnishings and fixtures can be made locally. It should not be necessary to import furniture to the site from Cairo. Local furniture may include:

- Tables and chairs
- Cloth storage and bed frames
- Kitchen cabinets
• Bookshelves and night tables

**Volatile Organic Compounds**
The use of local furniture will not only support local labor but also assure that there is no use of furniture containing Volatile Organic Compounds (VOCs) or other toxic chemicals.

**Long-life, Low Maintenance Materials**
The presentation of the materials list by the proponent must demonstrate that selected materials can be used over several years with replacements kept to a minimum.

**Construction Techniques and Procedures**

**Contractor Experience**
The proponent must demonstrate that the selected contractor can respect the specific environmental conditions of working in sensitive sites. This includes:
- Understanding how to protect local vegetation and ecosystems
- Use of low impact and manual construction techniques
- Participation of local labor.

**Site Resources Protection Measures**
The proponent must demonstrate how the sites resources will be protected. This will include:
- Fencing areas or zones of special importance
- Restricting the construction footprint around the building site
- Maintaining only one vehicle access corridor within and around the site
- Removing all excavation materials to a designated location (to be approved by TDA) or to an appropriate on-site location for the construction of berms
- Completely enclosing all vegetation areas with adequate barriers
- Use of manual labor instead of equipment.

**Simple, Local Building Techniques**
In the more remote locations of Egypt the labor is only semi-skilled. Therefore in order to use local labor the architect and engineer should favor relatively simple building techniques. This could include
- The use of local materials and traditional construction techniques that are known and familiar to the area contractors and laborers
- The adaptation of traditional tools to meet the requirements of a modern building

**Low-impact Construction Techniques**
When possible it is preferable to use manual (including animal e.g. mule, camel) labor over standard equipment. The former requires relatively little energy while the latter burns hydrocarbons, causes air pollution, and compacts the soils. Manual labor can be used to:
- Dig and prepare trenches
- Move light material around the site (mule and cart)
- Prepare and construct all trails
- Plant vegetation and construct landforms
**Low-energy Tools and Low-impact Construction Equipment**

The choice of tools and equipment for the construction of an ecolodge is important. There are currently several options and construction techniques that can be identified by the proponent including:

- Power tools powered by solar batteries
- Reduced size excavation equipment (backhoe, lawn tractor)
- Energy Star rated tools and equipment and battery chargers

**Site Supervision and Resource Protection**

All equipment and safeguards used to protect the environment can be useless if there is inadequate site supervision. The proponent must demonstrate that there will be continual site supervision over the duration of the construction period. Furthermore, the site supervisors must be introduced to the reason for protecting the site resources.

Failure to protect the resources could result in penalties to be paid by the proponent or contractor.

**Energy Conservation**

**Energy Conservation Measures and the Monitoring Plan**

A professional Energy Conservation Measures (EMC) and Monitoring Plan must accompany all ecolodge proposals.

This plan will include but not be limited to:

- Renewable energy or co-generation schemes, including wind, thermal, fuel cell, etc.
- Energy Management Systems
- Energy efficient refrigeration
- Real time metering and sub-metering for establishing load profiles throughout the lodge
- High efficiency appliances
- Solar Energy Systems
- High efficiency thermal water heaters and instantaneous/tank less water heaters
- Waste Heat/Energy Recovery Systems (air, steam, etc.)
- Ground Source Heat Pumps
- Efficient Piping design (steam, water and glycol piping)
- Efficient florescent lighting

**Solar and Photovoltaic Panels**

Solar energy must be considered an essential component to any ecolodge in Egypt.
Solar panels will be used to both heat water as well as generate electricity for select appliances such as fans, lights, and kitchen equipment. The EMC will clearly define the type and use of this solar equipment. Depending on the size of the facility, a small solar plant, using a parabolic dish may be considered.

Additionally solar equipment such as cookers and ovens, trail lighting, etc should be considered.

**Thermal Hot Water Heaters**

Thermal or solar water heaters are the most efficient and natural way of heating water. Each sleeping unit and bathroom must have its individual heater. There are many brands on the market.

It is also possible for the contractor to build a system on-site using local labor and recycled materials (bottles, hoses, etc.). This approach may be an interesting model for locals to consider and contribute to the overall decrease of energy consumption.

**Wind turbines and Other Hybrid Power Sources**

Coastal areas in Egypt provided an excellent source of wind energy. At least some part of the EMC should consider a small wind turbine, if only for research and/or a demonstration of wind power in a smaller lodging facility.

For instance the smaller 3Kw to 5Kw systems could generate most of the electrical requirements of the kitchen.

**Low-energy Consumption Appliances**

The use of high efficiency appliances is necessary to reduce the energy load on the renewable energy systems. These appliances must be used throughout the lodge including sleeping units, kitchen, maintenance and housekeeping. The US Energy Star rating system, or equivalent can be used to assess the efficiency of each unit.

There are 3 levels of appliances in an ecolodge:

1. **Level 1**: Large energy consumers: cooking stoves, and clothes dryers
2. **Level 2**: Washing machines, dishwashers, fridges and freezers, computers and televisions.
3. **Level 3**: Appliances that are used regularly but are low energy consumers (radios, clocks) and appliances that use a lot of energy but that may be used occasionally (vacuum cleaners, irons, kitchen equipment).

Each of these levels is a source of demand on the energy system and must be selected and used to reflect the greatest efficiency.

**Low-consumption Fixtures and Occupancy Sensors**

Occupancy sensors and compact florescent lighting (CFL) are common in most hotels and resorts in Egypt and are considered essential for an ecolodge.

**Solar Energy and Laundry**

Drying laundry can be one of the largest sources of energy demand in a resort. However with constant sunshine in Egypt, the
proponent should consider drying racks or cloth lines. While the latter may be considered unsightly it may have the opposite effect on the client who would prefer to have the towels and bedding dried outside, as it was when they were young.

**Sub-metering Facilities**

The purpose of sub metering is to:

- **Provide** details about the amount and timing of energy use in the ecolodge in order to adjust accordingly and manage the energy use.
- Identify and implement operational strategies to control load factor, peak load requirements and reduce energy waste.
- Understand and improve consumption patterns.
- Measure and verify anticipated energy savings from energy efficiency modifications.
- Highlight anomalies in electric consumption. For example, a large nighttime increase may indicate that equipment is running unnecessarily.

The proponent must indicate the sub metering equipment and software to be used.

**Insulating Hot Water Pipes**

All pipes associated with the distribution of water are to be insulated to prevent energy loss.

**Electrical Systems Preventative Maintenance Program**

The preventative maintenance program should outline the following activities:

- Determine the Personal Protective Equipment (PPE) requirements for electrical troubleshooting.
- Safely and correctly verifying that a circuit is de-energized
- Performing basic circuit checks for shorts, opens and ground faults using a multimeter
- Performing continuity and resistance checks on relay coils and contacts, overloads, fuses, circuit breakers, switches and other control circuit components
- Troubleshooting basic electrical control circuits to develop a logical, systematic approach to troubleshooting
- Performing clamp-on ammeter readings on 3-phase circuits and interpret readings
- Testing single-phase power distribution systems for correct wiring
- Regularly reading the ecolodge electrical drawings and electrical floor plans
- Identifying additional components of a successful electrical preventive maintenance program.

**Energy Use Awareness Program**

For the most part the visitors to an ecolodge are environmentally responsible and eager to contribute to the energy conservation initiatives. Therefore an awareness program will both provide an education on opportunities for energy conservation as well as maintain energy use at a minimum.

The program may include but not be limited to the following:

- Description of renewable energy sources used in the ecolodge
- Available energy consumption for each client
- Individual methods to conserve energy while at the ecolodge
Results of sub-metering (e.g. by accommodation cluster) on a weekly basis
Energy conservation day

Hybrid Vehicles and Fuel-efficient Boat Motors
There are more opportunities than ever to purchase vehicles and boats that have:
- Hybrid motors; minivan and trucks
- Electrical motors; small 16 seat passenger boats

Fuel Cell Backup Generator
Although most if not all energy at the ecolodge should be from renewable sources, it will still be necessary to have an energy efficient back-up generator. The latest fuel cell equipment is extremely efficient and will serve the needs of most medium size (40-50 units) properties.

Water Conservation and Recycling
Water Usage and Conservation Plan
The proponent must demonstrate that there will be a water conservation plan in place on the opening of the facility.

The plan should include but not be limited to:
- Specify water conservation planning goals and targets
- Description of a Water System Profile
- Reuse and recycling plan
- Preparation of a Demand Forecast by department (kitchen, accommodation, maintenance)
- Description of all Water Conservation Measures
- Analysis of benefits and costs to proponent
- Implementation ‘Water Strategy and Monitoring Plan’

Efficient Desalination Plant
Desalination by either evaporation (EV) or reverse osmosis (RO) is very energy intensive. However, certain methods have been developed for reducing energy usage as well as for powering installations where it is not feasible or is impractical to connect to the electricity grid.

- RO desalination plants consume less energy than EV plants. Hybrid plants utilize both EV and RO units.
- Wind energy: Since the ecolodge desalination unit will be situated along the coast, there is often enough wind for powering a RO unit with wind turbines. The Canary Institute of Technology has developed RO desalination plants that are mechanically powered by wind energy.
- Photovoltaic (PV) systems are more expensive than wind turbines. Nevertheless, it can be a good solution for Egypt, particularly in remote desert areas where there is no electricity grid and little wind and it may be the only viable option. A rather large PV surface of approximately 250 m² is needed to supply 125 visitors and staff with 150 liters of fresh water per day.
Grey Water Treatment and Recycling

It is important to match the grey water distribution system to the ecolodge output. There are several possible combinations of benefits and drawbacks to the various systems. A common system is the ‘branched drain’ to mulch basins, planting areas or mini-leach fields. It is inexpensive, reliable and requires continuous downhill slope from the points of grey water generation to the points of irrigation need. It is critical that hard-plumbed lines have proper slope (at least 1/4" per foot).

Drip Irrigation

Drip irrigation is the slow application of water directly to the plant’s root zone using "dippers", which are also referred to as "emitters". Maintaining an optimum moisture level in the soil at all times results in less water lost to the sun and wind. Select advantages for the ecolodge are:

No water is wasted on rocky, non-growth areas
- The root zone is maintained at its ideal moisture level, combining the proper balance of water and air for a very efficient irrigation system
- Low volume irrigation offers some key advantages and benefits to both ecolodge maintenance staff and owners.
- Drip irrigation is the precise and slow delivery water to plants’ roots
- Drip irrigation flow rates are in liters per hour not per minute, because of the low flow from each emitter
- Drip emitters are usually rated at 4-8 liters per hour

Drip irrigation will target the vegetation around the ecolodge buildings and that used to create a vegetation screen for adjacent resorts.

Water Saving Devices

Housekeeping, Maintenance, and Operations

There are numerous water saving devices available to the lodge and resort sector including low flow restrictor valves and water saving nozzles. The architectural specifications must identify what type will be used in the ongoing operations.

Guest Rooms

There are numerous water saving devices available to the lodge and resort sector including low flow restrictor valves, low flow showerheads and water saving nozzles. The architectural specifications must identify what type will be used in the ongoing operations.

Regular Leakage Assessment Program and Reporting

As much as 30 percent of the water in some resorts is lost through leakage. This can be arrested through an ongoing assessment, reporting, and maintenance program.

Compost, Dual, or Low Flush Toilets and Waterless Urinals

It is important for the proponent to make a decision between compost toilets and low flow toilets. Compost toilets may be more efficient because of the cost of water; however, most operators are less familiar with their operations. Nevertheless, they provide...
essential organic materials to the sandy Egyptian soils. Low-flush toilets are designed to use six liters of water per flush, significantly less water than conventional toilets use.

**Recording Total Water Consumption**

Electronic water consumption devices should be installed in all departments and guestroom clusters.

**Waste Management and Recycling**

**Waste Management Plan**

The proponent must demonstrate that a Waste Management Plan will be in place during the construction and ongoing operation of the ecolodge.

By proactively managing these wastes, the ecolodge can reduce operating costs, preserve local nature attractions such as coral reefs and beaches, and reduce odors and pest infestation.

Resorts typically produce more solid waste than all of the local residents.

An effective waste management plan ensure the long-term sustainability of fragile coastal and desert ecosystems and preserve the natural beauty of beaches, coral reefs, deserts and wadis.

Waste management plan should demonstrate the following benefits:

- Reduced manpower requirements for waste handling and disposal
- Reduced haulage and landfill tipping revenue from the sale of recyclables
- Protection from insect and rodent infestations
- Reduction of fire hazards
- Improved community relations
- Compliance with government regulations and codes
- Reduced odors and improved aesthetics and sanitation
- Increased guest satisfaction.

**Reducing Packaging**

The proponent must demonstrate that the ecolodge will take particular measures to reduce all packaging including:

- ts to reduce what they bring to the ecolodge
- urchase of products with excessive packaging and avoiding Styrofoam
- utes, bottles, and containers to suppliers.

**Refillable Amenity Dispensers**

The use of soap and shampoo dispensers can are available in many large city hotels so they have become familiar to most, if not all clients to an ecolodge. Consequently they will not expect the various ‘amenity’ bottles for shampoo, body location, soap and creams.
Vegetation Composting and Disposal Program
All vegetation from the kitchen and yard waste is to be stored, composted and disposed of on site. The compost will be used on the plant materials adjacent to the ecolodge buildings, plants used for screening the ecolodge from adjacent buildings and other planning beds.

Separation and Recycling Program
The ecolodge will undertake its own separation and recycling program. Materials will be taken to the nearest recuperation centre, usually as backhaul, using suppliers trucks or the ecolodge vehicles.

The following items will be recycled:
- Metal
- Glass and hard plastics
- Paper
- Cooking oil
- Motor oil

Surplus and Used Items
As part of the ongoing cooperation between the local communities and the ecolodge the latter will donate the following materials:
- Excess Gray water, for community gardens
- Non returnable glass beverage bottles
- Office paper
- Containers from suppliers
- Soap bars from guest rooms
- Old linens and towels
- Damaged furniture

No Single Packaging
All sugar, cream, juice, condiments will be bought in bulk, stored in glass containers and distributed to the guests in bowls and jars.

Cleaners and Pesticides
All cleaners, polishes and pesticide will be biodegradable, non-corrosive, non toxic and phosphate-free. They will be prepared on-site by local staff using the following recipes:

Pesticide: Use a mild solution of soapy water.

All Purpose Cleaner: Mix 1/3 cup ammonia, 1/3 cup washing soda, 4 liters warm water.

Air Freshener: Plants, citrus peel, essential oil or fragrance.

Furniture Polish: Use one part white distilled vinegar and three parts olive oil. Add a little lime juice.

Glass Cleaner: Plain club soda or mix 3 tablespoons vinegar with 1 liter of water.
Guest Recycling and Room Waste Separation Program
Inform guests of recycling program and in-room waste separation

Guests will be encouraged to bring as little as possible to the eco-lodge. Once on site they will be informed of the separation and recycling policy. Colored boxes will be in each guest room to enable the separation of waste. The proponent must suggest the type of program that will be presented to the guests.

Separation and Storage of Solid Waste before Disposal
A select location, possible adjacent to the maintenance area and composting bins, will be set aside for the separation of all materials dedicated for recycling. This activity can be done by a member of the community who is contracted.

Laundry, Housekeeping, and Kitchen
These three departments are large consumers of water and energy a significant effort must be made to specify the most energy and water conservation efficient equipment and appliances.

Energy-efficient Appliances
All appliances should be rated efficient by the Energy Star program or equivalent. This rating system applies to all of the following appliances:

- Dishwashers
- Steam Cookers
- Refrigerators
- Exhaust Fans
- Washing Machines
- Vacuum Cleaners

Purchase dishwashers with a short cycle, and that will fit into the property’s water reuse and heat recovery systems.

Use proximity-style (back shelf) exhaust hoods with variable speed fans.

Use low-flow sprayers for pre-washing

Use ozone to disinfect hands, foods and food preparation surfaces

Install efficient washing machines

Most washing machines are rated for their water and energy consumption. Select those with the highest rating as with multiple washing cycles, ozone treatment.

Reuse Towels and Linens
Guest have become increasingly used to maintaining their towels and linens for several days rather than having them washed every day, The eco-lodge should reflect this trend and offer the option to every guest.

Develop Operational Manual
An Operations Manual based on Environment Management System (EMS) will must be prepared for each department (laundry, kitchen, guest rooms and house keeping, maintenance) and
provide a background on important environmental issues and advantages of instituting an EMS in the ecolodge.

An EMS Operational Manual includes:

- Organizational structure
- Planning activities
- Responsibilities
- Practices, procedures, and processes
- Resources for developing, implementing, achieving, reviewing and maintaining the environmental policy.

It provides a mechanism for the ecolodge to operate in an environmentally responsible manner, anticipate and meet growing environmental performance expectations, and ensure ongoing compliance with regulatory and legislative requirements.

It will provide each department with “dos and don’ts” instructions and ready-to-use operative instructions, which can be used at the management and staff level in every department of the ecolodge. It could include a checklist through which the individual departmental supervisors can monitor environmental performance and assess their improvements after a planned and phased implementation.

**Purchasing Practices**

**Pre-cycling’ Purchasing and Consumption Plan**

‘Pre-cycling’ and waste reduction means choosing products with a longer lifespan, discouraging the use of single-use disposable items, buying concentrates to cut down on wasteful packaging and choosing products designed for recycling.

The pre-cycling plan may include buying products in bulk or concentrate and transporting it to the ecolodge in reusable containers and returning a refillable bottle for reuse so the bottle is used again for its original purpose. The plan should also consider:

- Product reuse (without changing it's form)
- Purchasing with increased product life
- Reduced material and energy use in product design
- And manufacture
- Changing guest purchasing, consumption, and waste producing habits.

**Bulk Buying Measures**

There are ample opportunities and commodities for bulk buying in the lodging sector. There is also an opportunity to differentiate the ecolodge from standard resorts that typically offer amenities like soap, shampoo, conditioner, and lotion in individual packages. These and other items should be purchased in bulk and offered in dispensers.

**Recycled Materials Purchases**

Whenever possible purchase supplies made from recycled materials. A demand for these particular goods is critical to closing the recycling loop and keeping the cost of recycled goods competitive. Therefore the proponent must:

- Identify items that contain post-consumer recycled content.
- Purchase remanufactured toner and printer ribbon cartridges
• Use plates, glasses and flatware from recycled materials

Active ‘Buy Local’ Program and Practices
Where possible it is preferable to buy goods and services locally. This is especially appropriate for food products such as fruit and vegetables as well as fish and select (and inspected) meats. The proponent must indicate the types of contractual arrangements that may sign with local small businesses and individuals.

Prepare a Product Purchasing Policy
The proponent should provide a purchasing policy which may include initiatives that:
• Avoids the purchase of equipment or materials that are single-use and disposable when alternatives exist.
• Provides guidelines for purchasing that minimize the procuring single-use, disposable products in order to reduce waste and where it does not compromise the visitor experience.
• Reduces waste through the use of reusable products, the implementation of recycling and careful waste segregation.
• Request that suppliers specify whether there is a reusable alternative to the single-use product or whether there is a device that is able to be reprocessed that could be substituted.
• Establishing purchasing goals to increase the number of reusable products or products that can be reprocessed.
• Select those vendors who are willing to meet waste minimization goals and develop a preferred list of vendors based on those who are willing to help provide reusable product alternatives.
• Where alternatives are not feasible, continue to work with vendors to seek reusable, durable products for substitution.

Life-cycle Audit or Assessment for all Purchased Materials
A product or service has environmental impacts throughout its life cycle; both before and long after it is purchased and used. A product’s life cycle includes activities associated with raw material acquisition, product manufacturing, packaging and transportation, product use, and ultimate disposal.

Life cycle assessment (LCA) is a tool used by hotels and resorts to structure a comprehensive analysis of environmental impacts across a product’s entire life cycle, i.e. "from cradle to grave." Even without a commitment to a formal life cycle analysis program, the ecolodge can still apply life cycle thinking to its purchasing and operations decisions.

The Audit examines the most significant
• Inputs (i.e. energy, water, raw materials, equipment, supplies, finished goods)
• Outputs (i.e. products, product use, and non-product outputs); and
• Processes (focusing first on those with the largest inputs or outputs).

For each, the proponent must consider the direct impacts of the purchase decisions of the ecolodge and then move “upstream” and “downstream” to look at the impact of the actions of the companies (suppliers, vendors) with whom the ecolodge will do business.
The choices made by the ecolodge can improve profitability, reduce environmental impacts, and increase resilience for the organization and for the rest of the supply chain.

**Professional Services Audit**

Environmental analysis goes beyond the purchase of goods and can also extend to those companies that offer services to the ecolodge. These include:

- Accountants and financial services
- Architectural and engineering services
- Marketing services

To the extent possible these companies should have previously demonstrated environmental concern and action and preferably have a company environmental policy that guides them in their decisions.

**Supplier Awareness Program + Agreements**

The proponent will prepare Suppliers Compliance Manual, which will serve to:

- Enhance communication between the ecolodge and its suppliers
- Make environmental information more accessible to suppliers
- Provide suppliers information on new environmentally-friendly materials and processes
- Inform suppliers of recent specification changes
- Provide suppliers with pollution prevention options
- Provide suppliers with a means for obtaining support for resolving problems concerning the purchase of materials used by the ecolodge
- Provide links to sources of possible interest.

**Food and Beverage**

**Fresh Organic Foods and Beverages**

When possible food and beverages should be local, fresh and organic. The restaurant chef should work with individual farmers, producers and suppliers to ensure that the products are organic.

**Purchase Local Vegetables, Meat, Fish, and Poultry**

Many of the ecolodges in Egypt may be situated in relatively remote locations. It is therefore in the interest of the facility to purchase foods locally. However they may also need to assist the suppliers (farmers, fishers) to ensure that the products will be available when needed. The chef will work with local farmers and fishers to guarantee the guests have the highest quality organic products

**Food Waste**

All unused food waste can be picked up daily by villages to feed the goats and other animals.

**Air Quality**

**Smoking**

Smoking would only be permitted only outside the ecolodge.
VOCs from Synthetic Fixtures and Materials
There will be no furniture and fixtures that emit VOCs. These gasses have been proven to cause eye and respiratory tract irritation, headaches, dizziness, neuro-toxicity and are considered carcinogenic. They are typically found in carpets, adhesives, drapes, fabrics and wall coverings. The ecolodge will use only natural materials (e.g. cotton, hemp, reed, etc).

Formaldehyde-Free Environment
There will be no pressed wood products anywhere on the property including:

- Particle board
- Fiberboard
- Plywood.

Windows and Ventilation
All windows are operable and oriented for maximum ventilation. Operable windows will ensure that the air is always fresh and the guestroom is always ventilated.

Allergen-free Rooms
De-ionizers should be used if necessary to eliminate allergens, spores, mold, and bacteria

Live Plants
Because many ecolodge sites will be sandy or rocky, the rooms may be dusty. Natural indoor plants will be used to trap sand

Energy-efficient Vacuum Cleaners
Portable HEPA (High-Efficiency Particulate Air [filter]) vacuums will be used to filter and remove dust and sand from the guestrooms and common areas.

Hazardous Chemicals and Plastics

Avoid Plastics and Styrofoam
The ecolodge must demonstrate a firm policy against the use of any plastics and Styrofoam’s

Biodegradable Pesticides, Herbicides, and Fungicides
Pest Management has become increasingly difficult and many common pesticides have long term side effects in terms of killing beneficial insects (birds, bees, etc), bioaccumulation in animals and soil poisoning, especially for non-biodegradable pesticides, or pesticides that take a long time to degrade.

There has been an increased demand for biodegradable pesticides or environmentally friendly methods for pest and insect control.

Formulated from natural plant oils and botanical extracts such as Azarachta indica, Pinus resinosa, and Ricinus communis, new non-toxic, biodegradable, environmentally friendly pesticides have no harmful side effects.

Non-toxic Cleaners, Solvents, and Paints
Paints, solvents, cleaners and finishes are among the leading causes of interior air pollution.
Paints and finishes, for instance, release low-level toxic emissions into the air for years after application. The source of these toxins is a variety of VOCs. However, new environmental regulations, and consumer demand, have led to the development of low-VOC and zero-VOC paints and finishes. Most paint manufacturers now produce one or more non-VOC variety of paint. These new paints are durable, cost-effective and less harmful to human and environmental health.

There are also dozens of non-toxic highly effective commercial cleaners that are safe and healthy for the guests, staff and the environment. These environmentally friendly cleaners are low VOC and some contain the Green Seal.

**Toxin-free Furniture**

Most resort furniture can be considered toxic because of the release of VOCs. They are typically manufactured with pressed wood, fiberglass, plasticizers, etc.

The ecolodge must demonstrate that all the furniture is non-toxic. Furthermore, bedding must be made for organic cotton.

**Employees Training Program**

Employees, especially those hired from the local community, are not experienced with cleaners, pesticides, paints and solvents. Even though an effort will make to use only non-toxic varieties all those working with these products should receive adequate training in their application and mixtures.

**Employee Equity, Participation, and Training**

**Proactive ‘Equal Opportunity’ Local Hiring Practices**

The proponent must clearly demonstrate a local hiring policy during both the construction and operations phase. By the third year of operation, at least 50 percent of the employees should be from the local area. This may require additional training to ensure that these quotes are met.

Local hiring does not create undesirable conditions in the local community. The ecolodge should delegate one employee as an employment coordinator that understands the local community dynamics and ensures that there is no favoritism or social disruption in the local hiring policy.

**Environmental Management Training and Evaluation Program**

A successful ecolodge environmental management system relies on the positive forces of responsibility and creativity of all employees. The real challenge is to ensure that environmental management becomes and remains a productive force and a continuous source of innovation, rather than another burden on top of other daily procedures.

The training program must promote being:

- **Alert** to important causes of inefficient use of resources (water, energy) that may else go unnoticed. This would include an understanding of the direct economic benefit, besides the merits of improved environmental performance.
- **Prepared** to accept changes, when new procedures have to be implemented as part of the environmental management system or to improve environmental performance.
- **Prepared** to extend responsibility for the environment to all employees that take operational decisions. This is the best guarantee that problems are minimized and eventually entirely prevented.
• Alert to opportunities to acquire benefits through communicating the improvements in environmental performance.

A more stable workforce takes more pride in their work and acts as ambassadors for the ecolodge in the community.

The major part of environmental training lies in developing a commitment to continuous investigation of the structures and activities within the ecolodge, their interaction with the environment, and the competence to respond to the result of this investigation.

Finally the training must be interactive, investigating and challenging the participants’ attitudes to the environment and their understanding of their roles in relation to their work, the ecolodge they manage, and the opportunities to minimize its environmental impact.

**Involve Employees in Environmental Program**

Ecolodges and responsible resorts are increasingly using the concept of a ‘green team’ to support and advance its environmental and conservation agenda. The process includes:

- Selecting an interested employee from each department to join the environmental ‘green team’. It is also important to include all levels of management. Ideally the team is managed by a top-level manager to ensure cooperation and action throughout all levels of the organization.

- Preparing, writing and distributing the Ecolodge Environmental Policy (EEP). This policy should be brief yet comprehensive in defining the overall environmentally responsible direction of the ecolodge.

- Designating a Champion, a person that is particularly keen on environmental management and performance to drive the overall process and who can work to integrate the system amongst different departments.

- Documenting the Objectives, Targets, and Responsibilities - including the environmental team structure, objectives and targets, and timelines. Effective documentation will illustrate benefits, indicate progress, and provide the information needed for audits and certification.

**Environmental Management Manual and Checklist**

An Environmental Management Manual (EEMM) will assist the ecolodge to introduce environmental management as an extension to the daily business operations. The tasks in the Manual should not necessitate considerable additional time or money. It should be designed to enable the employees to immediately start planning and taking simple practical actions.

Government action in the form of legislation planning and guidelines can provide a solid foundation for EMS in Egypt but pro-active ecolodge employees can make a bigger contribution to the sustainability of the tourism industry and overall environmental protection.

The Employee Environment Management Manual, Checklist and Guidelines addresses environmental management issues in the ecolodge within seven categories, including:

- Energy
- Water
- Solid Waste
- Effluents and Emissions
- Contractors and Suppliers
- Site Management
- Staff and Local Community

**Progressive Work Policies**

The proponent must adopt the principle of fair and equitable wages for all employees as well as providing a safe work environment and ensuring that the employee receives adequate benefits.

**Fair Trade Purchasing Practices**

The ecolodge has the potential and opportunity to support sustainable development and fair trade practices at a community level. This includes:

- The creation of new service sector jobs, including positions for women and youth
- Providing educational and service training opportunities
- Offering health care benefits
- Supporting infrastructure development and improvements
- Enhancing opportunities for environmental and cultural heritage protection.

Economic sustainability is achieved, in part, when tourists actively and directly contribute to the economies of the local communities they visit without adversely affecting other aspects of people’s lives.

Fair trade products and practices help to guarantee that the local producer receives sufficient compensation for the product or service that they offer.

The ecolodge fair trade program should:

- Recognize the potential of local workers to educate visitors about the benefits of fair trade and allow artisans and other producers/suppliers the opportunity to share their craft.
- Include visitor tours that encourage a constructive interaction between travelers and the local communities.

**Contribution to Conservation and Community Awareness**

**Portion of Profits to Community and Conservation Projects**

The proponent’s business plan must clearly indicate that the ecolodge will transfer as much as 8% of the profits to community and conservation projects. These projects will be identified jointly with the local communities and NGOs.

**Community Relations Plan and Activities**

The ecolodge should endeavor to establish a long-term relationship with the local communities. This affiliation should be outlined in a Community Relations Plan that may change on a year to year basis but will establish the parameters for this collaboration. The plan will provide:

- Vision, goals, and objectives
- Roles and responsibilities
- Public relations committee drawn from ecolodge staff and community members
- Methods of collaboration
- Preferred projects
- Internal and external communication
- Monitoring of activities.
Proposed Conservation Projects
The selected Conservation Projects will be decided in collaboration with the communities and/or a local environmental NGO. The projects may include waste management, water conservation, or energy production. The contribution may include a cash payment, sponsorship and/or ecolodge staff involvement in the project.

Supporting Non-environmental Community Projects
The scope of the community projects may be wider than conservation and environmental initiatives and include literacy training, health related issues.

Community Liaison Position
One of the employees working at the ecolodge will be identified by management as the Community Liaison Officer. This individual will require a basic training in community relations. There will be a counterpart selected at the community level.

On-site Sale and Demonstration of Local Handicraft and Foods
The ecolodge is an excellent venue to display the production of the local arts and crafts.

An area of the ecolodge will be dedicated for the exhibit and production of the craft and foods. As well local craft will be used throughout the ecolodge as decoration, thus further promoting guest interest in the products of the local people.

Visitor Experience, Impact, and Interpretation

Visitor Code of Conduct
The code will be prepared by the ecolodge in collaboration with local communities and may include the following topics:

- Ensure that the tourist activity supports conservation
  - Expenditures are used to support conservation measures
- Support the preservation of local resources
  - Maintain resource protection by giving money, doing volunteer work, educating others
  - Visit local parks and nature reserves
- Use natural resources in a sustainable way
- Minimize consumption, waste, and pollution
  - Choose biodegradable or recyclable products and products with minimal packaging
  - Limit energy use
- Respect the local tribes and cultures
  - Learn about the culture and customs of the area
  - Respect the rights of the communities
- Respect historic and scientific sites
- Communities should benefit from tourism
  - Tourist spending can contribute to the economic survival of the communities
  - Buy local, and choose tour companies, excursions, and suppliers that are locally-owned and that employ local people
  - Buy locally-made products and handicrafts
- Choose tours with trained professional staff
Choose a tour operator with staff-client ratio of 15 clients or less per staff member for land-based tours, and 20 passengers or less per staff member for cruise.

Pre-trip Information Packages

The ecotourist typically likes to be informed about the destination before leaving their home. It is therefore important to provide adequate information about:

- Regional resources
- Local cultures and traditions
- National parks
- Marine and desert flora and fauna.

Available Local Interpretation Programs and Educational Materials

If local interpretation programs are not available the proponent will need to ensure that the guests have adequate access to professional interpretive programs during their stay at the ecolodge and in the region.

Offer Area Ecotours with Local or Community Guides

The ecolodge can work in collaboration with local tour operators as well as local villages and an adjacent national park to provide a variety of exciting and informative tours.

Contact with Local Residents

Promote and offer contact with local residents (villagers, local entertainers, artisans, etc.) and the natural resources

This initiative is best achieved through a series of community and tour operator designed programs that are available to guests at the ecolodge. They are typically half-day trips offered by a local guide may include a light meal and local coffee. Activities might include:

- Meeting with local crafts people
- Cooking classes for traditional meals
- Visit to schools
- Visit to a local environmental or community project

Guest Access to Conservation and Community Projects

Tours should be available to the various conservation and community projects that are co-sponsored by the ecolodge in collaboration with the communities and NGOs. This can also be an excellent way of raising additional funding support from ecolodge guests who are attracted to the project.

Guest Guarantee Program

A Guest Guarantee will be offered by the ecolodge to ensure that guests are satisfied with their visits and that environmental expectations have been met.

The Program will be monitored by ongoing Visitor Satisfaction Surveys as well as regular interaction between the guest and senior management.
Monitoring, Evaluation, Emergency Response, and Security

**Water Management Audit and Plan**
The audit and plan will be prepared to assess the changes and improvements in water savings and water quality monitoring. The audit will include guest rooms, kitchen, maintenance areas, and swimming pool.

**Energy Management Audit and Plan**
The audit and plan will assess the changes and improvements to energy saving targets and monthly consumption monitoring and reporting.

**Waste Management Audit and Plan**
The audit and plan will assess the changes and improvements to reduction targets, recycling targets, and reuse targets.

**Employee Awareness Audit Plan**
An audit will determine the results of the employees training program, success of the green team, and the impact of the community and conservation projects.

**Visitor Satisfaction and Awareness Audit**
Visitor satisfaction surveys will be used to determine the degree of satisfaction of the visitor experience with an emphasis on the response to the environmental initiatives of the ecolodge, the quality of the environmental education and interpretation programs, and visitor interest in community conservation projects.

**Environmental Emergency Response (Contingency) Plan and Reporting System**
Emergencies or disasters may occur at any time on or near the ecolodge. Types of emergency situations may include but are not limited to:

- Fires
- Severe Weather, including hurricanes, typhoons, and sand storms
- Water disruption and contamination
- Utility failures
- Bomb threats
- Food-borne outbreaks.

The first duty of management is the protection and safety of all persons, including employees and guest. The next priority shall be the protection of the ecolodge.

The General Manager, in consultation with the Director of Operations will decide the appropriate response to an emergency situation and initiate action to activate the Environmental Emergency Response Plan (EERP) in part or in whole.

The EERP or contingency plan will be prepared for site emergencies and those that may take place adjacent to the site.

**Visitor Safety, Security, and Evacuation Plan**
The ecolodge must pro-actively create a secure environment and develop capacity that can react quickly and effectively to visitor-related incidents.
To manage incidents effectively, the ecolodge must establish a network of service providers to respond in an integrated manner. Main partners include the local police, community services, emergency services, traffic department, tourism agencies, and transport providers.

To promote safety awareness, the ecolodge should incorporate a safety and security component to its visitor orientation campaign, including discussion of security tips, before the departure of each day trip.

The plan should list all potential man-made risks such as, water related accidents, petty crime and accidents associated with visitor activities such as desert hiking, mountain biking, diving, etc.

**Green Marketing, Public Relations, and Communications**

*Target Eco-tourists and Green Markets*

There is substantial information on the green market. The ecolodge proponent should demonstrate knowledge of these markets with a particular emphasis on birdwatchers, amateur photographers, scientific tourists, ethnobotanists, dive and marine enthusiasts, and sea kayakers.

The proponent should demonstrate how the company will approach these specialty markets.

*Low-impact Marketing Mechanisms*

The use of brochures and other traditional marketing mechanisms is loosing favor with both the industry and the green markets. The green market does not expect to receive a glossy brochure and in most case would prefer an electronic pamphlet and newsletter. Consequently there is a greater use of Internet and web sites, digital marketing (electronic brochures and emails), recycled paper, and soy-based ink.

*On-going Green Market Research*

A successful ecolodge operator is current on new trends and activities in the eco-friendly business community. There are ample research sources, particularly in Western Europe, that identify trends and consumer profiles and expectations. As well the management of the ecolodge must maintain a constant pulse on the changing attitudes and values of their actual client base.

The operator must undertake constant research on the national and international markets to maintain a competitive position, especially as more ecolodges are developed in North Africa and Egypt.

*Regular Guest Survey*

On going surveys are required to assess guest’s interest in a variety of topics directly related to the operations and maintenance of the ecolodge. This may include:

- Expectations of the level of environmental management
- Attitudes to EMS activities
- Preferred conservation, community and resource enhancement projects
- Preferred method of ongoing contact.

*Contribution to the ‘Sustainable’ Red Sea Region Tourism Branding*

The ecolodge should be an environmental and conservation leader, particularly within the travel trade, in Egypt and their selected region for investment.
The proponent will want to have an active role in the local tourism association and their proposed involvement must be evident in ecolodge proposal. It is in the proponent’s best interest to promote sustainable tourism throughout the region and contribute to a regional tourism association is an effective way.

**Carbon-neutral Travel**
All travel to trade shows and familiarization trips are to be carbon neutral. There are numerous associations that can offset the emissions of the trip to the trade show or conversely the arrival of the foreign tour operators to see the ecolodge.

**Green Travel Recognition and Certification**
Join Select Green Accommodation Certification and Awards programs. Travelers are increasingly attracted to accommodation facilities that have been identified as environmentally responsible or that have one or more well-known awards. Both are important marketing tools and also ensure that the ecolodge continues to be a responsible operation.

The ecolodge should seek the ‘Responsible Tourism Award’ or equivalent within 2 years of opening. By year 3 or 4 the ecolodge should be ready to launch a certification process from a recognized organization such as EcoTel or Green Globe.

**Use Your Website to Present Environmental Initiatives**
More than 90 percent of those visiting the ecolodge will learn of the location and services on the web site. Consequently it is essential to dedicate a large portion of the lodge web site to the various environmental, conservation and community initiatives. It is also important that the site include the following topics:
- List and describe local flora and fauna
- Introduce local Bedouin culture and values
- Describe area geology and geomorphology
- Identify unique features (desert, coral reef, coastal zone, and marine species).

The site may also a commercial outlet for the online sales of local arts and craft.

**Media Day**
Invite journalists/travel writers to inspect green initiatives and learn about your monitoring and reporting efforts. Media, and in particular travel writers, are attracted to facilities that demonstrate environmental action. Egyptian media can prepare press releases for the local population as well as distributing copy to the international travel trade journals.

Media day should be sponsored in concert with a new ‘green’ initiative and include the participation of local communities.
**Partner with Carbon Offset Organizations**

Beyond the specific efforts identified above and other efforts to be environmentally responsible there are still many activities, such as internal travel that contribute to global warming gases. The investor can ensure a greener operation by donating to any number of carbon emissions offset programs. Typically the funds are used to support new renewable energy or reforestation projects that help offset the greenhouse gases as a result of the travel.

The same program can be offered to guests who wish to make their trip to the ecolodge carbon neutral.

**Area Eco-itineraries and Day Trips**

The proponent must demonstrate the value of offering attractive and informative tours in the region and local communities.

**Briefings for Employees and Visitors**

All trips will start with a detailed briefing about the marine and desert environments and communities to be affected by the tour. The Code of Conduct (see criteria 15) will be reviewed with the guests.

**Guide Training Program**

Ongoing training programs will be made available by the ecolodge for all those who have contact with the visitors on the itineraries. Programs will be available to tour guides, naturalists, driver/boat operators, and dive masters.

The training programs should consider the following topics:

- Introduction to guiding and visitor services
- Overview of ecotourism and sustainable tourism
- Market characteristics
- Storytelling and communication skills
- Group dynamics
- Risk management and evacuation
- Tour planning and management
- Professionalism and leadership skills
- Photography
- Desert and marine ecology
- Early history archaeology
- Regional history
- Land and marine mammals
- Plant identification
- Bird knowledge.

**Solid Waste Management**

No solid waste will be left after a trip. This includes all solid and human wastes. For full day or overnight trips in the desert, the tour organizer must bring a portable toilet for the guests.
Controlling Impacts on Wildlife

The ecolodge will develop its own set of guidelines for controlling the impact of the visitor on wildlife. These guidelines will be prepared in collaboration with a reputable biologist.
SECTION 3: TDA ECOLODGE RATING SYSTEM AND CHECKLIST

The following rating system has been designed to make a realistic assessment of an ecolodge or any accommodation facility that proposes to be environmentally and socially responsible. It is comprehensive in that it deals with the essential techniques, practices, and mechanisms that can normally be expected in a facility that professes to be eco-friendly.

A 3-TIER VALUE RATED SYSTEM

The assessment technique is simple and is based on a 3-tier rating system that has been developed exclusively for TDA. Since not all activities and practices have a similar impact on the physical and social environment it is necessary to weigh some components more heavily than others. For instance using recycled paper through the facility has less impact than installing solar panels or even eliminating toxic cleaners.

The following numerical categories will be used:

7 POINTS For those corporate (investor) commitments that will have a major and lasting impact on the environmental and social environment resulting in increased local jobs, protection of limited resources, reduction of carbon emissions and contributing to biodiversity enhancement

5 POINTS For those activities that have an important yet moderate impact on the local economic well being, environmental values and biodiversity conservation

2 POINTS Those efforts that are an integral part of the ongoing design and operations of any responsible accommodation facility.

CHECKLIST STRUCTURE

The evaluation of the ecolodge proposal has been divided into three parts:

PART I: Physical Area and Standards
- Unit size by category
- Common and administration areas
- Recreation areas and parking
- Set backs

PART II: Corporate Policy, Stakeholder Participation and Business Plan
- Corporate environmental values and policy
- Involvement of Stakeholders
THREE STAGE EVALUATION PROCESS

In fairness to the investors and to enable TDA to achieve the highest possible level of environmentally and social responsibility, a three-stage evaluation is proposed.

Therefore the Checklist has been structured to:

1. Complete an initial evaluation of the project, using a 3-tier evaluation system
2. Provide an opportunity for feedback, either TDA’s suggestions for improvements or from a source of additional information and resources
3. Re-evaluation and second stage rating

If the investor does not achieve adequate points the project will be rejected by TDA and a completely new application will be required.

The following table is an all-inclusive checklist for evaluating the proposed ecolodge or sustainable lodging facility.

The table has three columns for rating the proposed facility. One is for the identified maximum value of each of the criteria (2, 3, or 7); the second is for TDA’s assessed value of the facility’s response to each criteria; the last is for TDA’s assessed value after the developer has reacted to the comments and ideally improved the response.

PART I: Physical Areas and Dimensions

Table 2  Checklist: Proposed Ecolodge or Sustainable Lodging Facility

<table>
<thead>
<tr>
<th>Ecolodge Evaluation Criteria</th>
<th>TDA Comments + Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating Values (see legend above)</td>
<td>#1 #2</td>
</tr>
<tr>
<td>1.0 Area: Dimensions and Surface</td>
<td></td>
</tr>
<tr>
<td>1.1 Total Units</td>
<td>7</td>
</tr>
<tr>
<td>One cluster: 20 – 30 units</td>
<td></td>
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<tr>
<td>Two clusters: 30 – 50 units</td>
<td></td>
</tr>
<tr>
<td>Three clusters: 50 – 70 units</td>
<td></td>
</tr>
<tr>
<td>1.2 Built Area: 20% of total surface</td>
<td>5</td>
</tr>
<tr>
<td>1.3 Accommodation Density: 2 to 4 rooms/fedan (4200 sq. m)</td>
<td>7</td>
</tr>
<tr>
<td>Ecolodge Evaluation Criteria</td>
<td>TDA Comments + Proposals</td>
</tr>
<tr>
<td>------------------------------</td>
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</tr>
<tr>
<td>1.4 Building height:</td>
<td>5</td>
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<tr>
<td>Maximum: 2 floors (5.5 - 6 m)</td>
<td></td>
</tr>
<tr>
<td>1.5 Setback from shoreline:</td>
<td>5</td>
</tr>
<tr>
<td>Buildings: 200m (legal)</td>
<td></td>
</tr>
<tr>
<td>Light structures: 50m</td>
<td></td>
</tr>
<tr>
<td>NB: Variations acceptable:</td>
<td></td>
</tr>
<tr>
<td>permission from the Shoreline Protection Authority</td>
<td></td>
</tr>
<tr>
<td>1.6 Setback from road (coastal site):</td>
<td>3</td>
</tr>
<tr>
<td>Minimum: 500m with no screening</td>
<td></td>
</tr>
<tr>
<td>Minimum: 300m with screening and landform</td>
<td></td>
</tr>
<tr>
<td>1.7 Setback from road (desert site):</td>
<td>3</td>
</tr>
<tr>
<td>Minimum: 1.5 km with no screening</td>
<td></td>
</tr>
<tr>
<td>Minimum: 1 km with screening and landform</td>
<td></td>
</tr>
<tr>
<td>1.8 Room Size: Standard Ecolodge:</td>
<td>5</td>
</tr>
<tr>
<td>Dimensions: 3.7m x 7.3m (plus balcony/porch)</td>
<td></td>
</tr>
<tr>
<td>Average Area: 26.8 sq. m</td>
<td></td>
</tr>
<tr>
<td>Allowable: 26 sq. m – 30 sq. m</td>
<td></td>
</tr>
<tr>
<td>1.9 Room Size: Deluxe Ecolodge:</td>
<td>5</td>
</tr>
<tr>
<td>Dimensions: 4.3m x 8.5m (plus balcony/porch)</td>
<td></td>
</tr>
<tr>
<td>Average Area: 36.4 sq. m</td>
<td></td>
</tr>
<tr>
<td>Allowable: 35 sq. m – 37 sq. m</td>
<td></td>
</tr>
<tr>
<td>1.10 Room Size: Ecolodge suite (2 rooms):</td>
<td>5</td>
</tr>
<tr>
<td>Area: 36 sq. m – 40 sq. m (plus balcony/porch)</td>
<td></td>
</tr>
<tr>
<td>1.11 Room Size: Eco-Tent Unit:</td>
<td>3</td>
</tr>
<tr>
<td>25 sq. m – 32 sq. m (plus veranda)</td>
<td></td>
</tr>
<tr>
<td>1.12 Room Layout</td>
<td>3</td>
</tr>
<tr>
<td>Entry and Storage: 15% - 20%</td>
<td></td>
</tr>
<tr>
<td>Living Area: 30% - 40%</td>
<td></td>
</tr>
<tr>
<td>Sleeping Area: 20% - 40%</td>
<td></td>
</tr>
<tr>
<td>Bathroom/Dressing Area: 15% - 20%</td>
<td></td>
</tr>
<tr>
<td>Total furniture: 33%</td>
<td></td>
</tr>
<tr>
<td>Add another 30% for kitchenette</td>
<td></td>
</tr>
<tr>
<td>1.13 Guest circulation, administration and services areas:</td>
<td>5</td>
</tr>
<tr>
<td>Office, hallways, lobby</td>
<td></td>
</tr>
<tr>
<td>Restaurant and lounge</td>
<td></td>
</tr>
<tr>
<td>Resource centre, reading room, massage room</td>
<td></td>
</tr>
<tr>
<td>45 to 55 sq. m per room</td>
<td></td>
</tr>
<tr>
<td>Ecolodge Evaluation Criteria</td>
<td>TDA Comments + Proposals</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>1.14 Food and Beverage Area:</td>
<td>3</td>
</tr>
<tr>
<td>1.1 – 1.7 sq. m/seat</td>
<td></td>
</tr>
<tr>
<td>1.15 Recreation facilities:</td>
<td>3</td>
</tr>
<tr>
<td>Salt water swimming pool:</td>
<td></td>
</tr>
<tr>
<td>6m x14m or Surface area:</td>
<td></td>
</tr>
<tr>
<td>2 – 3 sq. m/swimmer</td>
<td></td>
</tr>
<tr>
<td>1.16 Recreation facilities:</td>
<td>3</td>
</tr>
<tr>
<td>Hot tub: 8 – 10 person</td>
<td></td>
</tr>
<tr>
<td>1.17 Parking stalls</td>
<td>3</td>
</tr>
<tr>
<td>Automobile: Width: 2.5 m x 5.5m</td>
<td>(including driving and turning lanes): 24 -28 sq. m</td>
</tr>
<tr>
<td>Overall Area:</td>
<td></td>
</tr>
<tr>
<td>Motor coach: 3.5m x 12m</td>
<td></td>
</tr>
<tr>
<td>4x4: 3.5m x 6.0m</td>
<td></td>
</tr>
<tr>
<td>Small truck or camper:</td>
<td></td>
</tr>
<tr>
<td>3.5m x 6.5</td>
<td></td>
</tr>
<tr>
<td>1.18 Entrance Road:</td>
<td>3</td>
</tr>
<tr>
<td>Driving Surface: 8m</td>
<td></td>
</tr>
<tr>
<td>1.19 Walking trails:</td>
<td>3</td>
</tr>
<tr>
<td>1.2 -1.5m</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL**

**PART II: Corporate Policy, Stakeholder Participation, and Business Plan**

**Table 3**  
Checklist for Corporate Policy, Stakeholder Participation, and Business Plan

<table>
<thead>
<tr>
<th>Ecolodge Evaluation Criteria</th>
<th>TDA Comments + Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 Company Environmental Record (history + policies)</td>
<td></td>
</tr>
<tr>
<td>1.1 Previous Tourism Accommodation + Hospitality Experience</td>
<td>7</td>
</tr>
<tr>
<td>1.2 Ecolodge (or eco-enterprise) Development + Management Experience</td>
<td>5</td>
</tr>
<tr>
<td>1.3 Corporate Environmental and Sustainable Policy + Performance Standards-- Published and distributed</td>
<td>5</td>
</tr>
<tr>
<td>1.4 Knowledge of Egyptian Environmental Laws + Regulations</td>
<td>3</td>
</tr>
<tr>
<td>1.5 Desert/coastal Construction + Operations Experience</td>
<td>3</td>
</tr>
<tr>
<td>Ecolodge Evaluation Criteria</td>
<td>TDA Comments + Proposals</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>1.6 Participation in regional and/or national environmental and/or social organizations</td>
<td>3</td>
</tr>
<tr>
<td>1.7 Membership in an international Ecotourism/Ecolodge Association</td>
<td>3</td>
</tr>
<tr>
<td>2.0 Local Stakeholder Involvement + Benefits</td>
<td></td>
</tr>
<tr>
<td>2.1 Community Relations Initiatives Plan--Community impacts + benefits assessment and action plan</td>
<td>5</td>
</tr>
<tr>
<td>2.2 Stakeholder contact + awareness of the ecolodge project</td>
<td>5</td>
</tr>
<tr>
<td>2.3 Local ownership, equity participation or co-management</td>
<td>7</td>
</tr>
<tr>
<td>2.4 Sponsor a local school environmental program per year (e.g. Earth Day)</td>
<td>5</td>
</tr>
<tr>
<td>2.5 Purchase agreements with local producers and suppliers (e.g. food, handcraft, guide services, musicians)</td>
<td>7</td>
</tr>
<tr>
<td>2.6 Promotion of local cultural artistic and performing arts (music, dance, storytelling)</td>
<td>5</td>
</tr>
<tr>
<td>2.7 Commitment to actively support community cultural, artistic and sports activities</td>
<td>5</td>
</tr>
<tr>
<td>2.8 Commitment to contribute specialist staff (e.g. operations engineer) to assist with community infrastructure problems and emergencies</td>
<td>3</td>
</tr>
<tr>
<td>2.9 Appoint a Community Liaison Officer</td>
<td>3</td>
</tr>
<tr>
<td>3.0 Business Plan, Market Analysis + Financial Viability</td>
<td></td>
</tr>
<tr>
<td>3.1 Executive Summary</td>
<td>3</td>
</tr>
<tr>
<td>Concise summary of the business model.</td>
<td></td>
</tr>
<tr>
<td>Snapshot of financial viability</td>
<td></td>
</tr>
<tr>
<td>3.2 Description of the Company</td>
<td>3</td>
</tr>
<tr>
<td>Knowledge of ecotourism sector and other markets</td>
<td></td>
</tr>
<tr>
<td>3.3 Ecolodge Business Description</td>
<td>5</td>
</tr>
<tr>
<td>Adequate description of the site and the adjacent area</td>
<td></td>
</tr>
<tr>
<td>Business model</td>
<td></td>
</tr>
</tbody>
</table>
### Ecolodge Evaluation Criteria

<table>
<thead>
<tr>
<th>Criteria Category</th>
<th>TDA Comments + Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.4 Ecolodge Market Analysis</td>
<td>7</td>
</tr>
<tr>
<td>- Market segment research</td>
<td></td>
</tr>
<tr>
<td>- Trends</td>
<td></td>
</tr>
<tr>
<td>- Competitive analysis</td>
<td></td>
</tr>
<tr>
<td>3.5 Marketing Study and Visitor Projections</td>
<td>7</td>
</tr>
<tr>
<td>- Preferred market segments and projections</td>
<td></td>
</tr>
<tr>
<td>- Partnerships</td>
<td></td>
</tr>
<tr>
<td>3.6 Operational Plan</td>
<td>7</td>
</tr>
<tr>
<td>- Numbers of employees</td>
<td></td>
</tr>
<tr>
<td>- Functional areas of the business</td>
<td></td>
</tr>
<tr>
<td>3.7 Management Structure and Organization</td>
<td>5</td>
</tr>
<tr>
<td>- Available skills</td>
<td></td>
</tr>
<tr>
<td>- Training program</td>
<td></td>
</tr>
<tr>
<td>3.8 Monitoring and Evaluation</td>
<td>3</td>
</tr>
<tr>
<td>- Financial performance</td>
<td></td>
</tr>
<tr>
<td>- Environmental objectives</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL**

---

### PART III: Physical Design and Equipment

**Criteria Categories**

In order to facilitate the use of the checklist the numerous criterion will be structured within 18 categories. It is also anticipated that when one category is particularly weak it will enable the TDA to work with the investor to improve the facility and achieve a higher rating. The categories are as follows:

1. Site selection, EIA, Carrying Capacity, + Design
2. Sustainable Architectural Planning + Engineering
3. Building Materials
4. Construction Techniques
5. Energy Conservation
6. Water Conservation
7. Waste management and Recycling
8. Laundry, Housekeeping + Kitchen
9. Purchasing Practices
10. Food and Beverages
11. Air Quality
12. Chemicals and Plastics
13. Employee equity, participation and training
14. Contribution to Conservation + Community Awareness
15. Visitor Experience and Interpretation
16. Monitoring and Evaluation
17. Green Marketing
18. Itineraries and Day trip

Table 4 Checklist: Ecolodge Physical Design and Equipment

<table>
<thead>
<tr>
<th>Ecolodge Evaluation Criteria</th>
<th>TDA Comments + Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating Values (see legend above)</td>
<td>#1</td>
</tr>
<tr>
<td>1.0 Site selection, EIA, and Site Design</td>
<td></td>
</tr>
<tr>
<td>1.1 Comprehensive site selection process</td>
<td></td>
</tr>
<tr>
<td>1.2 Site inventory and analysis (special features, topography, views, vegetation, etc)</td>
<td></td>
</tr>
<tr>
<td>1.3 EIA + Carrying Capacity Assessment</td>
<td></td>
</tr>
<tr>
<td>1.4 Overall Site Suitability + Access</td>
<td></td>
</tr>
<tr>
<td>1.5 Screening + visual integration with landforms</td>
<td></td>
</tr>
<tr>
<td>Ecolodge Evaluation Criteria</td>
<td>TDA Comments + Proposals</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td><strong>Rating Values (see legend above)</strong></td>
<td>#1</td>
</tr>
<tr>
<td>1.6 Facility location, layout and orientation</td>
<td></td>
</tr>
<tr>
<td>1.7 Natural/cultural/archaeological resource protection measures</td>
<td></td>
</tr>
<tr>
<td>1.8 Landscape (and biodiversity) enhancement, landscape planting + interpretive trails</td>
<td></td>
</tr>
<tr>
<td>1.9 Use of only native + drought resistant landscape vegetation:</td>
<td></td>
</tr>
<tr>
<td>-- xeriscape rock garden</td>
<td></td>
</tr>
<tr>
<td>-- soil enhancement for water retention</td>
<td></td>
</tr>
<tr>
<td>1.10 Use of native trees (e.g. acacia) to provide shade and reduce heat gain on buildings</td>
<td></td>
</tr>
<tr>
<td>1.11 Minimal site disturbance (except creating landforms) + no unnecessary compaction</td>
<td></td>
</tr>
<tr>
<td>1.12 Outdoor lighting is non obtrusive and at a pedestrian level</td>
<td></td>
</tr>
<tr>
<td>1.13 Recreation Facilities:</td>
<td></td>
</tr>
<tr>
<td>-- Chloride free salt water pool</td>
<td></td>
</tr>
<tr>
<td>-- Games area</td>
<td></td>
</tr>
<tr>
<td>1.14 Overall site ambiences, opportunities for understanding, contemplation, education</td>
<td></td>
</tr>
<tr>
<td>1.15 Comprehensive site design specification and supervision</td>
<td></td>
</tr>
<tr>
<td><strong>2.0</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Sustainable Architectural Planning + Engineering</strong></td>
<td></td>
</tr>
<tr>
<td>2.1 Professional Services (architects, landscape architects, engineers) Experience</td>
<td></td>
</tr>
<tr>
<td>2.2 Material Life-cycle Analysis</td>
<td></td>
</tr>
<tr>
<td>2.3 Alternative Technology Options</td>
<td></td>
</tr>
<tr>
<td>2.4 Architectural program + overall layout of facilities</td>
<td></td>
</tr>
<tr>
<td>Ecolodge Evaluation Criteria</td>
<td>TDA Comments + Proposals</td>
</tr>
<tr>
<td>------------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td><strong>Rating Values (see legend above)</strong></td>
<td>#1</td>
</tr>
<tr>
<td>2.5 Scale of Development including mass, proportion, balance and composition</td>
<td>7</td>
</tr>
<tr>
<td>2.6 Interior ambience:</td>
<td>5</td>
</tr>
<tr>
<td>-- natural light</td>
<td></td>
</tr>
<tr>
<td>-- natural ventilation + shading</td>
<td></td>
</tr>
<tr>
<td>-- views + contact with nature</td>
<td></td>
</tr>
<tr>
<td>2.7 Architectural Motif</td>
<td>7</td>
</tr>
<tr>
<td>-- use of indigenous forms and materials</td>
<td></td>
</tr>
<tr>
<td>2.8 Use of color:</td>
<td>5</td>
</tr>
<tr>
<td>Muted colors that blend with the local environment + reflect light</td>
<td></td>
</tr>
<tr>
<td>2.9 Double glazed glass and overhangs to prevent heat gain + operable windows</td>
<td>3</td>
</tr>
<tr>
<td>2.10 Staff efficient design and building layout (movement + functions)</td>
<td>3</td>
</tr>
<tr>
<td>2.11 Adopt guidelines of Green Building Council’s Leadership in Energy and Environmental Design (LEED) program</td>
<td>7</td>
</tr>
<tr>
<td>2.12 Comprehensive set of architectural construction drawings, specification and supervision</td>
<td>7</td>
</tr>
</tbody>
</table>

### 3.0 Building Materials

<p>| Use of Local (and natural) Building Materials:                  | 7  |     |    |
| - stone, sand, reed, cotton, hemp                             |    |     |    |
| 3.2 Use of local vegetation only for landscaping               | 7  |     |    |
| 3.3 Use of Recycled Building Materials (wood, glass, rubber, etc) | 5  |     |    |
| 3.4 Wood: Either certified (from a sustainable forestry) or grown in Egypt | 3  |     |    |
| 3.5 Use of locally made furniture, fixtures + decorations       | 5  |     |    |</p>
<table>
<thead>
<tr>
<th>Ecolodge Evaluation Criteria</th>
<th>TDA Comments + Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rating Values (see legend above)</strong></td>
<td>#1</td>
</tr>
<tr>
<td>3.6 Non toxic or off-gassing (Volatile Organic Compounds) materials and furniture</td>
<td></td>
</tr>
<tr>
<td>3.7 Selection of durable (long-life), low maintenance materials</td>
<td></td>
</tr>
<tr>
<td><strong>4.0 Construction Techniques + Procedures</strong></td>
<td></td>
</tr>
<tr>
<td>4.1 Contractor experience in sensitive areas</td>
<td></td>
</tr>
<tr>
<td>4.2 Site resources protection measures</td>
<td></td>
</tr>
<tr>
<td>4.3 Use of simple and local building techniques: -- Manual rather than equipment -- Use of local labour</td>
<td></td>
</tr>
<tr>
<td>4.4 Low impact construction techniques</td>
<td></td>
</tr>
<tr>
<td>4.5 Low energy tools + construction equipment</td>
<td></td>
</tr>
<tr>
<td>4.6 On-going site supervision with emphasis on resource protection</td>
<td></td>
</tr>
<tr>
<td><strong>5.0 Energy Conservation</strong></td>
<td></td>
</tr>
<tr>
<td>5.1 Energy Conservation Measures (ECM) and Monitoring Plan -- Responsible person</td>
<td></td>
</tr>
<tr>
<td>5.2 Use of Solar Panels (Lighting + appliances)</td>
<td></td>
</tr>
<tr>
<td>5.3 Use of thermal hot water heaters</td>
<td></td>
</tr>
<tr>
<td>5.4 Wind turbine/hybrid power source</td>
<td></td>
</tr>
<tr>
<td>5.5 Installation of low energy consumption appliances (kitchen, housekeeping, maintenance)</td>
<td></td>
</tr>
<tr>
<td>5.6 Low consumption fixtures and occupancy sensors -- rooms and common areas</td>
<td></td>
</tr>
<tr>
<td>5.7 Laundry uses of solar energy to heat and dry towels and bedding</td>
<td></td>
</tr>
<tr>
<td>Ecolodge Evaluation Criteria</td>
<td>TDA Comments + Proposals</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td><strong>Rating Values (see legend above)</strong></td>
<td>#1</td>
</tr>
<tr>
<td>5.8 Sub-metering by department:</td>
<td>7</td>
</tr>
<tr>
<td>-- restaurant, recreation areas</td>
<td></td>
</tr>
<tr>
<td>-- guest rooms</td>
<td></td>
</tr>
<tr>
<td>5.9 All hot water pipes insulated to prevent heat loss</td>
<td>3</td>
</tr>
<tr>
<td>5.10 Preventative maintenance program for all electrical installations and equipment</td>
<td>5</td>
</tr>
<tr>
<td>5.11 Visitor energy-use awareness program</td>
<td>5</td>
</tr>
<tr>
<td>5.12 Hybrid Vehicles + fuel-efficient Boat motors</td>
<td>7</td>
</tr>
<tr>
<td>5.13 Fuel cell Backup Generator</td>
<td>3</td>
</tr>
<tr>
<td><strong>6.0</strong> Water Conservation + Recycling</td>
<td></td>
</tr>
<tr>
<td>6.1 Water Usage and Conservation Plan:</td>
<td>7</td>
</tr>
<tr>
<td>Water saving targets</td>
<td></td>
</tr>
<tr>
<td>-- Responsible person</td>
<td></td>
</tr>
<tr>
<td>6.2 Efficient desalination plant</td>
<td>7</td>
</tr>
<tr>
<td>6.3 Grey water treatment + recycling for landscaping</td>
<td>7</td>
</tr>
<tr>
<td>6.4 Drip irrigation practices</td>
<td>5</td>
</tr>
<tr>
<td>6.5 Water saving devices</td>
<td>7</td>
</tr>
<tr>
<td>(kitchen, maintenance and housekeeping)</td>
<td></td>
</tr>
<tr>
<td>6.6 Water saving devices</td>
<td>7</td>
</tr>
<tr>
<td>(Guest rooms)</td>
<td></td>
</tr>
<tr>
<td>6.7 Regular leakage assessment program + reporting</td>
<td>5</td>
</tr>
<tr>
<td>6.8 Install compost toilets (or dual flush), waterless urinals + low flow faucets/showerheads throughout</td>
<td>7</td>
</tr>
<tr>
<td>6.9 Weekly recording of total water consumption (by department)</td>
<td>3</td>
</tr>
<tr>
<td><strong>7.0</strong> Waste Management and Recycling</td>
<td></td>
</tr>
<tr>
<td>7.1 Waste Management Plan</td>
<td>5</td>
</tr>
<tr>
<td>-- Solid waste reduction targets</td>
<td></td>
</tr>
<tr>
<td>7.2 Reduced packaging measures</td>
<td>5</td>
</tr>
<tr>
<td>Ecolodge Evaluation Criteria</td>
<td>TDA Comments + Proposals</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td><strong>Rating Values (see legend above)</strong></td>
<td>#1</td>
</tr>
<tr>
<td>7.3 Refillable Amenity Dispensers (soap, shampoo, creams, etc)</td>
<td></td>
</tr>
<tr>
<td>7.4 Kitchen + Landscape vegetation Composting + Disposal Program</td>
<td></td>
</tr>
<tr>
<td>7.5 Separation + Recycling program (metal, glass, paper, cooking oil, etc)</td>
<td></td>
</tr>
<tr>
<td>7.6 Donate surplus/used items to local community</td>
<td></td>
</tr>
<tr>
<td>7.7 Kitchen/restaurant use only refillable/recyclable containers + no single packaging (sugar, cream, juice, condiments) + cups/glasses</td>
<td></td>
</tr>
<tr>
<td>7.8 Use of on-site prepared (biodegradable, non-corrosive, phosphate-free) cleaners, polishes, + pesticide.</td>
<td></td>
</tr>
<tr>
<td>7.9 Inform guests of recycling program and in room waste separation</td>
<td></td>
</tr>
<tr>
<td>7.10 Adequate for separation and storage of solid waste before disposal</td>
<td></td>
</tr>
</tbody>
</table>

### 8.0 Laundry, Housekeeping, and Kitchen

<table>
<thead>
<tr>
<th>Laundry, Housekeeping, and Kitchen</th>
<th>TDA Comments + Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1 All appliances rated efficient by the Energy Star program or equivalent. (dishwashers, steam cookers, refrigerators, exhaust fans, washing machines, vacuum cleaners, etc.)</td>
<td></td>
</tr>
<tr>
<td>8.2 Install dishwashers with short cycle, water reuse + heat recovery (to heat water) options</td>
<td></td>
</tr>
<tr>
<td>8.3 Use proximity-style (back shelf) exhaust hood + variable speed</td>
<td></td>
</tr>
<tr>
<td>8.4 Use low-flow sprayers for pre-washing</td>
<td></td>
</tr>
<tr>
<td>8.5 Use ozone to disinfect hands, foods and food prep surfaces</td>
<td></td>
</tr>
<tr>
<td>8.6 Install washing machines multiple washing cycles, ozone treatment</td>
<td></td>
</tr>
<tr>
<td>8.7 Implement a towel and linen reuse program</td>
<td></td>
</tr>
<tr>
<td>Ecolodge Evaluation Criteria</td>
<td>TDA Comments + Proposals</td>
</tr>
<tr>
<td>------------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Rating Values (see legend above)</td>
<td>#1</td>
</tr>
<tr>
<td>8.8 Develop Operational Manual for each of these departments</td>
<td>5</td>
</tr>
<tr>
<td><strong>9.0</strong> Purchasing Practices</td>
<td></td>
</tr>
<tr>
<td>9.1 ‘Pre-cycling’ Purchasing and Consumption Plan</td>
<td>5</td>
</tr>
<tr>
<td>9.2 Bulk buying measures (cleaners, imported foods, etc.)</td>
<td>7</td>
</tr>
<tr>
<td>9.3 Recycled Materials Purchases (Paper, glass, wood)</td>
<td>5</td>
</tr>
<tr>
<td>9.4 Active ‘By local’ program + practices -- agreements with area SMEs</td>
<td>7</td>
</tr>
<tr>
<td>9.5 Durable + Reusable product purchases</td>
<td>5</td>
</tr>
<tr>
<td>9.6 Life-cycle Audit Procedures for all purchased materials</td>
<td>5</td>
</tr>
<tr>
<td>9.7 Services (Consultants, legal, accounting) Audit</td>
<td>3</td>
</tr>
<tr>
<td>9.8 Supplier Awareness Program + Agreements -- Suppliers Compliance Manual (Purchasing criteria that reflects the ecolodges’ environmental and social policy)</td>
<td>3</td>
</tr>
<tr>
<td><strong>10.0</strong> Food and Beverages</td>
<td></td>
</tr>
<tr>
<td>10.1 Use of fresh organic foods and beverages</td>
<td>7</td>
</tr>
<tr>
<td>10.2 Purchase of local vegetables + meat/fish/poultry</td>
<td>7</td>
</tr>
<tr>
<td>10.3 Food waste distributed to villages and used as animal feed</td>
<td>3</td>
</tr>
<tr>
<td><strong>11.0</strong> Air Quality</td>
<td></td>
</tr>
<tr>
<td>11.1 All no-smoking rooms + guest areas</td>
<td>5</td>
</tr>
<tr>
<td>11.2 No VOC off-gassing from synthetic fixtures (carpets, drapes, fabrics)</td>
<td>7</td>
</tr>
<tr>
<td>11.3 Formaldehyde free: no pressed wood products (particle board, fiber board, plywood, furniture finishing)</td>
<td>7</td>
</tr>
<tr>
<td>Ecolodge Evaluation Criteria</td>
<td>TDA Comments + Proposals</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Rating Values (see legend above)</td>
<td>#1</td>
</tr>
<tr>
<td>11.4 All windows are operable + oriented for maximum ventilation</td>
<td>5</td>
</tr>
<tr>
<td>11.5 Allergen-free rooms: de-ionizer to eliminate allergens, spores, mold and bacteria</td>
<td>5</td>
</tr>
<tr>
<td>11.6 Use live plants in rooms, restaurant and guest areas</td>
<td>3</td>
</tr>
<tr>
<td>11.7 Use energy efficient vacuum cleaners to filter and remove dust and sand</td>
<td>3</td>
</tr>
<tr>
<td>12.0 Hazardous Chemicals + Plastics</td>
<td></td>
</tr>
<tr>
<td>12.1 Policy to avoid plastics + Styrofoam</td>
<td>7</td>
</tr>
<tr>
<td>12.2 Use of only biodegradable pesticides, herbicides + fungicides</td>
<td>7</td>
</tr>
<tr>
<td>12.3 Use of non toxic cleaners, solvents + paints</td>
<td>7</td>
</tr>
<tr>
<td>12.4 Use of toxic free furniture (e.g. no pressed wood, fiberglass, plasticizers, etc)</td>
<td>7</td>
</tr>
<tr>
<td>12.5 Safe fuel + machinery storage</td>
<td>3</td>
</tr>
<tr>
<td>12.6 Employees training program for chemical use and handling</td>
<td>3</td>
</tr>
<tr>
<td>13.0 Employee Equity, Participation, and Training</td>
<td></td>
</tr>
<tr>
<td>13.1 Proactive ‘equal opportunity’ local hiring practices</td>
<td>7</td>
</tr>
<tr>
<td>-- At least 50% from the region</td>
<td></td>
</tr>
<tr>
<td>13.2 Local hiring does not create undesirable conditions in the local community</td>
<td>5</td>
</tr>
<tr>
<td>-- Favoritism, economic disruption</td>
<td></td>
</tr>
<tr>
<td>13.3 On-going Employee Environmental Management Training + Evaluation Program (for management + staff)</td>
<td>7</td>
</tr>
<tr>
<td>13.4 Employees actively involve in environmental program</td>
<td>7</td>
</tr>
<tr>
<td>-- Environmental coordinator</td>
<td></td>
</tr>
<tr>
<td>-- Green team</td>
<td></td>
</tr>
<tr>
<td>-- Incentive Program</td>
<td></td>
</tr>
<tr>
<td>Ecolodge Evaluation Criteria</td>
<td>TDA Comments + Proposals</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Rating Values (see legend above)</td>
<td>#1</td>
</tr>
<tr>
<td>13.5  Employee Environmental Management Manual</td>
<td>7</td>
</tr>
<tr>
<td>-- Environmental practices and procedures</td>
<td></td>
</tr>
<tr>
<td>-- Employees responsibilities by department</td>
<td></td>
</tr>
<tr>
<td>13.6  Progressive work policy (fair wage + benefits, safe environment)</td>
<td>7</td>
</tr>
<tr>
<td>13.7  Local and national fair trade purchasing practices</td>
<td>5</td>
</tr>
</tbody>
</table>

**14.0 Contribution to Conservation + Community Awareness**

<table>
<thead>
<tr>
<th>Ecolodge Evaluation Criteria</th>
<th>TDA Comments + Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating Values (see legend above)</td>
<td>#1</td>
</tr>
<tr>
<td>14.1  Portion of profits to community + conservation projects</td>
<td>7</td>
</tr>
<tr>
<td>14.2  Community Relations Plan and activities</td>
<td>5</td>
</tr>
<tr>
<td>14.3  Proposed Conservation Projects</td>
<td>7</td>
</tr>
<tr>
<td>14.4  Proposed Community Project</td>
<td>7</td>
</tr>
<tr>
<td>14.5  Community Liaison Position</td>
<td>3</td>
</tr>
<tr>
<td>14.6  On-site sale and demonstration of local handcraft + foods</td>
<td>3</td>
</tr>
</tbody>
</table>

**15.0 Visitor Experience, Impact, and Interpretation**

<table>
<thead>
<tr>
<th>Ecolodge Evaluation Criteria</th>
<th>TDA Comments + Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating Values (see legend above)</td>
<td>#1</td>
</tr>
<tr>
<td>15.1  Visitor Code of Conduct</td>
<td>7</td>
</tr>
<tr>
<td>15.2  Pre-trip information packages</td>
<td>5</td>
</tr>
<tr>
<td>-- Regional resources</td>
<td></td>
</tr>
<tr>
<td>-- Local cultures and traditions</td>
<td></td>
</tr>
<tr>
<td>15.3  Available Local Interpretation Programs + Educational Materials</td>
<td>5</td>
</tr>
<tr>
<td>15.4  Offer area ecotours with local or community guides:</td>
<td>7</td>
</tr>
<tr>
<td>-- local villages, national park</td>
<td></td>
</tr>
<tr>
<td>15.5  Promote and offer contact with local residents (villagers, local entertainers, artisans, etc.) and the natural resources (marine, desert)</td>
<td>5</td>
</tr>
<tr>
<td>15.6  Guest access to conservation + community projects</td>
<td>7</td>
</tr>
</tbody>
</table>
### Ecolodge Evaluation Criteria

<table>
<thead>
<tr>
<th>Rating Values (see legend above)</th>
<th>#1</th>
<th>#2</th>
<th>#3</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.7 Guest Guarantee Program:</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-- Overall satisfaction with visit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-- Environmental expectation met</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 16.0 Monitoring, Evaluation, + Emergency Response + Security

| 16.1 Water Management + Audit Plan | 5  |    |    |
| -- water saving monitoring        |    |    |    |
| -- water quality monitoring       |    |    |    |
| (rooms, kitchen swimming pool)    |    |    |    |
| 16.2 Energy Management + Audit Plan | 5  |    |    |
| -- Energy saving targets          |    |    |    |
| -- Monthly consumption monitoring + reporting |    |    |    |
| 16.3 Waste Management + Audit Plan | 5  |    |    |
| -- Reduction, recycling, + reuse targets |    |    |    |
| 16.4 Employee Awareness Audit Plan | 3  |    |    |
| 16.5 Visitor Satisfaction + Awareness Audit | 3  |    |    |
| -- Impact of environmental programs |    |    |    |
| 16.6 Environmental Emergency Response (Contingency) Plan and Reporting System | 7  |    |    |
| -- on site                        |    |    |    |
| -- adjacent to the site           |    |    |    |
| 16.7 Visitor Safety, Security and Evacuation Plan | 5  |    |    |
| -- crime, health, desert travel   |    |    |    |
| -- water safety                   |    |    |    |

#### 17.0 Green Marketing, Public Relations + Communication Activities

<p>| 17.1 Target environmentally responsible (ecotourists) + green markets | 7  |    |    |
| 17.2 Low impact marketing mechanisms | 5  |    |    |
| -- Internet + digital marketing   |    |    |    |
| -- recycled paper + soy-based ink |    |    |    |
| 17.3 On-going green market research | 7  |    |    |
| -- National + international markets |    |    |    |</p>
<table>
<thead>
<tr>
<th>Ecolodge Evaluation Criteria</th>
<th>TDA Comments + Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rating Values (see legend above)</strong></td>
<td>#1</td>
</tr>
<tr>
<td>17.4 Regular Guest Survey</td>
<td>5</td>
</tr>
<tr>
<td>-- Environmental expectations,</td>
<td></td>
</tr>
<tr>
<td>-- Preferred method of contact, etc.</td>
<td></td>
</tr>
<tr>
<td>17.5 Contribution to ‘Sustainable’ Red Sea Region Tourism Brand or equivalent</td>
<td>5</td>
</tr>
<tr>
<td>17.6 All travel to trade shows and Familiarization trips to be carbon emission free</td>
<td>3</td>
</tr>
<tr>
<td>17.7 Join Select Green Accommodation Certification and Awards Programs</td>
<td>7</td>
</tr>
<tr>
<td>17.8 Section of company/ecolodge website to present environmental initiatives</td>
<td>5</td>
</tr>
<tr>
<td>17.9 Media Day: invite journalists/travel writers to inspect green initiatives, monitoring and reporting</td>
<td>3</td>
</tr>
<tr>
<td>17.10 Partner with carbon offset organization + offer guest the option</td>
<td>5</td>
</tr>
<tr>
<td><strong>18.0 Area Itineraries and Day Trips</strong></td>
<td></td>
</tr>
<tr>
<td>18.1 Code of Conduct + Briefings for Employees and Visitors in Marine + Desert environments</td>
<td>5</td>
</tr>
<tr>
<td>18.2 Program to train guides, naturalist, driver/boat operators, dive master, etc.</td>
<td>7</td>
</tr>
<tr>
<td>18.3 Measure to manage all solid and human waste while traveling</td>
<td>7</td>
</tr>
<tr>
<td>18.4 Guidelines for controlling impact on wildlife from motorized vehicles and wildlife viewing</td>
<td>5</td>
</tr>
<tr>
<td><strong>TOTAL VALUE</strong></td>
<td></td>
</tr>
</tbody>
</table>
ANNEX I: ECOLODGE BEST PRACTICES

I. MAHO BAY ECO-RESORT, US VIRGIN ISLANDS

Description
The Maho Bay Eco-Resort and Camps was one of the first lodging facilities in the world to provide a comfortable, low impact, and close to nature ecotourism experience. The facility, and in particular, its owner Stanley Selengut, has been a leader in the ecotourism movement for the past 25 years.

The ecolodge has received the most prestigious awards for innovation in sustainable resort development.

For instance, it is considered one of five Great Green Vacations in the world by 2005 American Eagle Latitudes Magazine.

Guests enjoy enhanced vacation experiences by combining pleasure with environmental stewardship. Maho Bay Resorts are built with site-sensitive techniques that preserve, protect, and even enhance the fragile eco-system of the Virgin Islands. These techniques include:

- Elevated walkways prevent soil erosion and protect the beach and fragile coral.
- Construction methods minimized removal of vegetation and use recycled building materials such as "plastic lumber", recycled glass tiles and rubber tire rugs.
- Each building is a showcase of conservation, recycling and site restoration.
- The sun, using timers and sensors to maximize efficiency, generates much of our electricity. Passive solar design, photovoltaic, rain collection and roof scoops that circulate cooling breezes are used.
- Upon arrival, every guest is informed of the recycling program and encouraged to separate their refuse for recycling. Blue bins are located throughout the camp. The lodge recycles 100% of all aluminum cans, glass, and clear plastic bottles.

Other significant environmental measures include:

- Water Conservation
  - The average water consumption per guest / day is 95 liters, compared to most resorts, which use as much as 300 gallons per guest / day.
  - An effort is made to augment the water supply by collecting rainwater in cisterns, conserving as much as possible, and by treating and using wastewater for irrigation.
  - Rainwater catchments are on almost every building and collect about 345,000 gallons of rainwater a year. This supplies water to the laundry, housekeeping facilities, and the bathhouses.
− Wherever possible, cisterns are strategically located so that water can flow without external energy sources.
− Water is heated with solar energy.
− Washing machines use minimal water as well as minimal energy and use 100% biodegradable laundry detergent and limit the amount of bleach.
− The resultant wastewater stream becomes a viable water source for secondary usage.
− All tent-cabins have 100% natural biodegradable dish soap.
• Sanitation & Water Treatment
  − Spring action faucets and showers prevent waste.
  − Low-flush toilets save up to 3 gallons per flush.
  − Clean and odor-free waterless urinals save 12,000 to 15,000 gallons per year with this new technology and water use is monitored every day.
  − Guests are asked to shower only during certain times of the day to distribute the demand.
  − Wastewater is pumped into a large aeration tank where nature’s own bacteria break down and separate the solids.
  − Sifting and chlorinating leave a clear liquid ready for reuse in the organic orchard and garden.
• Landscape Enhancement
  − The ecolodge uses 2,000 to 7,000 gallons of "grey water" a day without allowing any to go into the natural water system. Lateral water lines carry the nutrient-rich effluent to the surrounding vegetation and the organic orchard where bananas, oranges, okra, limes, lemons, luffa gourds and papaya are grown.
  − Rain catchments provides water for the organic garden where they grow a variety of edible and decorative plants including herbs for the kitchen. The garden beds are built from concrete that contains crushed recycled glass, and upside down bottles, which minimize cement use and recycles even more glass.
• Composting toilets
  − Use of odorless Clivus Multrum composting toilets that minimize water use and impact on the environment and maximize conservation.
  − Wastewater treatment plant disposes of 2,000-7,000 gallons of daily water output without allowing any wastewater to enter the bay. Gravity is used to transport the purified water from the treatment plant through lateral water lines that carry the nutrient-rich effluent water to adjacent terraced organic orchard.
• Recycle, Re-use, Reduce
  − Glass, including bottles, is collected in bins throughout the facility. They are sorted, crushed and mixed for use in non-structural applications. The remainder is made available free of charge to local builders, contractors or homeowners to be used as aggregate or backfill.
  − Some glass is selected, washed, labels removed, crushed and sent to a special rebirthing station. With the help of visiting glass artists, it has been producing high quality glass art and utilitarian objects. These creations are sold in the gift shop with proceeds used to help support this and other environmental efforts at Maho Bay’s Trash to Treasure Art Center.
• Visiting artists demonstrate glass blowing and casting techniques for guests and teach staff basic skills of the art. Maho Bay Camps is the only resort dedicated to glass re-manufacturing from recycled bottles.

• **Aluminum Cans** are collected, compacted and melted on site in an aluminum furnace.

• **Waste paper** is used as packing material for glass and other crafts. As well:
  
  − Registration forms and other paperwork are kept to a minimum and departing guests are asked to return maps and guides to the desk for reuse.
  
  − Photocopies are double sided. Paper used on one side, envelopes and file folders are reused for rough drafts and scratch paper. There are no paper plates or cups in our restaurant, and all new paper materials contain a high percentage of recycled fibers. Newspapers are reused.
  
  − Guests are encouraged to recycle and reuse

• **Alternative Energies**
  
  − Alternate energy is a critical component of Maho Bay resorts' environmental practices. It was the first high end resort in the world to operate exclusively on alternate energy sources. Because of the abundant sunlight, solar energy an efficient and responsible choice although grid power is available as a backup.
  
  − High-efficiency photovoltaic roof panels provide energy for lights, appliances and other equipment.
  
  − Electricity automatically shuts off (except refrigerator) when guests lock their doors behind them.
  
  − Showers use hand pumps to fill a tank on the roof and gravity feed solar heated water to the showerhead.
  
  − Wind generators, solar panels and passive solar technology to take advantage local conditions. Some units have refrigerators.

• **The Restaurant**
  
  − Restaurant staff coordinates purchase orders with the store, gift shop and laundry to minimize deliveries. This saves fuel and reduce noise and air pollution.
  
  − A large shed provides ample storage space and helps our suppliers save time fuel.
  
  − To eliminate wasteful individually packaged, single-use items, we bulk-order all condiments and keep them in centrally located, refillable containers.
  
  − Only reusable plates, glasses and utensils in the restaurant.
  
  − Heat producing compressors for refrigerators and freezers are outside the restaurant, reducing the need to cool the kitchen.
  
  − Vents in the walls allow fresh air from the open-air pavilion to circulate.

• **Building Materials**
  
  − Only environmentally friendly, "green" building materials are use.
  
  − Garbage bags, old automobiles, ketchup bottles and light bulbs are recycled as components of Maho Bay Resorts
  
  − Many of the furniture items in the store, the administrative offices and in individual tent-cabins—were built from recycled or reused materials that would otherwise have ended up in a landfill.
  
  − Composite lumber is used throughout resorts as are recycled, reused, or energy-efficient products.
- In order to reduce heat emissions and electricity use, the lights are florescent.
- Administrative offices are air conditioned, but sections of the office have individual units so that only occupied areas are cooled. Air conditioning units are always turned off when the area is vacated.
- The office is equipped with reflective windows with a specially treated coating that provides the lowest possible emissivity (passing of heat from the outside to the inside).

**Site Development**

- The 114 tent-cabins are built on raised 16' × 16' platforms; sites for these other buildings (the restaurant, store, registration, bathhouses, administrative offices and the dining pavilion) were chosen to minimize environmental damage.
- All buildings are connected by raised walkways to prevent vegetation from being trampled. Ground cover and other plant and animal life continues to flourish underneath the raised walkways and tent-cabins, and the trees and vegetation whose lives we spared return the favor by protecting us and our guests from the hot tropical sun.
- The ground cover has remained intact and provides protection from the elements, and prevents construction runoff from spoiling the fragile reef.
- To minimize disturbance to the environment, electric lines and water pipes either run along the ground or, in many cases, are attached to the underside of our boardwalks.


**2. ALILA UBUD + ALILA MANGGIS ECO-RESORTS, BALI**

*Description*

These 2 resorts received Green Globe Certified status under the global certification programme w.e.f. in May 2007. This global programme recognized the resorts’ commitment to operating at the highest environmental standard level.

Certification was the final step in an ongoing process during which Alila Ubud and Alila Manggis have successfully met key environmental benchmark indicators for:

- Energy and water consumption,
- Total waste production
- Community commitment.

The certification process involved an on-site audit by an independent third party Accredited Assessor. Such an audit will be conducted annually to review and assist the resorts in their continued commitment to the Green Globe standards.

Alila Ubud has achieved Best Practice results in:

- Waste recycling with its on-site organic composting,
- Local involvement through a village agreement initiative and create a positive impact on the community – economically, socially and culturally,
- Recycling of 80% of its water consumption.

Alila Manggis has:

- Reduced of water and electricity consumption by over 30%
- Employs 85% of its staff from within 20km of the resort and offers extensive training and career path development for all employees.

Future environmental projects and goals for these resorts include:

- Reducing its paper consumption by 50% in 2007 and gradually changing all of its paper usage to 100% recycled paper.
- Encouraging their travel partners to switch from fax to electronic mail to reduce paper consumption.

Green Globe Asia Pacific says: “They have demonstrated through a variety of initiatives, that the business and its employees can make a difference by reducing their environmental impact. The commitment they have shown by participating in the Green Globe program and their achievements set an example for other businesses to follow.”

The vision for the two resorts included holistic environmental and respect for the environment and local communities and aims to link natural conservation, community and commerce in one integrated cycle.

Alila Ubud offers special tours introducing and preserving Indonesia’s traditional textiles, especially those made in Bali. Alila Manggis works closely with local dive operators to build programs and raise awareness on protecting the coral reefs.

Both resorts are active supporters of local programs that aim to raise awareness of global environmental issues in their local communities, such as Earth Day, World Environment Day, and the annual Clean Up the World.
Alila Ubud and Alila Manggis were recognized for their contributions to environmentally sustainable tourism and named winners in the inaugural Wild Asia Responsible Tourism Awards, which supports conservation initiatives in Asia.
3. TIAMO ECOLODGE, ANDROS ISLAND, BAHAMAS

Description

Tiamo is an environmentally conscientious tourism destination without sacrificing the comfort and quality of the guest experience.

They have won several awards and had significant media attention, for “innovation and excellence”.

Tiamo sets new standards in development and business, and encourages others to join in the effort to preserve the beauty of the Bahamas. Tiamo remains an eco-friendly nature resort without compromising the Bahamas nature experience.

Community Involvement

Environmental conservation requires the support of the local community. Staff members are educated and trained and have agreed to an environmental code of ethics as representatives of Tiamo. They are encouraged to participate in local community cleanup efforts and implement practices they use at work in their own homes.

Tiamo regularly participates in local trash clean-up projects, donating staff time, vehicles and fuel to aid in this process. They work with local schools on ecotourism, clean community projects, reef and fish protection classes, iguana/turtle protection classes and work with the help of organizations such as:

• Reef Relief, Shedd Aquarium,
• The Wildlife Conservation Society
• The Bahamas National Trust.

Sustainable Tourism Construction

Site clearing for Tiamo was done by hand using machetes and chainsaws to preserve the existing vegetation. All transport of materials to the site was done by hand, using small shallow draft boats to reduce the likelihood of the dredging that a larger vessel might do.

All wood used in construction was precut in one area, then moved by hand to each building site and assembled with light power tools.

A prototype building was constructed in the US prior to ordering materials in order to ensure the least possible waste during construction. Scrap materials were saved and have been used to make furniture and other items. Most construction was done utilizing electricity generated entirely by the solar power system. The construction crew consisted of a local South Andros Island crew. Up to twenty locals were employed at one point during construction with only three non-Bahamians as part the construction management team.

Building Design

Tiamo Ecolodge building design incorporates three major objectives:

• Minimum site impact
• Passive-cooling
• Energy efficiency
Each building is elevated using simple columns for minimum site impact and cooling purposes. No land alteration was needed, minimizing erosion. Buildings use several passive-cooling techniques including:

- Wrap-around porches (to keep direct sun from main living areas);
- White reflective roofs;
- High-pitched ceilings; and
- Open design for maximum airflow.

Each beach bungalow has been situated according to its preexisting surroundings, placed within indigenous trees and vegetation for both an optimum view of the water and also for privacy. Buildings are wood frame structures constructed of nontoxic treated pine harvested from sustainable forests.

**Guest Education**

People are attracted to the Island because the facility offers an appealing nature tourism experience.

A major aspect of Ecotourism and an Ecolodge is environmental education. Clients are introduced to South Andros Island through the personalize service of the Nature Concierge Team. Professional biologists teach clients the resources of The Bahamas. This includes:

- Snorkeling the numerous blue holes and Coral Reefs;
- Hiking through various ecosystems; or
- Kayaking through The South Bight.

**Operations**

Tiamo’s sustainable performance is based on four major functions:

- Energy Systems,
- Wastewater Treatment,
- Construction Design and
- Solid Waste.

Solid waste is one of the most challenging aspects of operating an island ecolodge. There are no recycling facilities in The Bahamas. The following are some examples of what they do to minimize solid waste:

- **Purchasing**
  - The best method to deal with solid waste is to purchase items that have minimal amounts of material. Tiamo bulk buys. Doing this from South Andros Island is a challenge because of limited suppliers and shippers. They purchase as much as possible from local suppliers and grow their own produce for even greater environmental efficiency.
  - The office purchases recycled paper for general office use and banana-fiber paper for letterhead and correspondence. They reuse all scrap paper, using the opposite side for the printer and scrap pads.

- **Composting**
  - All food waste is composted and is used later as fertilizer in the gardens.

- **Paper Waste**
Paper products and packaging that is not reusable is burned and the ashes are kept for fertilizer.

- **Plastic**
  - Plastic is the most challenging waste product. There are no available means to recycle plastic. They reuse plastic bottles, bowls and containers where possible. They also use the guests to complete their plastic recycling effort. Many come from communities with recycling programs, therefore they neatly clean and package plastic waste in convenient bundles for guests to take back home to recycle.

- **Metal Waste**
  - Metal items are reused whenever possible. Items that must be discarded, specifically tin and aluminum cans are crushed and donated to the Cans for Kids program in Nassau.

- **Glass**
  - Glass, while easier than plastic to recycle. Tiamo only purchases beer in bottles that are bought back by the brewer. They have found a creative short-term solution for glass recycling. Any bottles that cannot be returned are crushed and used in the cement for construction.

There are many other specifics activities that preserve the natural setting and save money including:

- Using four stroke boat engines,
- Carefully planning boat runs for less fuel consumption,
- Using the clothes line instead of the clothes dryer,
- Using simple cleaners such as baking soda and vinegar instead of chemicals,

**Sustainable Tourism**

The main achievement is their electricity generating system.

Tiamo has a large solar field, with a daily electricity generating capacity of over 130,000 watts and a battery storage facility totaling 4,075 amp hours. It is a full service ecolodge utilizing 100% alternative energy for its electrical needs, including a commercial kitchen.

The system was designed by the Real Goods Corporation and installed by local South Andros Island citizens.

**Wastewater Treatment**

Grey water waste undergoes in a natural treatment process. All of the wastewater from the showers, sinks and laundry is filtered for large particles and sent through a dirt, sand and rock filter system for cleansing. They also use biodegradable, phosphorous free soaps for further protection of the land and water resources.

Black water waste (one of the most detrimental wastes to near-shore tropical aquatic ecosystems) is dealt with by using low-flush composting toilets. These are normal toilets-a ceramic bowl using a one-pint, low-flush system. Composting toilets take advantage of the natural processes of microorganisms. They break down waste into a healthy organic peat.

**Hot Water**

All hot water is created using thermal hot water heaters - no electricity or gas is used. Each two-person beach bungalow is fitted with a 30-gallon heater; the commercial kitchen utilizes two 50-
gallon heaters. The water heating ability is so great that tempering valves must be used to mix cold water with the boiling hot water created by the heaters.
4. LAPA RIOS ECOLODGE, COSTA RICA

Description
Lapa Rios Ecolodge is one of the best-known ecolodges in central and South America. Last year it received the US Secretary of State’s Award for Corporate Excellence for its exemplary business practices.

The eco-lodge was recognized by Secretary of State, Condoleezza Rice, as a U.S. company operating overseas that exemplifies the highest standards of conduct in the following categories:

- Good corporate citizenship;
- Exemplary employment practices;
- Responsible environmental stewardship and practices;
- Contribution to the overall growth and development of the local economy;
- Compatibility, and if appropriate, contribution to the local science and technology policies;
- Compliance with U.S., international and local laws and standards, especially in regards to anti-bribery, transparency, and human rights and labor.

It was also an official recognition that ecotourism is an important tool for both environmental protection and poverty reduction. In 1990 the owners purchased more than 1,000 acres of Pacific lowland rain forest in the remote Osa Peninsula of southwestern Costa Rica. Their goal was to implement a vision of conservation with the local community, and with their neighbors' assistance designed a business that sustained and supported the land.

Mission Statement
The Lapa Rios Mission Statement is, “No matter how you cut it a rain forest left standing is more valuable than one cut down.” To achieve this goal Lapa Rios had to become a working model of preservation, ecotourism and sustainable development. The project demonstrates that such business practices can be profitable, practical and worthy of consideration in the overall scheme of environmental and cultural protection.

Project Description
In 1990 the investors purchased over 1,000 acres of Pacific lowland rain forest in the remote Osa Peninsula of SW Costa Rica.

The project adopted the ecotourism design standards projected in 1991 by World Wildlife Fund and continues to apply values proposed by The International Ecotourism Society. Since 1993, the 16-bungalow ecolodge operation—together with its community residents—maintains the forest preserve offering high quality services and accommodations primarily to international guests seeking cultural and nature-based activities.

The Lapa Rios Rain Forest Reserve harbors flora and fauna species unique to the world and is contiguous to other first growth areas sheltering Corcovado National Park. The marine-buffered Osa Peninsula is one of the world’s most bio-diverse regions, and is under consideration for a UN World Heritage Site. The Peninsula is isolated and sparsely populated with mostly small scale or subsistence farmers, a few ranchers and increasingly, people involved in emerging ecotourism businesses or related services.

In the early 1990's Lapa Rios committed to answer Costa Rica’s growing demand for ‘above-rustic’ wilderness destinations. Non-impact Osa design buildings were hand-constructed by locals.
using primarily the area’s renewable materials. The thatched bungalows provide simple-yet-elegant comforts in a spectacular natural setting. Friendly, always-improving staff offers highly personalized and professional service. Former farmers-now chefs prepare multi-course, gourmet meals, and certified organic foods are promoted with rotating menu choices reflecting Central America’s endemic fresh fruits and vegetables. Favorite Costa Rican recipes have added international creativity. Staff-naturalists lead educational rain forest and beach hikes dawn until after dark. Lapa Rios constantly tries to improve its product through education of staff and guests.

**Good Corporate Citizenship**

With labor from the local community, volunteer organizations and its own staff Lapa Rios organized and funded the building of the Carbonera Primary School. In 1993 the school buildings were donated to the Costa Rica Government. School equipment, supplies and funds for an English teacher and cultural dance classes come from Lapa Rios and its guests. With help from the Costa Rica-Minnesota Foundation, the investors founded the travelers’ philanthropy La Asociación de Educación to raise awareness and funds to develop the Carbonera School.

Lapa Rios contributes funds, supplies and labor to regional service providers like the area’s public schools and health clinic; the Pto. Jiménez police and Red Cross, its pre-school program and Children’s Library; the National Park Services; provides potable water to neighbors and the School; and maintenance to the only road and bridges. All lodge business deals directly with the village’s only bank. To add strength to the regional economy many supplies and food are purchased locally, even dealing directly with farmers.

Lapa Rios initiates and funds community education: the DARE program; the Osa Campaign, to promote bio-diversity conservation; No More Garbage, a community recycling effort; and an area beach clean up to initiate development for the Blue Flag program. Lapa Rios-trained employees are backbone to local social improvement.

**Responsible Environmental Protection and Practices**

Lapa Rios established a 920-acre biological preserve with a conservation agreement with The Nature conservancy and CEDARENA (a Costa Rican Land Trust organization) to preserve the land in perpetuity. It also:

- Committed a 5-year funded salary for an additional Corcovado National Park guard;
- Developed a Corcovado day tour and guest-support program for the Osa Campaign;
- Helped rebuild a locally run turtle conservation project
- Created a community members educational guided forest hike.
- Employs 3 local naturalists who guide registered guests in the Reserve.

To assist local economy remaining guest activities are outsourced to service providers and guides—horseback riding, fishing, surfing, a village walking tour in combination with a local farm visit, kayaking, yoga and massage.

It has also:

- Developed comprehensive, environmental management systems, including:
  - Solar-heated water panels;
  - A recycling program that includes bio-gas fuel generation from food scraps;
  - A water and electricity conservation programs,
- An only-endemics ornamental gardens with plant identification tags
- Sources and provides certified organic foods and biodegradable products, and continuously improves sustainable practices through staff and guest education.

A guest-supported Volunteer Reforestation program uses Reserve-culled seedlings. The culture-honoring lodge design requires renewable natural building materials (palm leaves, cane, bamboo, etc.) and suppliers and transporters must be licensed. Only Rainforest Alliance-certified wood products are used but substitution with renewable materials drives construction, furnishings and hospitality accessories solutions.

**Contribution to Overall Growth and Development of the Local Economy**

The Costa Rican government, through the Costa Rican Tourism Institute (Instituto Costarricense de Turismo or ICT) awarded the coveted 5-Leaves Certification for Sustainable Tourism (CST) to Lapa Rios, one of the country’s only two hotels or lodges to win this ranking. This best practices-best product’s guideline improved the lodge’s internal audit and provably raised staff performance and service quality.

- Lapa Rios employs 53 permanent Costa Ricans, all but 2 of whom are from the Peninsula, and works with more than 40 area service providers.
- Continuous staff training and skills’ improvement is a part of the daily routine,
- Guest evaluations and suggestions augment the curriculum.
- Departmental cross training, English classes and promotions throughout the lodge has raised employees’ concept of a career in tourism.
5. FEYEN ECOLODGE, JORDAN (DANA RESERVE)

Description

The lodge at Wadi Feynan sits deep in the mountains of Jordan's southern Rift Valley, near the west border of the 320-square-kilometre Dana Reserve. It was designed as a retreat for tourists wishing to explore an archaeologically rich area while hiking, stargazing and interacting with the local Bedouin community.

The Feynan Eco-lodge in the Dana Reserve has received an international commendation under the title "Best Overseas Tourism Project".

The ecolodge and associated sustainable tourism project, was also recognised by the British Guild of Travel Writers, an association with over 270 experts involved in travel. It gave the award to Feynan because of the benefits the local community and environment.

This adobe lodge is built entirely of local materials and has a unique arabesque design by a local architect. It incorporates traditional adobe building techniques and has produced a building that is functional, romantic and blends with its surroundings."

The seclusion of the facility is emphasised by the fact that it's eight kilometres away from the nearest road and accessible only by 4x4, one of the community shuttle services, or a five-hour hike through the gorge of Wadi Dana.

Environmental Management

Environment-friendly measures include:

- Solar powered energy; it is lit by candles at night;
- Natural ventilation systems;
- Thick insulated walls to minimise energy use; and
- The recycling of garbage and food.

An all Bedouin staff cooks vegetarian cuisine from local desert vegetation and food is stored traditionally without the use of electricity. Upon request, lamb is cooked by fire in a ditch or manually grilled over the fire for six hours," he said.

According to the Royal Society for the Conservation of Nature (RSCN), the lodge itself provides an unparalleled experience in desert accommodation. The 26 rooms, which are lit by candles at night, create an atmosphere reminiscent of the ancient caravanserai that gave rest and shelter to the camel trains that plied nearby trading routes.

Feynan Lodge is also

- Directly supports 34 local Bedouin families and the non-profit project is self-sustainable.
- The Dana Reserve is also supported itself because of the business approach in nature conservation.

The ecolodge, which opened two years ago under Wild Jordan, the business arm for the RSCN, was constructed as a pilot project in line with the organisation's efforts to provide alternative forms of income for the impoverished Bedouins in the area, whose main source of income is through goat herding.
The 9,000 goats in the area were having a significant environmental impact. The ecolodge and associated tourism activities gives people an alternative to grazing and a gradual shift towards a new economy. Bedouin youth are eager to be part of the modern world and are learning to profit from the conservation of nature.

Income generators include homemade candles and leather products, which are used at the lodge and sold throughout the Kingdom.

Each year, the two lodges and one campsite in Dana Reserve contribute around JD250,000. The revenue goes back into protecting the area and supporting the local economy.

At the 2003 World Summit, Dana was chosen as one of the four best sustainable ecological projects in the world.
6. SANDIBE SAFARI LODGE, OKAVANGO DELTA, BOTSWANA
(CC AFRICA GROUP)

Description
Sandibe Safari lodge is part of the CC Africa group, who are one of the more responsible tour operators in Southern Africa. Sandibe is in beautiful thatched lodge which nestles between permanent water and grass swept plains and was built with a commitment to “treading lightly on the earth”. The result is an organic architecture that blends seamlessly with one of the more breathtaking landscapes in Africa.

Examples of their eco features:
- Eight intimate lodges, built almost exclusively from local materials
- Mokoro (dug out canoes) and eco-craft cruises
- Interpretive bush walks
- All buildings have been erected with the ethos of “treading lightly on the earth”.

Other significant environmental measures include:

Minimizing Environmental Impact
- **Water**—Sandibe pumps waste into histosol treated septic tanks, from there into soak away pits and if necessary from there into wetland systems. This operating system exceeds the government regulations and is superior than most other operators in the region.
  - The water at the lodge is monitored, where 4 basic tests are conducted and samples are sent to Maun Department of Water Affairs for further analysis.
  - Sandibe is to be a pilot project for the biological control of salvinia molesta (Kariba weed) which has been present in the delta since the 70’s. Kariba weed is considered to constrict the species that live in the Okavango channels. This pilot project involves breeding and dispersing weevils on to the weed.

Environmental audits have started after visit from group Conservation Manager and plans have been made to re-plumb grey water.

- **Fuel**—All fuel storage facilities have bund walls to ensure that spills and leaks are contained. The storage facility has plastic ground sheets covered with sand so that spills can be collected and shipped out if necessary.

- **Power**—All light bulbs used at Sandibe are energy saving. The generator and vehicles use less than 3000l of fuel per month, and CC Africa is investigating other sources of power supply. The camp is currently awaiting the arrival of an inverter system, which will allow for power storage and will mean that the generator is not used as much.

- **Waste Disposal & Recycling**—The staff at Sandibe recycle paper and are looking at the possibilities of utilising this resource for fire blocks and panels for housing and insulation.
  - Sandibe also collects and waste glass, tin, plastic, and oil to Maun for recycling:
− Worm farms with diamond mesh protection have been dug and are used for the treatment of wet waste from the kitchens. The resultant compost is intended for sale or to go to community gardens.
− Chemicals are limited to only those that are biodegradable and enzyme based.

**Staff and Social Policies**—In excess of 90% of the staff for Sandibe originate from the local community. All staff receives extensive training within their individual departments. Training from “head office” champions, is on a continuous basis. Guides receive extra training through 2-month intensive training course at Inkwaze Training School (Phinda, South Africa).

**Eco Guest Activities**—All the water-based activities are eco friendly, as they do not add any pollution.
− Mokoro Rides – dug out wooden crafts which are paddled by hand
− Excursion and viewing boat, is electrically powered. The old batteries are sent to Maun for recycling and disposal.
7. NXABEGA OKAVANGO SAFARI CAMP, OKAVANGO DELTA, BOTSWANA (CC AFRICA GROUP)

Description

Nxabega Safari lodge is part of the CC Africa Group. Nxabega is on the edge of the Okavango Delta within a 7000 hectare exclusive wildlife concession, on the western border of Moremi Game Reserve.

Examples of their eco features:

- Exclusive safari tents, reduces the need to transportation of building materials.
- Mokoro (dug out canoes) and eco-craft cruises
- Interpretive bush walks
- All buildings have been erected with the ethos of “treading lightly on the earth”.

Other significant environmental measures include:

CC Africa’s Vision

Care of the land, care of the wildlife, care of the people. CC Africa is dedicated to these three principles, which encapsulates their vision for Africa.

In consultation with local communities, CC Africa set up their own Rural Investment Fund, which has subsequently attained independence as a non-government, not-for-profit organisation called the Africa Foundation. Africa Foundation have raised over R11 million, in their Phinda private game reserve, through international and local grants for implementing community empowerment programs.

Some of the areas of focus are:

- **Grounded in community participation**—Africa Foundation empowers communities, adjacent to conservation areas by working with them to identify and address their social, economic, health and welfare development needs on an ongoing basis.

- **Driven by local champions**—Africa Foundation identifies local community members who will assist with and leverage the implementation of effective and sustainable projects.

- **CC Africa as the major partner**—Africa Foundation supports CC Africa’s success in the people / land / animals balance and provides CC Africa with effective and sustainable community development results.

- **Guest as development partners**—Africa Foundation offers CC Africa guests the opportunity to make a lasting contribution to the people of Africa’s conservation areas.
• **Stable Organization**—Africa Foundation maintains a strong organizational base with the ability to evaluate, fund and monitor projects at steadily increasing levels.
8. MASHATU GAME RESERVE, TULI BLOCK, BOTSWANA (MALA MALA GROUP)

Description
Mashatu Game Reserve is part of the award winning Mala Mala group, based in South Africa. The Reserve is part of the Limpopo-Shashe transfrontier conservation area (or peace park). This is a joint venture between the governments of Botswana, South Africa and Zimbabwe. They are in the process of collaboratively formulating a new joint venture constitution and environmental management plan.

Minimizing Environmental Impact
Examples of their eco features:

- Mashatu Game reserve, is working closely with the Botswana Department of Wildlife and the various affiliated NGO’s in the set up with the Limpopo-Shashe transfrontier park.
- The curio outlets within the camps sell baskets which are locally manufactured, in villages bordering the Reserve.
- Biological disposal systems are used throughout the camps and staff quarters.
- All the cleaning chemicals, soaps and detergents used within the reserve are biodegradable to suit the disposal systems used.
- All guest toiletries are supplied locally and presented in reusable/local packaging.
- Air Conditioners and geysers are turned off when rooms are unoccupied.
- All light bulbs are low wattage light bulbs.
- Recycling of tins and glass
- Guests are requested to use the same towels throughout their stay, to reduce water consumption within the laundry.

Labor and Social Policies
- Mashatu works closely with International Labor Organization; and have staff members in all their seminars and workshops, which are primarily to do with HIV/Aids issues and prevention.
- The staff content of is 85% Motswana.

Cultural Activities
Mashatu guests have the opportunity to get to know a bit about the history of Kanana, through Archaeological / cultural tours which the reserve conducts. These tours involve tours to the Motoloute Ruins and other sites in the reserve – all of which have remained largely untouched. These sites are only available to Mashatu’s guests, which ensure an exclusive and spiritual experience unfettered by tourist traffic.
Mashatu game reserve has a group of trained guides who show guests around their specially built natural history museum, known as the ‘Discovery room’. Guests have access to the various displays and write ups of an educational nature, which helps to disseminate information about the Reserve.
9. SANTAWANI LODGE, OKAVANGO DELTA, BOTSWANA (SANKUYO TSWARAGANO MANAGEMENT TRUST)

Description
With donations from the Africa Wildlife Foundation and the African Development Foundation, Santawani Lodge was purchased on behalf of the Sankuyo Tshwaragano Management Trust in 2004. The trust is made up of a group of 400 households amongst the local community. Tourism benefits the Sankuyo community at a village level, further encouraging the preservation of wilderness areas for future generations, through sustainable wildlife resource management programs.

The benefits of the local community managing Santawani Lodge are:

- The local businesses will benefit from trade with Santawani Lodge, in terms of building materials.
- Labour comes exclusively from the community and involves labour development in the form of training and courses. The isolated rural village of Sankuyo, supplies a number of the staff to the Lodge.
- Profits from the Santawani Lodge are being used to develop the local facilities within the community in the form of utilities and improving living standards.
- The Sankuyo Tswaragano Management Trust is one of Botswana most successful community based tourism organisations.
- Visits and village tours creates income for the local communities.

Cultural Activities
One of the focus points for guests staying at Santawani Lodge is cultural tours that encompass cultural visits to the local communities. Some of the local communities that benefit are Bayei (River Bushman), Basubya, Banajwa and Barotse. These communities offer cultural tours and cuisine, which directly benefit their villages.
10. WILDEBEES ECO LODGE, ST LUCIA, SOUTH AFRICA

Description

Is an eco-lodge based in Hluhluwe, in Northern Natal. The lodge is surrounded by the Hluhluwe, Umfolozi and Mkuze Park and borders the Greater St. Lucia Wetland Park, a world heritage site.

Ecotourist Activities

Ecotourist activities include:

- **Community interaction tour**—This tour visits a local Zulu community where guests can get an understanding of contemporary life in a rural area in Northern KwaZulu Natal. This activity is a vital source of income to a number of small businesses within communities in the local vicinity. The tour encompasses:
  - Meeting with a Sangoma, a traditional healer, who will explain and illustrate a Zulu ceremony.
  - A visit to a local primary school

- Horse riding, bird watching, hiking, whale and turtle watching are all activities that don’t harm the environment and make use natural resources of the area.

Minimizing Environmental Impact

Wildebees Eco Lodge has a number of features that illustrates its commitment to being an eco-lodge:

- Energy saving lights are used throughout the lodge
- Lights are only utilised during certain periods of the day
- Heating: other than the fireplace there is no artificial heating
- Cooling: there is no air conditioning
- Water: Use of borehole water and rainwater that is filtered and used for drinking water.
- Cooking: on gas (from a tank) and sourcing of local vegetables from a local communities.
- Waste disposal: Waste is collected and brought to the waste centre once a week. Cans, paper and bottles are collected separately and recycled.
- Inspect, pest control (how): Use of bio friendly products and mosquito nets.
Accessible by public transport: A transfer service is offered by Wildebees from the local village. This allows staff an easy and efficient route to work.

Local Community Projects

Wildebees offers a percentage of its profits to projects which they have initiated. These projects are known as Ecolabel projects. Some of the projects include:

Odakaneni Community Ark, that feeds HIV/AIDS orphans on a monthly basis and provides them with some basic education, second hand clothes and tours. Wildebees also provide support with the management of the project and delivering foreign volunteers to the project.

Wildebees is the contact point for the Spark Foundation, a Dutch NGO which operates in the KwaJobe community and assists schools with management and sports education.

A cultural interaction program was founded by Wildebees, which allows guests the opportunity to visit a local homestead in a community 50 Kilometers from the lodge. The guests interact with the community and a local guide gives a basic introduction.
II. MOSETLHA BUSH CAMP, MADIKWE GAME RESERVE, SOUTH AFRICA

Description
Mosetlha Bush Camp is an eco run lodge within the 75 000 hectare, Madikwe Game Reserve, in northern South Africa. Mosetlha bush camp has been developed as an authentic, rustic, family run bush camp.

The camp is unfenced and guests are accommodated in Safari style raised wooden cabins set around the central camp fire and lapa. The simplicity of the camp, assists both with the rustic nature and the also to limit the environmental impact.

Ecotourist Activities
Ecotourist activities include interpretive Bush walks, in a renowned big 5 area, gives guests a good understanding of the animals of the reserve with very little impact on the environment.

Minimizing Environmental Impact
It is Mosetlha Bush Camps mission to provide an exclusive and unique wilderness experience for guests, with minimal ecological impact on the surroundings. Their main principles of ecotourism are:

- Conservation of neighbouring lands
- Benefits to local communities.
- Interpretation to both local populations and guests.

The Mosetlha bush camp has been involved in a number of different eco policies, which include:

- Helping to conserve the surrounding flora and fauna
- Trying to work with the local community.
- Offering educational interpretive programs to both employees and tourists about the surrounding natural and cultural environments.
- Using alternative, sustainable means of water acquisition and reducing water consumption.
- Providing careful handling and disposal of solid waste and sewerage
- Meeting energy needs through passive design and renewable energy resources.
- Using traditional building technology and materials wherever possible and combine these with their modern counterparts.
- Having minimal impact on the natural environment during construction.
- Blending local and physical and cultural environment through careful attention to form, landscaping and colour, as well as the use of local traditional architecture.
• Contributing to sustain local community development through education programs and research.

Water Conservation

The central ablution area reduces the amount of water consumed, and allows the camp managers to control the disposal of sewerage and solid waste from one source. This reduces the impact of waste on the environment.
12. CAMP SYNCRO, MARIENFLUSS VALLEY, WEST KAOKO (KAOKOHIMBA SAFARIS)

Description
Camp Syncro is a unique safari camp for individualists, situated right on the banks of Kunene river at the end of the Marienfluss Valley. It can be reached only by 4x4 vehicle within a days drive from either Opuwo or Sesfontein.

The houses are built from river stones and covered with thatched roofs. Peaceful secluded, they stand under big Ana trees. A unique atmosphere is created by the subtle background rush of the river, the recurrent clacking of cattle and goat hooves on the pebble stones and the warbling of the mourning dove in the trees.

Guest Activities
Camp Syncro is a remote, tranquil lodge that allows their guests the chance to relax and enjoy the atmosphere, in an eco-aware, rustic environment.

- Interactive village walks, introduces the guests to the Ovahimba tribe. Meeting the local people and finding out how they utilize the seemingly barren land and provide for the village. This interaction, provides the local community with a valuable source of income
- Interpretive bush walks, through the side valleys of the Marienfluss. Gives the guests the opportunity to learn about the local flora and fauna.

Minimizing Environmental Impact
Kaokohimba Safaris strives towards finding a sustainable balance between the needs of local communities, the environment and tourism in north-western Namibia:

- By assisting communities to develop sustainable and self sufficient livelihoods
- By creating an awareness of the sensitivity of indigenous culture and the environment amongst all stakeholders.

The camp is mainly powered by solar energy. Houses are designed to be comfortable and functional. Each of the four huts is equipped with its own water fountain and two beds, which allows for a maximum of eight guests. Two separate showers and two toilets warrant the necessary privacy and also limits the use of of precious resources.

The dedication to minimise the negative impacts of tourism on environment and culture has left Kaokohimba safaris to become increasingly involved with local communities, creating tourism awareness and proving a broad range of assistance.

Kaokohimba Safaris collaborates with and assists a number of NGO’s in the field of nature conservation and community development and has over many years established excellent relations with community leaders, headmen and councilors, local business people and individual community members.
Community Projects

- In collaboration with the Namibia Community Based Tourism Association, Kaokohimba Safaris was instrumental in designing, building and developing the Okaronhombo Community campsite.
- Kaokohimba Safaris has initiated a basket-making project in the Marienfluss Valley, involving mainly the women of the Okapupa community.
- In 1995, Kaokohimba Safaris established the Marienfluss Development fund, which is administered by the Namibia Nature Foundation. They have raised in the region of N$60 000.00 so far.
- Through the support of a private donation, Kaokohimba Safaris is initiating an environmental education project, which will show and discuss videos on wildlife to communities in the Marienfluss Valley.
- Mobile Government clinics rarely reach remote parts of the region such as the Marienfluss Valley. In the absence of formal medical treatment, Kaokohimba Safaris renders medical assistance to communities on a permanent basis, and continues to obtain and stock effective medicines for the treatment of all common ailments.
13. JUNGLE JUNCTION, LIVINGSTONE, ZAMBIA

Description

Jungle Junction is a magical experience on the Zambezi River in Zambia. Bovu Island is the main camp with wooden huts by the river and a shady campsite.

The Jungle Junction culture us based on three ideals:

• Commitment to the local people.
• Appreciation of and caring for nature.
• Creation of a tranquil and timeless hideaway.

Guest Activities

Eco-guest activities include:

• Mokoro Trips in and around the waterways of the Zambezi River. The Mokoro’s are dug out wooden canoes which have been used for centuries by the water faring locals.

• Village walks, which give the guests the chance to learn about the local community and get an understanding of their foods and their way of life.

Minimizing Environmental Impact

• Water utilization. By having a central ablution block, which contains two showers, this reduces the water consumption and allows for greater control of the waste

• Power utilization
  – The rooms have no electricity; instead each room has one paraffin lamp and is cooled by the river breezes blowing through the open windows.
  – The central area is powered by a combination of a small generator and an inverter, which supplies basic power to the kitchen.
− The bar area is candle lit and the fridge and freezers are gas powered.

- The restaurant provides 3 meals, dependent of guest’s requirements. One kind of meal is provided at every mealtime, this reduces waste and enables management to limit their trips for new supplies.

**Utilizing Local Labor**

Jungle Junction is completely staffed by the local communities. This offers vital income for a region that has suffered as Zambia’s economic fortunes have fluctuated. It is a very poor community, which rely heavily on the income generated by the micro tourist industry; that is Jungle Junction.
14. KAPANI LODGE, SOUTH LUANGWA NATIONAL PARK, ZAMBIA
(NORMAN CARR SAFARIS)

Description
Kapani is an exclusive private camp situated on the banks of one of the many ox-bow lagoons in the South Luangwa National Park. It accommodates just twenty guests and is open throughout the year.

In memory of the late Norman Carr and his long instilled ideals, Norman Carr Safaris aims to achieve the following ideal: ‘when guests come on Safari, we like the experiences that they enjoy to leave as little mark on the natural environment and as big a mark on the local population as possible.

Minimizing Environmental Impact
As one of the larger safari companies in the region, Norman Carr Safaris produces a significant amount of waste, both bio-degradable and not. A large proportion of the waste is collected and transported out of the national park.

There is no organized waste disposal facility in the area, it is important that some sort of control is maintained. Norman Carr Safaris donates labor teams who collect the litter that accumulates by the roadside outside of the national park. They are discussing longer-term solutions to this problem with the local community.

Norman Carr Safaris is a corporate member of the South Luangwa Conservation Society and two of the companies management are founding members of the board of trustees.

The society works in partnership with the Zambia Wildlife Authority conducting anti-poaching patrols as well as being involved in many other conservation, education and poverty reduction programs.

Contribution to the Local Community
Education; the Kapani School Project was established in 1986, with the intention of offering an education to children who otherwise would have grown up without the opportunity to attend school. The cost of the children’s education is covered by fundraising and donations.

The project supports 40 kids at primary school, 134 in secondary schools and 15 studying further education courses at college.

Kapani also provides building and logistical support to Yosefe School which is close to Kapani. Over recent years Norman Carr Safaris has installed a borehole with a pump, and have built and fully stocked a library and laboratory as well as various classroom blocks, teachers houses and ablution blocks.

Healthcare
The company is an active member of the Lunagwa Safaris Association Medical Fund. This medical fund manages the upkeep of the Kakumbi Clinic which is the only source of medical care for a population of around 30 000 people. Through donations the Fund supplies essential medicines and medical supplies, as well as a volunteer doctor who is stationed at the clinic.
15. BANDHAVGARH TENTED ECO LODGE, BANDHAVGARH NATIONAL PARK, MADHYA PRADESH, INDIA

Description
This eco-wildlife tent ecolodge borders on Bandhavgarh National Park, State of Madhya Pradesh, and is situated in the valley between the core forest and the parks buffer zones in over 30 acres of mature mixed jungle.

The bamboo cottages or “Baans Ghars” offer independent, luxurious, rustic rooms, that blend with the surrounding forest.

The cottages are spacious, comfortable and well furnished, yet retain the style and simplicity of a true safari camp. A private verandah overlooks the jungle. The bamboo and log construction provides the best advantages of tented accommodation while keeping the comfort, warmth and security of more conventional brick structures, so one is fully able to experience the sounds and ambience of the night time jungle.

Trails are provided so guests can walk around the extensive grounds – with naturalists who will help identify the many native bird and plant species. Bicycles can be hired for sorties to the local village to get a chance to meet the villagers.

Facilities
- Delhi trained chefs use all-natural ingredients from the organic garden.
- A screening room for guests to view wildlife film documentaries screens their own wildlife video footage, watch slide shows on bird and animal life presented by in-house naturalists.

Environmental Action
The main objectives are to reforest site and create safe corridors for the wildlife movement between core and buffer zones of the national park. Human impact is confined to only 2 do the 32 acres of land. The rest is being returned to jungle by reforestation with indigenous species of trees, both fruiting and non-fruiting varieties. The purpose is to create new habitat for wildlife.

Cottages and living areas are made entirely from bamboo and driftwood. Some hardwood has been used as accents. Bamboo is a renewable natural resource, and the most eco-friendly construction material as compared to wood or log constructions. As well:
- CFL (compact fluorescent lights) are used throughout.
- Inverters are used to store power and thus provide pollution free electricity back up during power cuts.
- Desert air-coolers are used in the warmer months instead of air conditioners, because of the significantly lower power usage.
- Instead of electric heaters in the winters guests are provided heavier duvets, hot water bottles and coal braziers in the rooms.
- Rainwater harvesting is practiced during the monsoons and during any rains at other times.
- Septic tanks and soak pits are used for bathroom waste.
- Kitchen waste is separated into biodegradable and non-biodegradable and biodegradable waste is turned to compost.
- Plastic bags and polythene is avoided wherever possible.
The staff of 12 is all from the local tribal villages. They are trained in hospitality and English. Staff and their families are encouraged to send their children to schools, to stress the value of education and good hygiene within their own communities. As well:

- The lodge provides medical costs for staff and their families.
- Guests are encouraged to visit the local villages and pottery; basket weaving, cane making workshops etc are organized for guests.
- Locals who have been born and brought up in the forests are given language skills and technical training (the English names of birds and plants that they can identify in their own language) to provide guests with the services of naturalists who has traditional knowledge of the flora and fauna.
- Fruit and vegetables are purchased from local farmers and vendors whenever possible.
- When outsourcing vehicles whether for transfers or for game drives local owner driven vehicles are used.
- Tribal dancers perform for the guests. They are not a professional dance troupe, but a group of local tribal youths who offer the dances that are done traditionally in their villages for celebrating weddings, births, harvests etc.
- Guests are given information and guidance regarding local customs, costumes, traditions etc.

Using 100% local, previously untrained staff, most employees started as manual laborers on the construction site. They are now trained in different aspects of the resort's operations (kitchen, cooking, housekeeping, gardening etc.) Opportunities are provided to learn a variety of skills, provide scope for promotion and career advancement.

Finally, the resort works with the local ‘panchayat’ (local government body) to assist with teaching aids such as books, stationery.
16. ADREERE AMELLAL ECOLODGE, SIWA EGYPT

Description
In 1997, EQI (Environmental Quality International) acquired 75 acres of palm and olive groves at the foot of a mountain's cliff called Adrère Amellal (White Mountain in the native Siwa Berber language) overlooking Lake Siwa.

Traditional Architecture
The facility:

- Is built out of indigenous material using traditional Siwan building techniques and styles. Kershef, a mixture of sun dried salt rock mixed with straw, is used for wall building.
- Uses furniture and fixtures are made of palm trunks and fronds, while carpentry and accessories display a variety of the region's indigenous handicraft.
- Employs 100 percent Siwan labor that understand the traditional building techniques.
- Has a minimal impact on the land

Adrère Amellal consists of traditional Siwan kershef houses that

- Have been restored and reconfigured into 39 rooms, the annex, Tamazid, provides an additional 7 rooms.
- Furnishing is simple, but of the highest quality, drawing exclusively on local material and design to reflect Siwa's rugged spirit.
- Oil lamps and candles are used for lighting and coal-filled braziers are used for heating.
- A stone-built swimming pool is fed by a natural spring.
- Solid waste is recycled: food waste is composted on site, and local residents pick up recyclables.
- Wastewater is first settled in self-contained sedimentation tanks, allowing the liquid to flow through perforated pipes into a wetland.
Indigenous papyrus plants are grown, to complete the biodegradation and waste reduction process. The wetland is completely sealed from the surrounding environment to avoid any possibility of contamination of surface and ground water resources.

**Organic Meals**

- Meals include fresh yogurt, thick date syrup, eggs, local bread, fruit and rich coffee (breakfast) which is served in natural rocky grottos at the base of the mountain.
- Lunch is village style in the palm and olive grove and fed by one of the 230 springs in the area,
- Dinner is by candle light and served in the maze of dining rooms, alcoves and bars, their mud walls studded with chards, or slices, of salt (from nearby salt lakes).
I7. RIVER RUN ECOLODGE AND INN, TEXAS, USA

Description

River Run Ecolodge provides a relaxing atmosphere for customers while saving energy and reducing carbon emissions. River Run’s cost-saving, energy-efficient innovations enhance the comfort and aesthetic experience of the guests. The facility is also known for its gardens and early traditional architecture.

The facility is a new building that has the motif of early Texas architecture while being energy efficient.

The ecolodge was renovated from the ground up and incorporated a number of energy-efficient features from the beginning. For example,

- The insulation in its walls, ceilings, and floors far exceeds the required ratings, trapping in heat in the winter and keeping it out in the summer.
- Insulation blankets wrapped around water heaters reduce standby heat loss and cut water-heating costs.

The seasonal occupancy of an ecolodge requires a heating and cooling system capable of operating by zones. The high-efficiency heat pump units fitted with individual zone controls that allow for heating and cooling in only those areas being occupied. Programmable thermostats were installed to maintain comfortable temperatures without wasting energy. Variable speed, reversible ceiling fans in the guest rooms push warm air to the floor in the winter and pull warm air to the ceiling in the summer. These details allow the lodge to program the thermostats at a lower setting in the winter and at a higher setting in the summer without sacrificing comfort. Thermostat-controlled power ventilators in the attic provide additional to cool the lodge in the summer while minimizing energy costs.

The need for comfort and energy efficiency meant it was necessary install a very specific style of window. All of the windows at the lodge feature double-paned glass and those facing direct sunlight are tinted. Coating on the tinted windows keeps solar heat out in the summer and prevents indoor heat from escaping in the winter. This feature exemplifies River Run’s philosophy: Smart planning augments the guests’ comfort while lowering operating costs.

- Lighting—The carefully designed lighting at River Run creates ambiance and enhances moods. River Run’s indoor lighting system comprises lower wattage compact fluorescent and T-8 lamps and electronic ballasts. Photo controls automatically turn off outdoor lights during the day.

- Natural Gardens—River Run is also appealing because of its gardens and landscaping. Since guests are not familiar with xeriscaping, which is responsible for the inn’s attractive grounds. Xeriscaping is a landscaping technique that uses drought-resistant and natural vegetation to reduce watering costs. The lodge relies on this technique to save on water bills during the hot Texas summer.

Guests are impressed to learn that a small investment in energy-efficient technologies can dramatically improve the quality and comfort of the inn, while adding revenue to the inn’s bottom line. The initial investment of $1,400 saves $2,400 a year in energy costs and helps ensure that guests a comfortable environment.
18. TURTLE ISLAND ECOLODGE AND RESORT, FIJI

Description
In 1972 the owner purchased Nanuya Levu, a 500 acre barren, uninhabited island in the Yasawa Islands. The Island had been completely overrun by wild goats and the owner employed a team of local villagers to plant hundreds of thousands of trees to reverse the damage inflicted by the goats.

Since opening in 1980, the development of the guest facilities has been continuous, while at the same time, respecting the integrity of the Island by keeping the number of visitors to a minimum.

In addition to employing over 120 local Fijians, the following projects have been highly successful in making Turtle Island one of the world’s leading sustainable tourism destinations:

- Planting of more than 300,000 trees over more than 30 years developing into lush forest land
- Environmental audit every five years from independent US Agency
- Green Globe 21 benchmarking of environmental management
- Preservation of mangroves and coconut groves
- Introduction of freshwater ponds to encourage bird life and Hawksbill turtles
- Building, carpentry and woodworking department responsible for making all furniture on the Island and other items for the Gift Shop
- Operation of a secondary school on the Island to educate young people from seven local villages. More than 50 students attend the school, at Turtle’s cost.

The lodge created the Yasawas Community Foundation to generate funds for special projects in the area adjacent to Turtle Island. The Foundation provides assistance in the areas of health, transport, education and the development of cultural activities amongst the villages where the majority of the staff live.

The Turtle Island Vision is to provide a genuine Fijian experience and be a vital resource to its communities.

The ecolodge is committed to enriching the lives of the guests through loyal staff, proactive partnerships with local communities, and by embracing innovation.

Because of the environmental fragility of the island, there is a commitment to sustainability; Turtle is limited to only 14 couples.

Management ensures the preservation of the island’s wildlife and natural habitats, and the integrity of Fijian culture. There has also been:

- An intensive reforestation program with over 500,000 trees, including 100,000 Mahogany trees
- Planting to encourage ecological diversity, re-establish indigenous forests, prevent soil erosion, create wind breaks and add to the natural beauty
- Establishment of a 4-acre organic garden to provide the island with fresh fruits and vegetables, herbs, and spices.
Community and Social Involvement

- Turtle Island Secondary School—Evanson Learning Centre (ELC) is part of Turtle’s ongoing commitment to its local communities. Turtle commenced operation of a secondary school on the Island, in 2002. There are three primary schools serving children from seven local villages. There are over 50 students with six teachers. The schools teach the Fijian curriculum, and focus specifically on Yasawan history, information technology and proficiency in English.
ANNEX II: ECOLODGE REGIONAL AND SITE INVENTORY AND ANALYSIS

A. GEOGRAPHY/TOPOGRAPHY
- Egypt's physiographic region and sub-regions
- Topographic relief
- Elevation and steep slopes
- Rock outcrops

B. GEOLOGY
- Bedrock type and characteristics (structure, type, age)
- Depth to bedrock
- Unconsolidated materials (loose rocks, sands) and thickness
- Geologic cross sections

C. HYDROLOGY
- Groundwater
  - aquifer outcrops; location, extent, thickness
  - direction and rate of groundwater movement
  - groundwater recharge and discharge areas (probably off-site)
  - depth to groundwater
  - community/village well locations, depths, production, history
  - wellhead protection areas
  - quality of groundwater; pollutant sources, cleanups/remediation
  - proximity to septic and holding tanks
- Surface Water
  - types, location, direction of flow
  - watersheds and sub-watersheds
  - designation/classification of surface water bodies
  - floodplains, wadi’s, wetlands, marshes, bogs
  - erosion, sedimentation

D. SOILS
- Soil types, texture, stoniness, depth, hydrological types
- Erosion and potential soil loss in cubic feet per year
- Percolation rates
- Depth to groundwater
- Surface runoff, permeability,
- Fertility (vegetative capability)
- Nutrient absorption and pH
E. VEGETATION

- Types of vegetation and mix
- Specimen tree
- Aesthetic value
- Known/possible habitats for endangered/threatened plant species

F. WILDLIFE

- Species inventory
- Rare, threatened and endangered species
- Nuisance and invasive species
- Valuable interpretation species
- Abundance and distribution of significant species within habitat and season

G. WETLANDS, BEACHES, AND SALT MARSHES

- Descriptive factors
  - Wetlands vegetation (hydrophytes)
  - Wetlands soils (hydric soils)
  - Hydrology (presence of water sufficient to support wetlands vegetation)
- Types of wetlands
  - Salt water
  - Fresh water
- Restorations and engineered wetlands

H. LAND USE

- Existing
  - Open space, easements
- Roads, trails, paths
- Recreation features
- Waste treatment and disposal facilities (sewage and solid waste)
- Proposed land use and plans

I. CLIMATE

- Prevailing winds and sea breezes
- Sun angles by season
- Maximum/minimum fluctuations in temperature
- Seasonal precipitation
- Topographic protection (wind)

J. AIR

- Air quality
- Stationary sources of air pollution and toxics
• Vehicular air pollution/ozone areas
• Odors

K. HISTORIC, CULTURAL, AND ARCHEOLOGICAL FEATURES
• Historic sites, villages, monuments
• Historic roads, bridges and trees
• Existing or possible archaeological sites
• Heritage view sheds

L. EXISTING AND PLANNED INFRASTRUCTURE
• Transportation
• Drinking and desalinated water plants
• Sewage waste management
• Waste disposal, recycling facilities
• Energy utilities
• Communications towers

M. NOISE
• Significant sources of noise adjacent to the site

N. VIEWS AND VIEWSCAPES
• Attractive views and panoramas
• Views to adjacent properties
• Views to the highway and traffic
• Views to the site

O. MARINE FEATURES
• House reef and off shore reefs
• Coves and shams
• Beaches
• Sea cliffs

P. CRITICAL ENVIRONMENTAL AREAS

Specific environmental features that merit special consideration or protection might include:
• Wetlands and salt marshes
• Steep slopes, rock outcropping, sea cliffs
• Floodplains, floodways, beaches
• Aquifer recharge areas
• Endangered/threatened species habitat
ANNEX III: PREPARING THE ECOLODGE EIA

1. OVERVIEW

An Ecolodge EIA:

- Studies of the effects of the proposed facility on the environment, i.e. on all relevant aspects of the natural and human resources
- Evaluates the expected effects on the natural environment, human health, and on the ecolodge property
- Compares various alternatives by which the ecolodge could be realized and seeks to identify the one that represents the best combination of economic and environmental costs and benefits. Alternatives include location as well as methods, process technology and construction methods.
- Is based on predictions and attempts to predict the changes in environmental quality which would result from the proposed ecolodge
- Attempts to weigh environmental effects on a common basis with economic costs and benefits.

It is a decision-making tool used to examine the environmental consequences, both beneficial and adverse, of the ecolodge and to ensure that these effects are taken into account in project design. EIA should be viewed as an integral part of the ecolodge planning process.

2. THE ENVIRONMENTAL IMPACT ASSESSMENT PROCESS

The Ecolodge EIA involves the following steps:

1. Preliminary Activities including scoping or setting EIA terms of reference, selecting consultants to prepare the EIA, and review of existing legislation.
2. Submission of Draft Terms of Reference to the TDA for approval.
3. Conducting the EIA study
   3.1 Collect background data and information
   3.2 Public Involvement
   3.3 Identify impacts in terms of magnitude and significance
   3.4 Socio-economic analysis of project effects/impact
   3.5 Recommend mitigation action for each impact identified
   3.6 Analysis of alternatives of the project - both economic and environmental
   3.7 Training requirements of the project
   3.8 Development of a monitoring plan

3. THE ECOLODGE EIA REPORT

Structure

- A brief introduction explaining the need for and context of the ecolodge project including:
  - Executive Summary
  - Policy, Legal and Administrative Framework
- Description of the environment
- Description of the Proposed Project in detail
- Significant Environmental Impacts
- Socio-economic analysis of Project Impacts
- Identification and Analysis of Alternatives
- Mitigation Action/Mitigation Management Plan
- Environmental Management and Training
- Monitoring Program
- Public Involvement

**Policy, Legal and Administrative Framework**
- Policies and legal basis within which the ecolodge may be built
- Regulations and standards applicable to the project

**Description of the Environment**
- A description is a record of conditions prior to construction of the ecolodge
- a benchmark against which to measure environmental changes and to assess impacts
- Includes but not limited to the following:
  - Landscape Conditions
  - Geological Conditions
    - land formations (valleys, rivers)
    - Geologic structures
    - Slope stability
  - Soil Conditions
    - Hazard potential (e.g. erosion)
    - Effective depth
    - Inherent fertility
    - Suitability for method of sewage disposal
  - Archaeological value of site
  - Biotic Community Conditions
    - Plants
      General type and dominant species
      Densities and distributions
      Wildlife habitat value
      Important specimen
      Endangered species
      Specimen of scientific or aesthetic interest
    - **Wildlife (marine and terrestrial)**
      General types/dominant species (mammal, fish, reptiles, etc.)
      Densities and distribution
      Habitat (general)
      Migratory species
Introduced species (exotic species)
Endangered species
Commercially valued species

- **Watershed or Marshland Conditions**
  - Water quality (ground water and surface water)
  - Watershed importance (on-site and surrounding area)
  - Flashflood importance (on-site and surrounding area)
  - Location of wells, springs

- **Climatic Conditions**
  - General climatic conditions
  - Noise levels
  - Rainfall (average)
  - Temperature (average highs and lows)
  - Prevailing winds (direction and intensity)

**Description of the Proposed Project**
- Critical activities that will be involved in the ecolodge including construction, start-up and operations

**Significant Environmental Impacts**
- An exhaustive list of all impacts including minor, short term, moderate, direct and indirect.
- Manageable, significant impacts are selected, based on magnitude, extent and special sensitivity, for further study.

**Socio-economic Analysis of Ecolodge Impacts**
- Impacts of the ecolodge on the socio-economic environment are analyzed.
- Includes the main economic activities e.g. tourism salaries and revenues, handcraft production
- Impact on nearby communities, employment levels and training opportunities
- Impacts should be categorized in terms of positive and negative

**Analysis of Alternatives**
- Each alternative is evaluated with respect for its potential environmental impact and capital and operating costs
- Environmental losses and gains are combined with the economic costs and benefits to give the full picture for each alternative.
- An analysis of the "no action" alternative should be included

**Mitigation Action/Mitigation Management Plan**
- It is seldom possible to eliminate an adverse environmental impact, but it is often feasible to reduce its intensity. This reduction is referred to as mitigation.
- For each potential adverse impact the plan for its mitigation at each stage of the project should be documented and its cost assessed
• Essential that these costs of mitigation be adequately assessed and be documented

**Environmental Management and Training**
• Documents how the environment will be managed during implementation and operational phases.
• The training program for ecolodge employees is outlined.
• Identify institutional needs for implementing the recommendations of the EIA.

**Monitoring Program**
• Environmental monitoring program should is described costs associated with the monitoring activities
• Monitoring program should clearly state the:
  – institutional arrangements for carrying out the work
  – parameters to be monitored
  – methods to be employed
  – standards or guidelines to be used
  – evaluation of the results
  – schedule and duration of monitoring
  – initiation of action necessary to limit adverse impacts
  – disclosed by monitoring
  – format and frequency of reporting

**Public/Community Involvement**
• Local citizens and the community in which the ecolodge is proposed should be involved in the EIA
• Direct involvement of the affected public and the inclusion of local knowledge in the environmental protection.
• Communities may be involved in the review of the EIA at the discretion of the TDA.
• The EIA maybe the subject of a public presentation by the proponent.

**EIA Review**
• The draft EIA report should be submitted to the TDA for review.
• Government agencies other than the TDA maybe required to participate in the review.
ANNEX IV: SUSTAINABLE ARCHITECTURE

An understanding of ‘Sustainable Architecture’ is essential to the development of an ecolodge. When the building is considered as an ‘ecosystem’ it is obvious that it must be designed with the same skills as the planning of any natural system. Sustainable architectural design borrows directly from the basic concepts developed in the landmark document from the World Commission on Environment and Development called *Our Common Future*.

It defined “sustainability” as:

> ‘meeting the needs of the present without compromising the ability of future generations to meet their own needs’

The construction and occupation of any building affects the local, national, and global environments through a series of interconnected human activities and natural processes. This is particularly evident in the accommodation sector in the Red Sea Region. For instance:

- The construction, equipment and personnel that are required for the building process disturb or even destroy the ecology of the site as well as possibly the marine environment.
- The procurement and manufacturing of building materials and equipment, for these resorts and hotels has an impact the global environment (pollution, carbon emissions, etc).
- Once built and operational the facility creates an on-going and long-lasting impact on the environment. For instance,
  - The energy and water used by its inhabitants produce toxic gases and sewage;
  - The process of extracting, refining, and transporting all the resources used in building operation and maintenance also has numerous effects on the environment.

The goal of **sustainable architectural design** is to identify and integrate solutions into the planning process that minimize these impacts and insure a more sustainable environment for future generations.

Jong-Jin Kim, at University of Michigan’s College of Architecture and Urban Planning proposes three principles of sustainability in architecture that has been integrated into this manual. They include:

- **Economy of Resources**
  - Addresses the reduction, reuse, and recycling of the natural resources that are the input to a building.
- **Life Cycle Design**
  - Provides a methodology for analyzing the entire building process and its impact on the environment.
- **Humane Design**
  - Focuses on the interactions between the ecolodge guest and staff and the environment.
These principles generate an understanding of the various environmental impacts, (local and global) of architectural consumption. They have been used as a basis for the selection of the evaluation criteria and therefore deserve further explanation.

**PRINCIPLE 1: ECONOMY OF RESOURCES**

- Emphasis on the reduction in the use of nonrenewable resources in the construction and operation of buildings.
- After the ecododges’ useful life, it should turn into components for other buildings.
- The architect needs to consider two streams of resource flow:
  - **Upstream**, resources flow into the building as input to the building ecosystem.
  - **Downstream**, resources flow out of the building as output from the building ecosystem. Eventually any resources entered into a building ecosystem will eventually come out from it.

Economy of resources involves:

- **Energy Conservation**
  - An ecododge requires a constant flow of energy input during operations and energy consumed in the process of catering to the guest such as cooling fans, lighting, food preparation and equipment operation cannot be recovered.
  - The use of renewable energy technologies reduces emissions of polluting gases

- **Water Conservation**
  - The tourist accommodation requires large quantities of water for the drinking, cooking, washing and cleaning, flushing toilets, irrigating plants, etc.
  - Water requires desalination, treatments and elimination of the salt by-product which consume energy.
  - The water that exits the ecododge must also be treated and disposed.

- **Material Conservation**
  - Many different building materials are brought onto the sites during the construction of the ecododge.
  - The waste generated by the construction and installation process is significant.
  - After construction, a low-level flow of materials continues in for maintenance, replacement, and renovation activities.
  - Consumer goods flow into the building to support the tourism activities. All of these materials are eventually output, either to be recycled or dumped in a landfill.

**PRINCIPLE 2: LIFE CYCLE DESIGN**

- The conventional model of a resort life cycle is a linear process consisting of four major phases: design; construction; operation and maintenance; and demolition
- This model does not address environmental issues (related to the procurement and manufacturing of building materials) or waste management (reuse and recycling of architectural resources)
- Life cycle design (LCD) or “cradle-to-grave” approach recognizes environmental impacts of the entire life cycle of architectural resources, from procurement to return to nature. LCD is based on the notion that a material continually moves from one form of useful life to another, with no end to its usefulness.
The life cycle of a building can be categorized into three connected phases: pre-building, building, and post-building.

Pre-Building Phase
- Including site selection, building design, and building material processes, up to but not including installation.
- The environmental consequences of the structure’s design, orientation, impact on the landscape, and materials used are assessed in terms of sustainable design.
- Building materials environmental impacts include:
  - harvesting uncertified trees result in deforestation;
  - mining mineral resources (iron for steel; bauxite for aluminum; sand, gravel, and limestone for concrete) disturbs the natural environment;
  - the transport of these materials generates pollution, depending on their weight and distance from the site.
  - The manufacturing of building materials also requires energy and creates pollution: especially steel, aluminum and concrete products.

Building Phase
- Sustainable architecture examines the construction and operation processes for ways to reduce the environmental impact of resource consumption.
- Considers long-term health effects of the lodge environment on the guests and staff.

Post-Building Phase
After the useful life of the ecolodge its building materials become resources for other buildings or waste to be returned to nature.

Sustainable architecture focuses on reducing construction waste by recycling.

PRINCIPLE 3: HUMANE DESIGN
- Humane design is concerned with the livability of all constituents of the global ecosystem, including plants and wildlife.
- Focus on enhancing the coexistence between buildings and the greater environment, and between buildings and the guest.
- Sustainable architecture provides built environments that sustain the guests safety, health, physiological comfort, psychological well being, and as well as ensures staff comfort and productivity.
- It should:
  - Minimize the impact of a building on its local ecosystem (e.g., existing topography, plants, wildlife)
  - Enhance the tourism experience, reduce stress, and positively affect health and well-being of visitors and staff.
ANNEX V: EGYPTIAN ENVIRONMENTAL COMPANIES AND SERVICES

ACROPOL SOLAR ENERGY SOLUTIONS

Building Obour Bldg, #19-A
Street Salah Salem Street
District Heliopolis
City Cairo
Country Egypt
Telephone (+20) 2 - 263 81 99
Facsimile (+20) 2 - 607 26 50
Activities Copper Tube Solar Collectors, Closed Loop Solar Water Heating Systems, Photovoltaic Solar Electric Power Systems

ADAN ENVIRONMENT CO

Street 384 El Haram Street
City 12111 Giza
Country Egypt
Telephone (+20) 2 - 246 78 10
Facsimile (+20) 2 - 246 78 10

AL-BOGHDAKY FOR WATER TREATMENT SYSTEMS CO

Department GoldenPro
Street 14 Ahmed Maher Street
City 43111 Suez
Country Egypt
Telephone (+20) 62 - 332 40 93
Facsimile (+20) 62 - 332 40 93
Activities Supplier of Residential Water Purification Systems, One Stage Sediment Filtration Units, Multi Stage Reverse Osmosis Units
**AL-EMAN ENGINEERING CO**

Street 33 International Hospital Street
City 53111 Mansoura
Country Egypt
Telephone (+20) 10 - 280 84 66
Facsimile (+20) 50 - 224 21 25
Activities Water and Wastewater Treatment Plants, Environmental Engineering and Monitoring, Hazardous Waste Remediation

**AMATEC-ENVIRONMENTAL CO**

Street 9 Akl Basha Street
District Sedi Beshr
City 21111 Alexandria
Country Egypt
Telephone (+20) 12 - 435 17 68
Activities Supplier of Environmental Monitoring Equipment, VOC Monitoring, Ambient Air Monitoring, Stack Gas Analyzers

**ARAB GERMAN COMPANY FOR WASTE AND ENVIRONMENTAL TECHNOLOGY (AGET)**

PO Box 177
Street Elettmad Street
City 31111 Luxor
Country Egypt
Telephone (+20) 12 - 236 96 04
Facsimile (+20) 95 - 236 37 51
Activities Wastewater Treatment for Municipal, Industrial and Touristic Fields, Solid Waste Management and Composting

**ARABIAN SOLAR ENERGY & TECHNOLOGY CO (ASET)**

Street 11, Sherif Street
City 11111 Cairo
Country Egypt
Telephone (+20) 2 - 393 64 63
Facsimile (+20) 2 - 392 97 44
Activities Solar Energy Applications, Water Desalination, Pumping and Drip Irrigation Systems
CAPACITY BUILDING INTERNATIONAL (CBI)

Building International
Street 28 Misr Helwan Agricultural Road
District Maadi
City 11431 Cairo
Country Egypt
Telephone (+20) 2 - 528 13 73
Facsimile (+20) 2 - 528 13 74
Activities Project Development and Implementation, Urban Environmental Management, Organizational Development, Clean Production

ECOCONSERV - ENVIRONMENTAL SOLUTIONS (ECS)

Street 10, El Kamel Mohamed Street
District Zamalek
City 11211 Cairo
Country Egypt
Telephone (+20) 2 - 2735 9078
Facsimile (+20) 2 - 2736 5397
Activities EIAs and Audits, Water Resources & Coastal Zone Mgmt, Industrial Pollution Prevention, Integrated Waste Mgmt

MABROUK INTERNATIONAL

Post Box PO Box 167
Street Cairo Alex Highway
City 31111 Tanta
Country Egypt
Telephone (+20) 40 - 329 86 90
Facsimile (+20) 40 - 329 86 90
Activities Solid Waste Collection & Transport, Sorting & Composting, Subterra-Constructed Wetlands, Compact WWT Plants, Water Purification

PURE AQUA - EGYPT

Street 12 Nabil Khalil, Hassanin Haikal
District Abass el Akaad, Nasr City
City Cairo
Country Egypt
Telephone (+20) 2 - 261 07 43
Facsimile (+20) 2 - 272 87 48
Activities Brackish and Sea Water Reverse Osmosis Systems, Automatic Media Filters, Water Softeners
LIFE Red Sea Project

ENHANCING SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT


MARCH 2008

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LIFE Red Sea Project

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Enhancing Sustainable Tourism in the Southern Red Sea Region of Egypt
PART 6: ACTION PLAN FOR SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT
## ACRONYMS AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>CDC</td>
<td>Community Design Collaborative</td>
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<tr>
<td>cm</td>
<td>Centimeter</td>
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<tr>
<td>EEAA</td>
<td>Egyptian Environmental Affairs Agency</td>
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<tr>
<td>km²</td>
<td>square kilometers</td>
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<tr>
<td>KVA</td>
<td>Kilovolt Ampere</td>
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<td>LIFE</td>
<td>Livelihood and Income from the Environment (project)</td>
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<td>LRS</td>
<td>LIFE Red Sea Project</td>
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<td>m</td>
<td>Meters</td>
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<td>MW</td>
<td>Megawatt</td>
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<tr>
<td>NGO</td>
<td>Non-governmental Organization</td>
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<tr>
<td>PVC</td>
<td>Polyvinyl Chloride</td>
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<tr>
<td>RO</td>
<td>Reverse Osmosis</td>
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<tr>
<td>RSG</td>
<td>Red Sea Governorate</td>
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<tr>
<td>SFO</td>
<td>Single Family Occupancy</td>
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<tr>
<td>SRO</td>
<td>Single Resident Occupancy</td>
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<tr>
<td>SRS</td>
<td>Southern Red Sea (region)</td>
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<tr>
<td>SWM</td>
<td>Solid Waste Management</td>
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<tr>
<td>TDA</td>
<td>Tourism Development Authority</td>
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<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific, and Cultural Organization</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>WGNP</td>
<td>Wadi Gimal Nation Park</td>
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1. OVERVIEW

Several tourism studies have been produced for the SRS region. Collectively they have identified more than a hundred individual tourism development opportunities for the project area. Many have merit. However the challenge at this point in the LIFE RS project is to isolate those that can make the greatest contribution to the stated goals of the project as well as leave a legacy of sustainable tourism development.

This document then is an introduction to select targeted initiatives that can realistically be delivered within the next 2 years while still contributing to the other LIFE RS activities (conservation, community livelihood, and environmental awareness).

FROM ECOTOURISM TO SUSTAINABLE TOURISM

Many of the recent consultant studies identified ecotourism of the most appropriate direction for tourism development. This was understandable given the wealth of natural and cultural resources, importance of environmental protection to the livelihood of the population and the opportunity to distribute revenues to local communities. However a ‘sustainable tourism’ approach can not only meet these objectives but also expand the tourism mandate to ensure that all tourism (current and proposed) development contributes to the interest of stakeholders such as TDA and the goals of the LIFE RS project.

TOURISM DEVELOPMENT THAT SUPPORTS THE LIFE RS PROJECTS GOALS

Sustainable tourism, even more than ecotourism, can make a significant contribution to the implementation of the other project goals including:

Conservation and Biodiversity Protection

The proposed tourism initiative will involve all local tourism stakeholders and encourage them to adopt responsible use of the natural and cultural resources of the SRS Region. As well both ecotourists and the more conventional tourists (dive, beach) will be encouraged to participate in and contribute to the protection of the biodiversity of the Wadi Gimal National Park (WGNP).

Local Livelihood Improvement

The creation of new and sustainable jobs and generating revenues and salaries will be given priority when considering the selection of individual tourism interventions. Emphasis will be on labor-intensive developments and operations, particularly those that provide opportunities for women and youth.

Local Community Development

New tourism product will for the most part be community-based. Community infrastructure, programs and services will serve both the destination traveler as well as those participating in the tour packages and multi-day activities. Employee training will be delivered by the private sector as well as directly, by the LIFE RS program to communities and local associations.

Environmental Awareness

Environmental awareness programs will be delivered to the tourism businesses staff and management, local residents (particularly those associated with the tourism sector), elected officials, administrative staff and to the tourists. The purpose will be to add value t the resources
of the region so they are perceived as a significant component to the sustainability of the local populations.
2. SITUATIONAL ANALYSIS AND ISSUES

Most of the available documents on tourism development have been reviewed. There are several recurring themes that all though valid need to be reassessed in the light of the present status of the program. These themes will be addressed briefly but only in the context of their impact on the development proposals and timeline contained in this report.

ECOTOURISM DEVELOPMENT OPPORTUNITIES AND CHALLENGES

Much has been written about the ecotourism and nature-culture based tourism (NCT) development opportunities. The extensive marine and desert resource base attests to this potential. Having said that, there are few available facilities and programs that would attract the ecotourist or soft adventure traveler to the region.

The 3 resorts adjacent to the WGNP are for the most part dive resorts that also cater to an ‘incidental’ beach tourism market. Discussions with operators suggest that approximately 80% of the market (mostly German) comes for diving and the rest (80% Italian) are attracted to the region for the traditional sun and beach vacation.

Furthermore these resorts (and their associate tour operators) do relatively little to promote regional excursions beyond their dive/beach packages. They are not equipped for these types of activities nor do they market directly to the nature-culture based tourist. For the most part, this resort operator’s only deal with those select foreign tour operators who sell dive and resort based travel.

Therefore to position the Region as a desirable destination for the ecotourism/adventure/educational travel market (and the resource base assures that the potential does exist) it is essential to understand that the SRS Region at the beginning of long process that must include the following activities:

- Building appropriate (environmentally friendly) accommodation,
- Designing and developing professional attractive multi-activity tour packages
- Constructing fully equipped and appealing Visitor Interpretation and Information Centers including interpretive trails, sign, observation towers, etc.
- Developing local based programs and training essential staff
- Marketing to the selected target market with an aggressive campaign that appeals the ‘specialty market’ tour operators in Europe

Much can be achieved in the next 2 years but it takes a focused and concerted effort with the intent of attracting new markets by 2008/2009.

CHANGING THE MARKET MIX AND PENETRATING NEW SEGMENTS

The Southern Red Sea Region is similar to many other destinations that have relied on limited marketing to traditional markets. In the case of the SRS Region the situation is blatant. The large majority of tourists (approximately 80%) come from just 2 countries (Germany and Italy) and most of those (80%) come for just one highly specialized activity; SCUBA diving. Dive vacations are growing in Europe and the US however it is also a limited market with less than 1 million Europeans taking a diving holiday each year.

The remaining visitors are traditional beach tourists who come for a relatively inexpensive and relaxing vacation with assured sunshine.
The LIFE RS Project goals cannot be met within this current market structure.

Firstly, those foreign tour operators that are currently packaging the dive/beach activities have little interest in expanding to the more specialized, say, ecotourism and tribal culture packages.

Second, despite expressed interest by some resort operators, in expanding their market base, it does not appear that they will make a substantial effort to add new programs and staff to meet the needs of the nature/culture traveler (NCT) market.

Equally discouraging is the relatively low level of local employment within the existing resorts. In fact most employees come from the Nile region, probably because they are more experienced.

Therefore unless the Egyptian Tourism Authority is about to immediately change its current product development and marketing strategy it will be up to the SRS RS project to assume the responsibility of developing and marketing the initial NCT product.

THE IMPORTANCE OF A DESTINATION MANAGEMENT APPROACH

To achieve most of the ‘aspirations’ identified in the various tourism studies, the project area (from a tourism perspective) must be actively developed and promoted as a ‘Sustainable Tourism Destination Region’. To achieve this important goal it seems the LIFE RS Program will need to be the catalyst. It seems unlikely that many of the local private operators will do the necessary product development and marketing to ensure an even modest contribution to local livelihood enhancement. In fact unless a significant mix of new tour products, backed by robust target marketing, are not launched within the next 2 years it may be many years before the local and foreign travel trade will identify the special interest market opportunities.

Therefore a SRS Tourism Destination Association or Committee is the best hope of achieving both the industry buy-in for sustainable tourism as well as assuring the necessary development and marketing to move the region forward with new products and markets.

The creation of a destination association should not be considered an unattainable expectation. In fact most destinations that are actively pursuing new market opportunities and responding to demand for sustainable tourism product have created similar partnerships within a regional private/public sector tourism framework.

ENSURING A FOCUS ON LIVELIHOOD ENHANCEMENT AND BIODIVERSITY PROTECTION

Considering the limited timeframe to reposition the region as a NCT destination, this report will focus specifically on those tourism initiatives that support the other LIFE RS goals. Continuing to build on the current dive/beach markets will increase the overall volume to the region but it will do little to enhance the livelihood of the villagers. Based on research on mass package tours it is also fair to say that no more than 20% of the total cost of a dive or beach package, purchased in, say, Rome or Berlin is actually spent in the region. Little more than 10% is spent in salaries.

The leakage from the dive sector is exceptionally high because it functions on equipment (boats, tanks, suits, etc) and fuel that that are purchased outside the region, and for that matter outside of Egypt. As well this market is not prone to taking a few days from their diving to visit local nature or heritage attractions.

The beach tourist segment may be more open to day trips but discussions with the manager at Lahami Bay Resort suggest that they rarely get requests from more than one or two couple to visit the Camel market (not enough to make it worth the effort to send a minivan to el
Shalateen). This is understandable. This market does not come for a cultural experience. And while recent research by PA Consulting suggests that a significant portion of this market may be ready for a soft adventure day trip, the reality may be very different.

Therefore to achieve substantial impact on the livelihood of the permanent residents of the area, the villagers, the nomadic tribes, it is essential to immediately respond to the product needs of those tourists that will purchase 5 to 10-day excursion.

These packages will be designed to build on the resource base and skills of the local residents.
3. DEVELOPMENT GOALS AND OBJECTIVES

Based on the current assessment of the situation it is possible to establish a series of ‘working’ goals and objectives. They have not been developed in concert with stakeholders yet can be considered realistic and achievable within the timeframe of the project.

TOURISM DEVELOPMENT GOALS

1. **Increase visitor volume and penetrate new specialty markets**—Despite the growth of tourism, in the project area over the past 5 years, the visitor base, particularly adjacent to WGNP is small and contributes little to direct local employment. The 3 area resorts promote dive and beach tourism and the former has limited market penetration potential. Market growth from these countries is even questionable since German and Italian divers (who travel) represent only .5% of the population of their respective countries.

   While exact arrivals are not known, nevertheless because of the small base it would seem reasonable to double visitor volume over the next 5 years with much of this growth (due to project activities) coming from the specialty NCT markets.

2. **Establish new tourism products and support facilities**—There are currently very few NCT tour products (and most are offered by 1 operator: Red Sea Safari Adventures). It is therefore necessary to substantially improve the performance of the region with the introduction of at least a dozen ecotourism/adventure/educational/heritage all-inclusive packages. These new packages will require supporting infrastructure such as an accommodation alternative to the standard resort as well as trails, boats, interpretive facilities, etc.

3. **Train locals to contribute to the new product operations**—The regional population, particularly the local tribal groups, are not currently prepared to meet the needs of a significant increase in NCT development. Consequently the LIFE RS Project could identify those skills that are necessary to ensure the required staff to offer the new tour product. Training may be delivered directly through a village or Community Development Association (CDA) and/or in collaboration with the travel trade.

4. **Initiate an aggressive product launch and marketing campaign to position the SRS region as a new sustainable tourism destination**—There are many regions of Egypt that deserve extensive marketing because of their world class attractions. Consequently the South Red Sea region receives only limited promotion and most of the expenditures focus on the dive market.

   In order to penetrate the new specialty markets it will be essential to launch preliminary marketing activities that will gain immediate awareness in the international travel trade.

TOURISM AND LIVELIHOOD DEVELOPMENT OBJECTIVES

The above goals must be further refined as realistic and measurable sustainable tourism development objectives. The strategies and tactics, in this action plan, have been selected to ensure the delivery of these objectives. They have been developed based on professional experience but have had no input from the stakeholders and are therefore subject to discussion and refinement.
Increase Tourist Arrivals to the SRS Destination Region

At least 1200 new visitors (the equivalent of 7-8,000 visitor nights) will be generated over the remainder of this LIFE RS project (i.e. until the end of 2008). Furthermore this new visitor base could enable volume to grow to approximately 4,000 visitors by 2010 and 10,000 by 2015.

By 2010, the NCT markets could generate approximately 500 FTE and generate over $2.4 million in local revenues.

New tour products could also be supported by the existing dive/beach markets generating an additional 700 visitor days by 2008 and 1200 by 2010.

Develop New Products and their Supporting Facilities

- **Prepare new tour packages for the foreign tour operators**—The most cost effective and immediate method of generating new revenues is to develop specialty tour package that appeal to the large ecotourism/adventure/educational markets. However it will also be necessary to assure that the basic infrastructure support is in place. By 2007 the following market-ready package tours will be in place:
  - 2 Coastal bird watching packages (7 and 10 day)
  - 2 Bedouin cultural heritage packages (6 and 8 day)
  - 1 Coastal to desert ecotourism tour package (7 day)
  - 1 Handcraft Discovery tour package (5-day)

By 2008 the following additional packages will be created:
  - 1 coastal/interior bird watching packages (10-day)
  - 2 Tribal ecological knowledge packages (6 and 8 day)
  - 2 Coastal to desert ecotourism tour package (7-day)
  - 1 Roman Route Hiking or Mountain Biking package (5-day)
  - 1 Red Sea Kayaking Adventure (5-day)
  - 1 Handcraft Discovery tour package (5-day)

- **Design and Build a Visitor Centre Network**—Visitor Information/Interpretation/Reception and Orientation Centers are increasingly an integral part of the tourism infrastructure of a regional destination. This is particularly true when much of the destination includes a National Park and/or protected area.

A comprehensive Visitor Information and Interpretation Centre Network will be established with a particular emphasis on the resources and tourism opportunities of the WGNP. Six facilities will be constructed including:
  - Regional Visitor Reception/Information Centre at north entrance to WGNP
  - Visitor Park Interpretation (Marine/nature heritage) Centre at Qul’an Lagoon
  - Visitor Interpretation (Desert + Roman history) Centre at Sikait
  - Visitor Interpretation (Bedouin Culture) Centre at El Skalateen
  - Visitor Interpretation Kiosks at Sharm el Luliyya, Hamatah,
  - Visitor Information Kiosk along the highway at Marsa Alam

- **Ensure the development of appropriate accommodation to serve the new market segments**—Within the next 2 years the following accommodation initiatives will be launched:
- Construction of 1 20–30 unit eco-camp (location to be determined)
- 2 Eco-lodge investment proposals to be prepared and interested investors solicited
- 2 Semi permanent camp (tents) sites to be set-up adjacent to select villages

**Offer Defined Training Programs for Special Interest Tourism**

While more research is required to determine the final training mix approximately 160 local people need to be trained, in the next 2 years, to meet the requirements of the special interest travelers. The following certified skills must be developed:

- Guides (heritage and nature): 14 individuals
- Head guides and tour leaders: 6
- Interpretive guides: 12
- Camp managers: 4
- Eco-camp operations staff
- Visitor Centre Operations and Management: 10
- Retail and handcraft sales: 8
- Hospitality Services: 20
- Cooks and food services: 8
- Handcraft design and production: 20
- Safety/risk management/emergency evacuation: 10
- Boat operators and drivers: 6
- Traditional entertainers: 20

**Support Targeted Marketing Activities: to generate new visitors**

It will not be possible to launch a comprehensive marketing campaign within the limited time available however a few effective marketing mechanisms can be initiated to meet the above visitor arrival objectives. They include:

- Establish a regional identity based on a stakeholder branding workshop
- Design and launch a commercial web site and database
- Attend 2 trade shows in 2007 and 4 in 2008
- Organize 2 Familiarization tour in 2007 and 3 in 2008
- Produce electronic and print brochures
- Produce of a Group Tour Planner for the travel trade

**Provide Technical Assistance to the Private Sector**

Most of the existing private sector, in the region, has little experience with the specialty tourism markets as defined in this and other LIFE RS tourism reports, i.e. ecotourism, sustainable tourism, bird watching, tribal tourism, etc.

The program should ensure that those companies, development associations and communities that request assistance are provided with the tools they need to advance specialty tourism in the.

The number of assistance programs will be determined after further contact with the potential recipients.
4. SUSTAINABLE TOURISM DEVELOPMENT APPROACH

For the purpose of this mandate, Sustainable Tourism Development (STD) in the SRS Region will be divided into the following components or task areas:

- Product and Program Development
- Local Training
- Marketing, Sales and Communication
- Conservation and Green (environmental) Management
- Community Tourism Development
- Institutional and Small Business Support

Other components could legitimately be added to the STD framework (e.g. stakeholder participation, investment strategy, infrastructure development, etc). However for the purpose of this exercise they have either been included under one of the 6 titles or they have been integrated as a specific task.

Also the identified activities are proposed within the context of what can realistically be accomplished within the next 2 years.

TOUR PRODUCT AND PROGRAM DEVELOPMENT

This development action plan will include a variety of activities designed to create new product that appeals to the special interest traveler. These innovative products will be designed based on sustainable tourism principles and include but are not limited to the following:

- Package tour itinerary development including
  - Day trips to select locations
  - Multi-day, multi-activity (5 to 10 days) tour packages with marine and desert based educational activities
- Eco-friendly, comfortable accommodation development and investment
- Visitor centers and interpretation trails
- Handcraft production and sales

Package Tour Development

Well-designed, market-driven tour package can begin to position the SRS Region as a responsible NCT destination within the next 10 to 15 months. Much has been written, in previous reports, about the opportunities for package tours.

These tours are yet to be developed Action Plan carries that process one step further and outlines the following specific packages be developed in 2006 - 2007.

1. **Two coastal bird watching packages** (7 and 10 days)—The bird (waterfowl) watching potential of the SRS region and in particular the WGNP has been well documented however further research is required to design the final package. The packages would be offered during migration and include:
   - Accommodation: Shams Alam Resort
   - Water and Ground Transportation: WGNP Rangers
   - Support Guide Services: from local villages
   - Day 1: Arrival at Marsa Alam
1. **Day 2, 3: Wadi el-Gemal Island**

- **Day 4: Coastal Zone**
- **Day 5, 6: Qul’an Lagoon**
- **Day 7: Departure**

The 10-day package will include an additional 3 days at the Lahami Bay Resort exploring bird watching sites along the coastline including adjacent islands with local guides.

2. **Two Tribal Cultural Heritage Packages** (6 and 8 days). Visitors will receive an introduction to desert tribal culture and lifestyle by day trips to select villages within and adjacent to the park. Accommodation will be both in the Sham Alam Resort as well as temporary traditional tent camps adjacent to the villages (to be determined). Ground Transportation: local tour operator; Support Guide services: Trained Tribal guides.

   - **Day 1: Arrival at Marsa Alam, overnight Sham Alam Resort**
   - **Day 2: Wadi Gimal Village: Overnight Camp Accommodation**
   - **Day 3: Hamatah area; Overnight Camp Accommodation**
   - **Day 4: El Shalateen : Overnight Camp Accommodation**
   - **Day 5: Qul’an Village Overnight Camp Accommodation**
   - **Day 6: Departure**

The 8-day package would include an additional night at Qul’an Lagoon and village and a final night at Sham Alam Resort.

3. **One Coastal to Desert Ecotourism Package** (7 days). This package will introduce the visitor to the variety of cultural, natural, and historic resources of the LIFE RS project area. There will be both a mix of activities (sea kayaking, hiking, biking) as well as an introduction to coastal and desert lifestyle.

   - **Day 1: Arrival at Marsa Alam, Overnight Sham Alam Resort**
   - **Day 2: Qul’an Village: Overnight Camp Accommodation**
   - **Day 3: Wadi wildlife observation and Sikait (Overnight Camp accommodation)**
   - **Day 4: El Shalateen: Overnight Camp Accommodation**
   - **Day 5: Qul’an Village Overnight Camp Accommodation**
   - **Day 6: Wadi Gimal Island and Village: overnight Sham Alam Resort**
   - **Day 7: Departure**

4. **One Handcraft Discovery and Learning Package** (5-days). The trip will be guided by an expert in local Bedouin craft and will include several community visits.

   - **Day 1: Arrival at Marsa Alam, overnight Sham Alam Resort**
   - **Day 2: Qul’an Village: Overnight Camp Accommodation**
   - **Day 3: El Shalateen Craft Centre : Overnight Camp Accommodation**
   - **Day 4: El Shalateen Local Market : Overnight Camp Accommodation**
   - **Day 5: Wadi Gimal Village: Overnight Sham Alam Resort**
   - **Day 6: Departure**

A similar set of packages will be prepared in 2008 and include:

- 1 coastal/interior bird watching packages (10 days)
- 1 Bedouin ecological knowledge packages (6-8 days)
- 2 Coastal to desert ecotourism tour package (7 days)
• 1 Roman Route Hiking or Mountain Biking package (5-days)
• 1 Red Sea Kayaking Adventure (5-days)
• 1 Handcraft Discovery tour package (5-days)

Tour Itinerary (Package) Development Process

The most efficient procedure to establish these tour packages by, say, March 2007, will be to collaborate with an existing inbound tour operator such as Red Sea Safari Adventures. The projects role will be to:

1. Prepare a resource base inventory and analysis for each itinerary including all available suppliers (accommodation, transportation, guide services, etc.)
2. Meet with appropriate village groups and/or CDA’s to identify level of participation and contact person and identify potential local guides.
3. Identify equipment list and provide financing for purchase (tents, binoculars, cooking utensils, portable toilet and showers, etc.). These could be purchased by the LIFE RS Program and then leased from the WGNP. It is assumed at this point the inbound operator will have a 12-passanger van. If not this could be provided to the WGNP for lease to tour groups.
4. Finalize detailed draft itinerary and prepare net price, including local mark-ups.
5. Present itinerary and net price to select European/US Tour Operators for feedback and determine level of interest.
6. Finalize itineraries and prepare:
   - Group tour planner
   - E-pamphlet and print brochure for distribution
   - Integrate tour and content into SRS Regional destination web site
   - Distribute to preferred tour operators

Eco-friendly Accommodation Design and Development

Comfortable, secure and well-situated accommodation is an essential part of the tourism development of the region.

The current accommodation ‘plant’ is for the most part inappropriate to attract the preferred ecotourism-soft adventure market.

Those local operators that suggest they have an ecolodge are in fact only offering a low cost dive resort and have no product that would attract the specialty markets. As well most are simply too far (more than 1.5 hours) from the WGNP to effectively offer the parks resources in a day trip.

This leaves only Shams Alam and the Lahami Bay Resorts as the prime location to serve this large area. However both properties are traditional dive/beach resorts and have limited appeal to the specialty markets.

Therefore three lodging types are proposed for the region:

1. Two full service fixed-roof ecolodges adjacent to the park
2. Two full service tented eco-camps within the park
3. Semi permanent eco camps adjacent to select communities

Design and Launch a Full-service Ecolodge Investment, Design and Construction Program—The development of at least 2 quality ecolodges within 20 KM of the park will have a
significant impact on the growth of a multi segment tourism industry in SRS Region. However it will be necessary to:

- Identify resource rich and attractive sites
- Prepare the necessary technical documents
- Promote the investment through recognized channels
- Attract a serious investor with previous experience in the travel industry

It was not possible to identify an appropriate site during this assignment. As well it is unlikely that a facility will be designed, financed and built in the next 2 years.

Therefore the project will focus on providing the necessary documents to attract a serious investor. Actions include:

- Work in collaboration with TDA to identify at least 5 potential locations
- Identify criteria and undertake a selection process to determine the best 2 sites
- Prepare a pre-feasibility analysis of each ecolodge development including:
  - Preliminary architectural sketches and guidelines
  - Construction cost estimates
  - Operational requirements and costs
  - Cash flow analysis
  - Available financing and support
- Prepare an investment prospectus and promote the project through select mechanisms (web site, brochure distribution, investment journals, etc.)
- Assist investors to undertake further analysis of the development potential

**Design and build a full-service Eco-Camp**

**Eco-Camp Development**—The most immediate answer to the response to the current limitations in the accommodation mix is for the LIFE RS project to assist in the development of a tent structured eco camp. This low impact facility should ideally be located within the WGNP in order to meet the requirements of the tour packages and the interests of the foreign tour operator (and the tourist) in a natural, scenic location.

Locating a lodging facility in the national park may generate debate among the LIFE RS Project partners but the proposal is made based on the following:

- Full-service accommodation (including food and beverage, equipment use, guiding, etc) is one of the most labor intensive and high revenue generating components in the travel industry, thus providing more revenues for the WGNP and salaries for local villagers. Also the leakage factor is relatively low thus providing more direct and indirect local employment. As well the accommodation sector typically offers more ‘job entry’ possibilities, which is important because of the lower skill levels of the villagers. Consequently tourist lodging, and its associated services (food and beverage, entertainment, rentals, etc) can be a major contributor to local livelihood enhancement.
- Most would agree that there are several suitable sites and that these locations would greatly contribute to the economic impact of the LIFE RS project. An attractive location within the WGNP would be immediately popular with the tour operators thus assuring higher occupancy rates and revenues.
• An eco camp is an effective solution to the current accommodation issue. For instance, it can be easily dismantled and moved once other alternative accommodation has been built in the region, thus allowing the National Park site to return to its natural state.

• Semi-permanent safari tent camps are becoming increasingly popular because of market demand (clients claim they offer “closer contact with nature”) and relatively lower financial risk and investment costs. Despite a relatively little capital cost they frequently charge more than fixed-roof accommodation because of their unique features and benefits offering a higher yield.

• Tent making is currently a small business for the women in Berenice. This accommodation type would generate several FTE’s by fabricating the accommodation tents and associated facilities (kitchen, dining area, staff accommodation) in the region.

• There is already a precedent for tent structures in the WGNP at the El Fustat Camp.

Figure 1 Proposed Tent Structures

While a site selection process should be undertaken, this report recognizes that the Qu’lan area has several advantages over all other sites in the park because it is:

• Centrally located (an ideal staging area) providing ready access to all attractions within and surrounding to the national park

• Within walking distance of the lagoon and Qu’lan village

However it would be at least 1KM south of the lagoon and would have no visual or physical impact on this important park feature.

Proposed LIFE RS Activities—The LIFE RS Project therefore assume the following actions with respect to accommodation:

• In collaboration with TDA and RSG, identify the best site location

• Prepare a site development plan and cost estimates including location of 20 accommodation units, kitchen, dining area, toilet and showers

• Prepare a business plan with several management partnership and concession scenarios as well as alternative financing structures

• Identify the necessary skills to train local villagers in hospitality delivery and management

• Prepare the final design drawings, tender documents and tender call for the construction of the facility

• Negotiate with tent manufacture cooperative in Berenice to produce materials

• Prepare a proposal call for an experienced hospitality concessionaire

• Negotiate and prepare final concession agreement

• Transfer of facility operations to concessionaire
Design and build several semi-permanent eco-camps at strategic village locations—In order to offer the proposed itineraries it will occasionally be necessary to provide accommodation adjacent to select villages (e.g. el Shalateen) or sites of special interest (e.g. Sikait/Nugrus). They may be within or outside the national park. These facilities are particularly useful adjacent to those villages that may want to attract visitors for, say, cultural interpretation programs, but may not want to offer overnight accommodation within the village area.

This type of accommodation has proven popular with photo safaris in Kenya, wildlife observation in Alaska and desert tourism in Morocco and would appeal to many European tour operators selling the Red Sea and Deep Range experience.

Eco-camp structure and ownership—Eco-camps consist of portable tents for kitchen, dining area and toilets/showers. Electricity can be provided through solar powered batteries. They can be set up for either just an evening or an extended period depending on the number of tours visiting the village.

- **Camp Ownership**—The equipment can either become the property of a local inbound tour operator who manages the ground operation (for the foreign tour operator) or owned by those communities (e.g. through a CDA) that are proposed, for overnight accommodation, within the tour packages. In both scenarios, the community can, for a fee paid by the tour operator, provide the following services:
  - Camp set-up and break-down
  - Camp management (clean-up, energy supply, water delivery, etc.)
  - Food and beverage services
  - Handcraft sales
  - Entertainment, interpretation and story-telling
  - On going equipment service and maintenance.

**LIFE RS Project Activities**—The LIFE RS Project therefore assume the following actions:

- Identify priority villages for development of the semi-permanent eco-camps
- Select site location for the eco-camp
- Negotiate with community leaders, the village CDA or private operator to assume responsibility for its use and maintenance
- Train the necessary local staff to offer the required services
- Prepare site and purchase necessary equipment (tents, showers, toilets, etc.)
- Officially transfer eco-camp to village authority

**Visitor Centers Information Distribution Network (VCIDN)**

Visitor centers can provide much-needed reception/orientation, information and interpretation services throughout the SRS tourism destination region and the WGNP.

As well these physical facilities can be linked to all other information sources including the regional web site, brochures and other print materials, interpretive exhibits and trails.

As well they are important ‘pint-of-sales’ for generating revenues from local products such as handcraft, dried foods, replica’s, etc.

The project area has both the scale as well as strategic locations to offer a full range of information, reception and interpretive visitor services. The proposed visitor center network and associated trails will be designed to support the following activities:
The LIFE RS Project could consider the development of a **visitor centre network** including the following facilities:

- Regional Visitor Reception/Information Centre at north entrance to WGNP
- Visitor Park Interpretation (marine/desert/coastal) Centre
- Visitor Park Interpretation (Deep Range Desert/heritage) Centre at Sikait
- Visitor Interpretation (Tribal Culture) Centre at El Skalateen
- Visitor Interpretation Kiosks at Sharm el Luliyya, Hamatah,
- Visitor Information Kiosk at Marsa Alam
- Visitor Interpretation Equipment (trails and observation towers)

**Visitor Center Definitions**

As a point of clarification the following definitions have been used in this report:
Visitor Reception, Orientation and Information Center—As the name suggests this facility is designed to offer the visitor information about the area they are visiting. In that sense it receives the tourist and orients them towards the wealth of activities and attractions that are available. The purpose is to provide an overview of the opportunities, benefits and experiences. The facility also plays an important role in the commercial aspect including craft and food and beverage sales.

Visitor Interpretation Center—The facility uses the most contemporary techniques to interpret the specific resource values of the region (as in the case of a national park) or site as in the case for Sikait or Wadi Gimal Island.

Regional Visitor Reception/Information Center at north entrance to WGNP

- **Site selection options**—Several site locations have been considered by this consultant and others.
  - **Option 1**: This location was recently proposed within the Wadi Gimal Village. However following a community meeting, 2 additional sites are proposed because of their ability to attract more visitors and consequently increase handcraft sales. They are both adjacent to the highway and immediately within the WGNP boundary...
  - **Option 2**: West side of the Highway. Approximately 300 M south of the stone gate is a small plateau that could support a visitor reception center. Parking would be on the flats of the wadi and visitors would hike up the 30m slope to the facility. The site is restricted but it does give a good view to the Red Sea and Wadi Gimal Island.
  - **Option 3**: East side of the Highway (preferred option). This preferred site is approximately 800 M south of the park offices on the coastal side of the highway. The site is north of the protected Ra's Baghdadi mangroves yet close enough to be linked to the Visitor Centre with a self-guided interpretive trail.

Although it is proposed on the opposite side of the road, for those visitors arriving from the north, the facility is on the Red Sea (the main draw to the region) shore and offers excellent views to the coastal environment, including Wadi Gimal Island. The site is flat and has no obstacles to construction.

Proposed LIFE RS Activities—
The LIFE RS Project can assume the following role in the development of this facility:

- In collaboration with the TDA, Department of Highways and WGNP, confirm the final location and site boundaries
• Hire a knowledgeable sustainable architect/landscape architect with experience in Visitor Center design and operations
• Work with the local communities to ensure that quality handcraft will be available when the facility is operational
• Work in collaboration with the Wadi Gimal, Village, WGNP staff and Shams Alam Resort to prepare the architectural plans and constructions drawings
• Prepare tender documents which include a construction trade training component and a local hiring quota
• Prepare equipment list (final procurement will be done when the equipment has been decided for other Visitor Centers)
• Train 4-6 villages to operate the Visitor Center and handcraft outlet
• Official opening of the Visitor Centre

Visitor Park Interpretation Centre

This facility will be the major or central visitor center within the park and the entire LIFE RS project area. Its primary purpose will be to introduce the visitor to the WGNP and area natural and cultural resources. Its central location, ideally in side the park, will encourage the visitor to seek out other facilities and features within the Visitor Centre Network. The Centre will express the both the natural and cultural heritage of the park and adjacent region.

The primary interpretation theme could be “Surviving in a marine and desert environment.”

This theme could combine several critical but compelling messages. First it will demonstrate the local tribal capacity to live and work with the desert environment to despite its frequent harsh realities as well as well also adapt to the coastal environment. Second, it will demonstrate the current state and sustainable use of these resources, by the local population and third, it will address the current impact of global warming on rising sea levels and desertification. This storyline could have significant appeal to the European markets.

Sub themes could focus on the marvelous mix of marine, inter-tidal, coastal, wadi and mountain biodiversity and area geology. However, where possible, these features would be tied back to the survival, over the ages, of the various tribes. Emphasis would be placed on the Traditional Ecological Knowledge (TEK) of these indigenous people and several package tours would eventually be built around this message.

Visitor Center Components—The Visitor Centre will serve many functions. Together they will combine to make the facility a ‘must see’ for all visitors to the region. It will be a point of transfer of appealing information about the region, a staging area for multiple day tours in the region, an opportunity to purchase local craft (and observe its production) and a place to relax and enjoy a light meal. The major components include:

• Entrance reception ‘hall’ with views out to the surroundings. This area will include:
  - Reception/information desk staffed by a multi-lingual informed staff
  - Seating area for relaxing and observing the view to the lagoon
  - Large panels and displays demonstrating the major theme and visual images of the resource base. These images are selected so to encourage further exploration of the region
  - 3 Small aquarium with local fish
  - Stage for the occasional presentation of local entertainers
- Craft production demonstration area
- Display racks with brochures from the region and beyond
- Internet access (2 stations) for accessing relevant web sites and checking emails

- Connected thematic 'pods' demonstrating the various marine, desert and cultural messages
- Small amphitheatre for a variety of video presentations (for 80 people)
- Retail outlet. This area will of course feature local crafts as well as other products from the SRS Region such as dried medicinal plants, replicas of artifacts from Sikait, etc.
- Restaurant (outdoor terrace) and beverage service for 60 people
- Equipment Rental outlet for snorkels, canoes, sea kayaks, etc.
- Resource Centre with technical documents on local ecology and culture
- Outdoor equipment and landscaping
  - 15 meter Observation Tower
  - Screened parking for 6 minivans (or 3 buses) and 12 automobiles
  - Exhibits including traditional Bedouin houses, inshore fishing boat, domestic camels and goats
  - Trails and boardwalks around the lagoon and to the village
  - Wharf to launch sea kayaks and small tour boat (12 passengers)
  - Medicinal plant garden
  - Local plant specimen exhibit

Proposed LIFE RS Activities—The LIFE RS Project can assume the following role in the development of this facility:

- In collaboration with the TDA, local villagers and WGNP staff, confirm the final location (building, parking, trails) and site boundaries
- Hire a knowledgeable interpretive planner/programmer, tourism planner, sustainable architect and landscape architect all with experience in Visitor Center design and programming to prepare a business plan (feasibility analysis) and preliminary drawings
- Identify 12 individuals for training in Visitor Center operations and the design and deliver of interpretive programs
- Work in collaboration with WGMP staff and local tourism suppliers (resorts, tour operators, etc.) to prepare the architectural and landscape plans and constructions drawings
- Prepare tender construction documents which include a construction trade training component and a local hiring quota
- Prepare equipment list (final procurement will be done when the equipment has been decided for Wadi Gimal and el Shalateen)
- Train 4-6 villagers to produce the amount of craft as determined by the business plan
- Manage official opening of the Visitor Centre

Site Location—Final location will require further investigation but it seems that the favored site will be in the area will be adjacent to the Red Sea. Areas such as Qu’lan Lagoon are already proving popular with visitors because of their scenic coastal location. To ensure success and financial viability, the Visitor Centre should be located in an equally popular and representative site.
Visitor Interpretation Centre at El Shalateen

Development Opportunity—The construction of this attractive facility will soon be completed. The LIFE RS Project can assist with development of the Visitor Center messages, to ensure coordination within the Visitor Centre Network as well as contribute equipment and exhibits including Gebel Elba National Park.

The Center's location at the entrance to the municipality provides an appreciation of the attractions of the community before visiting its various physical attractions such as the markets, fishing wharf, etc. The presentation of the various tribal cultures that live and do business in El Shalateen would be of special interest to the visitors. Residents of this municipality offer a distinctive West African culture that is not found elsewhere in the region. This feature in itself offers a unique cultural attraction for the center. Other messages include promoting the interesting mix of local attractions that constitute a complete day tour including:

Figure 4 One Building at the El-Shalateen Visitor Center Complex

- **Walking tour of the Local Market**—Visits to select businesses within the market, each with a potential for sales to tourists including: local spices, clothing, jewelry (silver and gold) and basket weaving. The mix of shops are attractive can form the basis for a 1 hour tour. The streets need to be cleared of litter

- **Tour of the Camel Market**—This facility and visitor experience is currently the major reason that tourists visit the community. Despite its unique qualities, by itself, it can only draw a limited number of tourists because the distance, to Shalateen from most of the resorts.

- **Visit to the fishing harbor**—The site can be an attraction if it is managed and presented as an attraction. The many fishing boats are colorful and typical of the artisan
fishing techniques of the region. A short boat tour may also be developed including demonstration of local fishing techniques.

- **Visit to the Craft Center**—This facility is the only one of its kind in the region and offers an excellent opportunity to demonstrate the crafts of the region.

- **Proposed LIFE RS Activities**—The LIFE RS Project can assume the following role in the development of this facility:
  - In collaboration with the municipality, Gebel Elba National Park administration and WGNP staff, identify the participation of each stakeholder
  - Hire a knowledgeable interpretive planner/programmer, with experience in Visitor Center interior design and programming to prepare information and interpretive plan and operational procedures
  - Identify 6 individuals in Shalateen for training in Visitor Center operations and interpretive program delivery
  - Prepare equipment list and start procurement
  - Train 4-6 locals to produce the crafts of the region
  - Manage official opening of the Visitor Information Centre

**Visitor Interpretation Center adjacent to Sikait**

This Interpretation Centre can play a vital role in attracting tour groups to visit both the high value cultural heritage site at Sikait and Nugrus as well as experience the biodiversity of the Deep Range. Both assets offer a compelling interpretive opportunity as well as compliment the marine/coastal interpretation theme of the Visitor Interpretation Centre.

Several messages have been identified in other reports and seem appropriate for this location:

- The Roman Route and Roman mining activities including a presentation of the architecture, village activities, and life style of the era.
- The biodiversity of the deep Range including birdlife, mammals (gazelles, Oryx, reptiles, etc)
- Nomadic cultures in the wadi’s of southern Egypt

**Site Location**—Two options were considered for the location of the Visitor Centre:

1. The relatively large building at the entrance to the heritage complex
2. A stand-alone facility discreetly located outside the village site

The second option is preferred thus enabling all buildings within the complex to be restored to their original purpose. As well, this proposed facility would be adjacent to parking and other contemporary features including sales outlet (emerald jewelry, desert craft, etc), solar-powered A-V equipment, etc.

**Restoration Activities**—The complete, authentic restoration of this village represents a special opportunity for USAID and other donors to contribute to the development of what could be the most important historic restoration projects in the Red Sea Region. It is particularly important to the enhancement of local livelihoods because it is so labor intensive, providing potential employment to perhaps 30-40 semi-skilled stone craftsmen over the next 10 to 15 years. In fact the restoration project itself can become an integral part of the interpretation program and attraction.
Proposed LIFE RS Activities—Within the next 2 years it is unlikely the LIFE RS Project can support a major intervention in this ambitious undertaking. However to meet the goals of the project it could assume the following role in the development of this visitor interpretation center and restoration of the Roman mining town at Sikait:

- In collaboration with the RSG, Higher Council for Antiquities (HCA), American Research Centre in Egypt (ARCE), Netherlands Embassy, WGNP staff and others, prepare an 10 year preliminary development plan for the restoration of the entire Sikait village/town site.
- Retain an archaeologist(s) to identify the purpose of each building and provide adequate information to prepare an in-depth description of the mining town as it was at the height of the mining activity. The TA should also provide a detailed description of the restoration activities, labor requirements and guidelines that are necessary to return the site to its former state.
- Hire a knowledgeable interpretive planner/programmer, sustainable architect and landscape architect with experience in Visitor Center design and programming to prepare a business plan and preliminary drawings.
- Work in collaboration with ARCE, HCA, and WGMP staff to prepare the architectural and landscape plans and constructions drawings
- Prepare tender construction documents, which include a construction trade training component and a local hiring quota
- Prepare equipment list for procurement
- Construct a self-guided interpretation trail on the floor of the wadi that indicates the former use of the individual buildings including proposed restoration activities
- Manage official opening of the Sikait Visitor Interpretation Centre

Visitor Information and Interpretation Kiosks

At least 3 Information and Interpretation Kiosks could be built over the next 2 years. Kiosks differ from Visitor Centers in that they do not have staff and are open facilities that display the required information with bilingual panels and artifacts. They nevertheless require the input of an interpretive and graphic designer and architectural technician.

Site Locations—The locations include:

- **North Entrance to the South Red Sea Region**—The facility would be located adjacent to the highway at a strategic site on the west side of the highway. It would include 8 covered panels that identify...
- Location and contacts for all accommodation, restaurants, local tour operators and dive centers
- Location and contact for various services, (guides, police, medical, WGNP rangers)
- Map of the protectorate
- Description of major WGNP attractions
- Location and photos of major villages
- Location of visitor centers
- Typical handcraft and retail outlets
- Location and description of Sikait/Negus emerald mines and Roman Route

Other site requirements include parking for 4 minivans and 8 cars, public toilets, 6 picnic tables, trash receptacles
Visitor Interpretation Kiosks would also be located at Hamatah and Harms Luluiyah.

Proposed LIFE RS Activities—The LIFE RS Project can assume the following role in the development of these kiosks:

- In collaboration with the villages, TDA, partners and WGNP staff, identify the participation of each stakeholder and confirm the best sites
- Hire a knowledgeable interpretive planner/programmer, with experience in Interpretation design to prepare information and interpretive plan and kiosk design
- Prepare construction materials and equipment list
- Train 4-6 locals in the respective villagers in basic construction techniques

Visitor Interpretation Support Facilities

Interpretation Trails and Signage—Self-guided interpretation trails are an integral part of the visitor interpretation program. Not all final locations have been decided at this point but there are several obvious locations that could be developed in the next 2 years. They include:

- **Visitor Information Center (at Northern Park Entrance) Trail**—The proposed site is approximately 700 m north of the Ras Bagdadhi mangrove area. A well market trail from the Visitor Center and including a loop through the mangrove would be an attractive reception to the traveler’s arrival in the WGNP. The total tail would be 2KM and include signs and benches/trash receptacles.
- **Qul'an Lagoon Trail**—The attractive Qul’an Lagoon could be better appreciated with a marked, self-guided interpretation trail. It would lead from the proposed Visitor Park Interpretation Center the tip of the lagoon as well as follow south along the shore and then back to the village. Another trail would start on the west side of the road and go approximately 5 KM up into the Wadi. Total trail length would be approximately 10KM and include signs, sun shelters and benches.
- **Sikait and Sikait to Negrus Trail**—
  - **The Sikait (Mining Town) Interpretation Trail**—This trail, starting at the visitor center, will follow the edge of the valley floor around the town and provide a complete interpretation of the various structures within the town. The total distance is 1.5KM.
  - **Sikait to Negrus Trail System**—The trail will also start at the visitor centre and cover the 9 KM to the Negrus site. It will interpret the geology, flora and fauna of the region and include sun shelters every 2KM.
• **Wadi Gimal Island Bird watching Trail**—Approximately 1.5KM of signed trails will be strategically located on the island to both protect nesting areas as well as provide maximum viewing opportunities. Two sun shelters will also be provided.

**Observation Towers**

• **Wadi Gimal Island Towers**—Three towers will be located across the Island. One at the southern tip (6 meters), a second adjacent to the mangrove area (15 meters) and a third at the north of the island (10KM).

• **Qul'an Lagoon**—A 15-meter observation tower will be located adjacent to the visitor center allowing views over the entire lagoon and shoreline. It will also include interpretive signs and fixed binoculars.

• **Visitor Information Center (North WGNP Entrance)**—A 15-meter observation tower will be constructed between the Visitor Center and the Ras Baghdadi Mangrove Area.

**LIFE RS Program Activities**—The LIFE RS Program will be responsible for the following:

• Fielding a professional landscape architect/planner and interpretive planner to layout the exact alignment, including interpretive signs, observation towers and associated features location. The location of the observation towers on Wadi Gimal Island will be done in collaboration with an ornithologist.

• Preparation of construction and engineering (observation tower) plans and specifications and cost estimates:
  - Trails
  - Signs
  - Sun shelters and
  - Observation towers

• Prepare tender call for the construction of the various facilities

• Hire contractor and supervise construction activities

• Prepare press event with the opening of the trails and towers

**Specialty Tourism Training Programs**

**Training Initiatives and Programs**

The combination of new tour package itineraries, visitor centers, eco-accommodation, handcraft outlets and interpretation programs will require a comprehensive mix of trained individuals. The purpose of the Training Program will be to

• Assure the foreign and local tour operator that the required skilled individuals are available to deliver their various programs

• Enable the efficient programming and operations of visitor centers and other attractions

• Provide the expanded accommodation sector with an enhanced level of visitor service and hospitality

• Provide the most attractive handcraft and other sales items for the tourist

While literacy and international language skills will be an asset, they should not be considered an obstacle to enrolment in the training programs.
Further assessment may also conclude that several of the proposed programs are designed as train-the-trainer programs. This option will be discussed with the partners.

**LIFE RS Program Activities**—The LIFE RS program will deliver training programs at 3 levels:

- In-house training in cooperation with select private sector operators (resorts, tour companies)
- Specific training programs delivered directly by the LIFE RS program and in collaboration with responsible partners such as the EEAA, TDA, MOT, etc.
- Institutional training to select agencies in order too improve technical skills (possibly at the German School in El-Gouna)

**LIFE RS In-house Training (in collaboration with the private sector)**—Although this consultant did not conduct extensive interviews on the available skills within the local tourism sector, it is obvious, if only because of the lack of product, that there is little capacity to offer ecotourism/adventure/educational/cultural heritage travel services. However with the development of new tour product and the associated marketing it would seem that the existing companies would be interested in the training of their employees.

As well in order to advance the development of the region as sustainable tourism destination there must be a concerted effort to improve skills in such areas as resource and environmental management.

It seems that none of the facilities have adequate staff to warrant a specific training program, so many of the programs must include employees from several operations as well as possibly those from other sectors or the unemployed.

Within the next 2 years the following training programs can be offered to the private sector.

**Green Management of Operations**—In order to position the SRS Region as a sustainable tourism destination it will be necessary to ensure that all operations function within the highest possible environmentally standards. Therefore all accommodation and tour operations will be offered a 4-day workshop on the preparation of a ‘Green Management Strategy’. The program will identify:

- How to prepare a corporate environmental policy
- Costs and benefits associated with green management
- Techniques to conducting an environmental audit including
  - Water and energy conservation
  - Solid waste management and recycling
  - Toxic material management
- Practices and technologies for greening the operations
- Selection of and training the employees or ‘green team’
- Community cooperation activities

**Tour Product Development and Packaging**—The program will also enable employees to prepare a selection of 1-day to multiple day trips for their clients. The planning process will include but not be limited to the following phases:

- Resource inventory and analysis
- Market assessment
• Product/Market matching
• Brand and theme development
• Preliminary product development opportunities
• Tour product selection
• Community and Environmental Impact
• Final Product design and net pricing
• Product marketing
• Creating strategic alliances
• Product testing and implementation
• Selection criteria for a foreign tour operator partner

Preparation of Marketing and e-marketing strategies—The private sector will be introduced to all new technologies, which will enable them to be positioned in the dive, and environmental/cultural travel markets. They will be introduced to the use of techniques associated with CRM (Customer Relationship Management), dynamic-packaging, lead management, etc. Through the use of a customized workbook they will prepare their corporate marketing strategies including:

• Market research and analysis
• Market trends and competition analysis
• Pricing strategies
• Preparation of a comprehensive marketing/promotion mix
• Budgeting
• On-going research
• Monitoring and Program evaluation

Additional Training Programs—Other programs will be identified after additional consultations with the private sector and may include:

• Business planning and assessment
• Visitor management and hospitality
• Marine tourism development and resource protection
• Diver Impact and Resource Monitoring
• Community Outreach
• Customer Service and Security and Tourism Safety Programs

LIFE RS Training to Regional and Community Residents—In order to develop the scope of packages and attractions identified in this report it will be necessary to offer a variety of programs in parallel to those prepared specifically for the private sector. They well are exclusively designed to meet the needs of

• Foreign and Cairo based tour operator selling new packages to the destination
• The operation of the new facilities and attractions (e.g. visitor centers, eco-accommodation, etc)
• Local operators who will wait until there is adequate demand before hiring local guides and camp managers
The overall Programs can include:

- **Certified Guide Training and Camp Management Training**
  - Specialty guides (marine, desert and mountain conditions)
  - Head guides and tour leaders
  - Interpretive guides (ecology, birds, heritage, tribal culture, etc.
  - Eco-camp management and operations staff
  - Cooks and food services (preparation, hygiene, purchasing)
  - Safety/risk management/emergency evacuation
  - Basic language skills (English, German, Italian)
  - Hospitality Services
  - Boat operators and drivers

- **Facility/attraction management and operations training**
  - Visitor Centre Operations and Management
  - A-V and display equipment maintenance
  - Traditional entertainers (dancers, musicians)

- **Handcraft production and sales training**
  - Market expectations, buying cycles and trends,
  - Product design, production planning and management, costing and pricing,
  - Distribution, packing and shipping, billing and collection,
  - Customer service, export documentation and market links
  - Market and business training: buyer visits, development of new markets, production capacity and relationships with marketing representatives

- **Institutional Training Programs**

These programs will be designed and offered to specific agencies such as TDA, RSP, etc. They will include but not be limited to:

- **Basic Park Ranger Training Program**
  - Environmental Resource Management—Basics of outdoor recreation and tourism, Carrying capacity assessment, Resource inventory and mapping, Impact monitoring
  - Hospitality services and public relations. Wilderness Trek Planning and Logistics
  - Introduction to environmental education, Wilderness desert/mountain and water safety/security including search and rescue and emergency evacuation, Law Enforcement and Firearms

- **Advanced Park Ranger Training Program**
  - Marine and desert ecology for environmental management
  - Park and Recreation Administration
  - Interpretive Planning
  - Cultural Resource Management
  - Concepts and Trends in Wilderness and Marine Tourism
  - Desert and Marine Systems Education

- **Organization Geography Archive System Operations and Management for TDA**
  - Data entry applications
- System troubleshooting
- EMU Tools and Techniques Training for TDA

**LIFE RS Program Activities**—The LIFE RS Program will be responsible for designing the training programs and, in collaboration with respective partners, organizing the workshops. The Program will hire all Expatriate and local trainers. The LIFE RS Program training program development will include the following steps:

- Program design and development
- Preparation of training materials and participant workbook
- Participant selection
- Program delivery
- Participant evaluation
- Certification
- Follow-up and ongoing technical assistance
5. TOURISM MARKETING AND PROMOTIONS

In order to achieve the objectives that have been identified in this report, and in particular to generate additional tourists within the next 24 months it is necessary to launch a 2 stream marketing program.

- **Stream 1:** New Product Launch and Promotion
- **Stream 2:** Preparation of 5 year marketing strategy

NEW PRODUCT LAUNCH AND PROMOTION (STREAM 1)

There is neither the time nor the necessity to prepare a comprehensive marketing research and strategic planning program before launching several well-established targeted marketing initiatives.

In order to generate new volume in the ecotourism/soft adventure market before the end of the LIFE RS program it is necessary to gain limited recognition in the market place by early 2007. This is not unreasonable since there are several mechanisms that can be instigated well before the completion of the marketing strategy (stream 2).

These initial activities would be used to specifically promote the current and new proposed tour product (identified in 4.1.1 of this report) and ensure short-term market penetration and visitor arrivals before 2009. Mechanisms to be used include:

- Design and launch of commercial website
- Preparation and distribution of e-marketing literature
- Preparation of electronic and print group tour Planner
- Attendance at select travel trade shows
- Familiarization (FAM) trips for select tour operators and media
- Follow-up

It will however be important to identify the specific brand identity that would be used over the next few years before establishing the web site and producing the supporting collateral material. The following activities are required:

Regional Branding Workshop

It is not necessary to launch a lengthily and expensive branding process to determine the SRS unique positioning statement. If, for instance, select stakeholders from the private and public sector gather for 2 days they should be able to identify the unique brand for the SRS tourist region. A similar national tourism branding program was used by Chemonics International, in Romania and it successfully integrated the ideas from the various regions into 1 distinctive brand.

Using a similar workshop format, the process directs participants, working in groups to undertake the following:

- Identify and assess select target markets that reflect the proposed tour product
- Competitive brand analysis
- Asset Identification and Assessment
- Asset/Market Matching
- Identifying benefits and values/virtues
- Articulation of brand
• Preparation of a ‘positioning concept and statement’
• Logos, graphics and taglines
• Co-branding activities

Information gathered in this workshop would then be used in the final marketing strategy.

SRS Regional Tourism Destination Website

The SRS Regional Tourism Destination web site will be at the center of all marketing activities. It will be widely promoted with a coordinated drive-to-web strategy. An integral part of the web site will be the use of data capture technology capable of soliciting information from site visitors through contests and promotions. The site will be structured around the various activity and service areas and will present some of the following information:

• SRS Regional Travel Suppliers
  - Accommodation
  - Restaurants
  - Tour operators
  - Dive Centers
  - Transportation (motor coach, minivan, boat etc.)
  - Retail and rental stores
• WGNP Desert and Marine Assets and Educational Programs
  - Communities and cultures
  - Historic resources (Roman Route, mining activities, etc)
  - Visitor Interpretation Facilities
• Tourism Activities
  - Attractions and special events
  - Tour packages (including maps and detailed itineraries
  - Interpretation and educational programs
• Special Discounts and Opportunities
• Location of all Visitor Centers

SRS Regional Tourism Information Network—The web site will be at the center of a comprehensive information, communication and marketing network that will group, but not be limited to, the following components:

• Physical structures
  - SRS Tourist Information/Interpretation Centers
  - WGNP Information and Interpretation Centers
• Collateral materials
  - SRS Regional Tourism Directory
  - Area brochures and pamphlets
• Electronic materials
  - Group Tour Planner
  - E-Newsletters and bulletins
  - Database
Preparation of Group Tour Planner—The Group Tour Planner is an essential tool in attracting the attention of the national and international tour operator. It is particularly relevant to this destination because it is relatively unknown. Consequently the TO will require substantial information on the region before deciding to make their own investigation, investment and commitment to the region. The document typically contains the following information:

- Resource information and content
  - Natural, cultural, heritage, archaeological, etc.
- Overall market information including current demand
- Detailed tour itineraries including all correct contact information
  - Local tour operators
  - Accommodation
  - Dive centers
  - Guide services (preferably certified)
  - Naturalists and interpreters
  - Transportation services and vehicle/boat rental
  - Attractions and Visitor Centers
- Maps and quality digital photographs
- Support services (police, medical, etc)
- Web site information sources and links

Electronic Brochures and Print Materials—The preparation of tour package and itineraries will necessitate the preparation of all support electronic and print (6-panel brochures) information. They will specifically be designed for the travel trade and for wide distribution at the identified trade shows.

Trade Show Participation—Once new tour product has been developed and the marketing effort is supported by a comprehensive web site it will be necessary to identify at least 2 trade shows in 2007 and 4-6 in 2008. The selection will be done in collaboration with the Egyptian Tourism Authority but may include the following locations:

- ITB Internationale Tourismus Boerse, Berlin, March, 2007/08
- Globe07: Rome, March 2007
- CBR Munich, February, 2008
- BIT (Borsa Internazionale del Turismo), Milan, Italy, February 2008
- Reisen Hamburg, Germany, February, 2008
- CMT Stuttgart, Stuttgart, Germany, January, 2008
- Ferien-Messe Wien, Vienna, Austria January 2009
- Destinations, London, United Kingdom November, 2008

Familiarization Tours (1 Domestic, 3 international)—FAM Trip remains one of the most successful marketing mechanisms and at least 2 will be planned for 2007 and 4 for 2008. The tour operators will be selected in cooperation with the local travel trade, TDA, PA Consulting research and the Egyptian Tourism Promotion Authority. The Group Tour Planner will be distributed to all tour operators in print and electronic form.
PREPARATION OF A 5-YEAR SRS DESTINATION MARKETING STRATEGY (STREAM 2)

In order to achieve the visitor projections proposed in this strategy and position the SRS Region as a known International Tourism Destination it will be necessary to have a long-term comprehensive marketing plan that identifies the most effective mechanism to promote the tourism destination as an national and international destination. The plan will have the following components:

- Marketing goals and objectives
- Marketing tactics
- Destination Brand and Positioning Statement
- Marketing Mechanisms
  - Advertising—Web site and ‘drive-to-web’ activities, Brochures, Directories, Collateral materials, Sales and Promotions
- Database development and CRM
- Direct mail and email campaigns
- Trade shows, destination showcase and FAM trips
  - Kiosks and stand, Group tour planners
- DVD preparation and distribution
  - Public Relations, Newsletter, Conferences and seminars, Resource Centre
  - Marketing Research Requirements
  - Marketing Budget
  - Evaluation Methods

LIFE RS Marketing Activities—The following marketing activities are a composite of those identified in the TDA Work plan as well as the required initiatives to launch the regional tour product in the international marketplace and generate tourist by 2008. They are defined within 3 actions: i) research, ii) planning and promotion and iii) follow-up/monitoring.

- Specialty Tourism Research
  - Profile current market segments and prepare profile of potential markets from Western Europe, Russia and the US
  - Provide market intelligence reports and travel consumer trends in select western European countries (UK, France, Germany, Scandinavia, etc.)
  - Identify and classify into a database, at least 100 specialty tour operators with an expressed interest in the type of tour products in the region

- Planning and Promotion
  - Design and Launch Web site and Database—Hire qualified tourism market planner to prepare contemporary web site structure and database requirements including: Content Management Tools, Customized E-commerce, E-newsletter management tools for targeted CRM email campaigns, Tracking & Reporting capabilities
  - Prepare terms of reference for pre-qualified web design firms
  - Prepare web design and operations contract
  - Manage web site production
  - Manage campaign for website launch
• Attendance at Trade Shows
  - Select final shows in collaboration with Tourism Promotion Authority
  - Select at least 4 private sector operators and 3 public sector representatives (RSG, TDA, EEAA) to attend
  - Prepare and offer 1-day workshop on how to negotiate/sell/close at travel trade shows
  - Negotiate contribution of MOT to initiative (booth charges, airfares, etc.)
  - Prepare regional brochure, tour package flysheets, photo CD, etc.
  - Prepare media kit, including CD from the Minister, EEAA, TDA, etc.
  - Provide brochure assistance (design, printing) to the private sector participants
  - Identify pre and post trade show sales calls to tour operators in select cities (e.g. Rome, Berlin)
  - Attend trade shows and assist with the sales calls

• Sponsor Familiarization Tours
  - Prepare itineraries including confirmation/contribution from suppliers
  - Pre-qualify and select local suppliers and waitlist (tour company, accommodation, transportation, etc.)
  - Confirm (with MOT) the selected airline partner
  - Set price of trip, including airfare
  - Pre-qualify and select foreign tour operators, wholesalers and media and waitlist
  - Create program overview, registration form, information letter from Minister and waiver of liability sheet
  - Create database for confirmed participants and waitlist
  - Mail packet to participants (portfolio; notepad; business card sheet; Group Tour Planner with itinerary, lodging and travel information; Web resources, host list; and name badge)
  - Host a welcome reception for TO’s and regional suppliers
  - Lead FAM tour and manage presentations
  - Host final dinner

• Prepare all e-marketing and print materials—The LIFE RS Project could prepare the following marketing electronic and print materials:
  - SRS Regional Directory
  - SRS Regional shell with fact sheet templates for each specialty activity
Project responsibilities could include preparation of all content and photographs, hire qualified graphic designer, and print and distribute material to local suppliers.

• Manage follow-up on trade shows and FAM tours—The LIFE RS staff may need to manage the follow-up after both the trade shows and FAM trips by contacting all participants.
6. CREATE A SRS REGIONAL TOURISM DESTINATION ASSOCIATION

The responsibility for the long-term implementation of the tourism initiatives of LIFE RS project and others as well as the on going positioning of the region will require a local tourism association, committee or DMO that is committed to these goals.

TOURISM SRS ACTIVITIES AND RESPONSIBILITIES

The association’s (e.g. Tourism-SRS) activities might include but not be limited to the following:

- Identify and secure funding and financing sources
  - Product development
  - Training
  - Marketing
  - Investment proposals
- Support the creation of strategic alliances and encourage greater dialogue between the private and public sector
- Coordinate regional tourism development activities with those of the TDA, MOT, EEAA and other regional and national organizations
- Manage all marketing and research activities including website and database management, brochure production, etc
- Prepare an annual budget for submission to the TDA and/or MOT and association members
- Coordinate all tourism activities including special events, FAM tours, trade shows, etc.
- Develop a strong membership base amongst all the various stakeholders in the regional tourism sector.

PROPOSED STRUCTURE

Tourism-SRS will include the following components:

- Administrative staff—By 2009 the following staff should be in place:
  - Executive director
  - Marketing manager
  - Office manager and book keeper
  - Webmaster
- Executive and Board of Directors—The board will be equally divided between the private and public sector and include the following representatives:
  - Public sector—RSG (1 representative), TDA (1 representative), Local authority (5), Mayors of el Shalateen, Marsa Alam, Representatives of 3 villages, Representatives of 2 CDAs, WGNP representatives (2)
  - Private sector—Tour operators (2), Accommodation sector (2), Guides (1), Handcrafts (1), Dive Centers (1), Special Events (1)
- Membership Base—All individuals, associations and companies that wish to become members.
LIFE RS Activities—The LIFE RS Project could play an active role in the formation of this important association. Working in collaboration with TDA, MOT and local stakeholders the project could contribute the following:

- Convene the first meeting of all private and public sector stakeholders
- Provide technical assistance to the first executive committee including the structuring of the association
- Prepare a constitution for the association
- Prepare job and task descriptions for the various positions and responsibilities
- Contribute partial funding to the hiring of the executive director and webmaster
7. **TECHNICAL ASSISTANCE TO SME’S AND CRAFTSPEOPLE**

The region has traditionally attracted the dive market, with a small but growing interest amongst the beach vacationer. This has not provided an opportunity to develop the skills necessary to attract other market segments, particularly those associated with the wealth of natural, heritage and cultural resources.

Therefore the LIFE RS Program should consider offering technical assistance to those small firms and individuals that can make a direct contribution to establishing sustainable tourism and assisting with the improvements of local livelihoods.

**RECEPTIVE (INBOUND) TOUR OPERATOR ASSISTANCE**

The receptive operator remains one of the most important players in attracting new clients to the SRS regional destination. There are several operators in the region but most cater to the dive market with few offering products for the specialty markets.

Interested ecotourism, soft adventure and educational travel operators should be offered assistance in the following areas;

- Business planning
- Market research
- Product development
- Green management of the operation
- Web site and database development
- Marketing initiatives
  - E-brochure preparation
  - Dynamic packaging software

**WEBSITE DEVELOPMENTS OR UPGRADING ASSISTANCE**

Despite the current necessity to have an active presence on the Internet, most operators, particularly small resort owners, do not have an adequate web site. If the destination is to be competitive all business must be connected electronically, especially if they want to have a presence on the new proposed regional web sites.

An assistance program should be set up to provide the technical input necessary ensure all operators have a quality website by 2008.

**HANDCRAFT DESIGN AND PRODUCTION TO ARTISANS**

The importance of handcraft development has been recognized in several reports. To support these important revenue generating initiative several workshops have been propose in this report. However there are several competent craftspeople, particularly in the el Shalateen area, that with direct assistance could substantially improve their quality and production.
PART 6: ACTION PLAN FOR SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT

8. SUSTAINABLE TOURISM DEVELOPMENT ACTIVITIES

TIMEFRAME

The following table outlines the various activities necessary to achieve the objectives identified at the beginning of this report. The proposed schedule covers the last quarter of 2006, 2007 and 2008, i.e. approximately 26 months.

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<td>1.2 Accommodation Planning and Development</td>
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<td>1. Identify 5 potential locations with TDA and EEAA</td>
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<td>2. Undertake a selection process to determine the best 2 sites</td>
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<td>3. Prepare pre-feasibility analysis for each ecolodge development:</td>
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<td>4. Prepare investment prospectus and promote projects</td>
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<td>5. Assist investors to undertake further analysis and technical documents/drawings</td>
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<td>6. Provide technical assistance during construction</td>
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<td>2.2 Eco-Camp Development</td>
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<td>1. Identify preferred site location (with TDA, EEAA and RSG)</td>
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</table>
**LIFE RS Activities**

3. Prepare business plan with concession scenarios
4. Train 12 local villagers
5. Prepare final design drawings and tender documents
6. Negotiate with tent manufacturer (Berenice)
7. Negotiate/prepare final concession agreement and transfer of facility
8. Co-manage the construction
9. Official opening

2.3 Semi-permanent eco-camps (village locations)
1. Identify villages for semi-permanent eco-camp
2. Select site for eco-camp
3. Negotiate with community leaders or CDA
4. Train eco-camp staff
5. Purchase camp equipment and transfer to village authority
6. Co-manage the construction
7. Official opening

3. Visitor Centre Network
3.1 Regional Visitor Reception/Information Centre
1. Confirm the final location (with the TDA, Highways, WGNP, etc.)
2. Hire visitor centre architect + prepare concept drawings
3. Train community residents in handcraft production
4. Prepare the final architectural plans and constructions drawings
5. Prepare tender documents
6. Prepare equipment list and purchases
7. Train 4-6 villages to operate the Visitor Centre
8. Visitor Centre official opening

3.2 Visitor Park Interpretation Centre
LIFE RS Activities

1. Finalize park location (with the TDA, RSG, WGNP, etc.)
2. Hire architect + prepare concept drawings
3. Prepare the final architectural plans and constructions drawings
4. Prepare tender documents and hire construction contractor
5. Co-manage construction activities
6. Prepare list and purchase equipment
7. Train 14 villages for Visitor Centre operations
8. Opening of Visitor Centre

3.3 Visitor Interpretation Centre at El Skalateen
1. Identify stakeholders: Municipality, GENP and WGNP staff, CDA,
2. Hire interpretive planner to prepare interpretive plan and operational procedures
3. Training in Visitor Centre operations and interpretive program delivery
4. Procure and install equipment
5. Train 8 in craft production
6. Manage Visitor Information Centre opening

3.4 Visitor Interpretation Centre: adjacent to Sikait
1. Retain an archaeologist(s) to identify the purpose of each building
2. Prepare 10 year development + restoration plan for Sikait site (with the RSG, HCA, ARCE, WGNP staff, etc.)
3. Hire interpretive planner + architect to prepare a business plan and preliminary drawings
4. Work with partners to prepare architectural/site plans and constructions drawings
5. Prepare tender construction documents
6. Prepare equipment list and procurement
7. Co-supervise the construction of the Centre
PART 6: ACTION PLAN FOR SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT

**LIFE RS Activities**

7. Construct a self-guided interpretation trail

8) Manage opening of the Sikait Visitor Interpretation Centre

3.5 Visitor Information and Interpretation Kiosks
1. Identify participation stakeholders (villagers, TDA, WGNP staff)
2. Hire interpretive planner and architect, to prepare interpretive plan and architectural design.
3. Hire construction contractor
4. Co-supervise construction
5. Train 10 villagers in basic construction and maintenance
6. Open Information Kiosks

3.6 Visitor Interpretation Support Facilities:
Interpretation Trails and Signs, Observation Towers
1. Field landscape architect + interpretive planner to layout trail, and site observation towers
2. Preparation of construction plans, specifications and cost estimates:
   - Trails + Signs + Sun shelters
   - Observation towers
3. Prepare tender call for the construction
4. Hire contractor and supervise
5. Prepare press event with the opening of the trails and towers

4.0 Training Initiatives and Programs

4.1 In-house Training
   - Green Management
   - Tour Product Packaging
   - Marketing strategies + plan
1. Program design and development
2. Preparation of training materials and workbook
3. Program Delivery
4. Certification + technical assistance

4.2 Training to Regional and Community Residents
a) Certified Guide Training + Camp
LIFE RS Activities

Management
b) Facility/attraction management and operations
c) Handcraft production and sales
1. Program design and development
2. Preparation of training materials and workbook
3. Program Delivery
4. Certification + technical assistance

4.3 Institutional Training Programs
i) Basic Park Ranger Training
ii) Advanced Park Ranger Training
iii) OAG System Operations and Management
iv) EMU Tools and Techniques
1. Program design and development
2. Preparation of training materials and workbook
3. Training Program Delivery
4. Certification + follow-up technical assistance

5. Tourism Marketing and Promotions
5.1 Regional Branding Workshop
1. Workshop preparation
2. Workshop delivery
3. Branding report and promotion

5.2 Specialty Tourism Research and Analysis
1. Prepare market profile
2. Market intelligence reports
3. Tour operators database

5.3 Design Web site and Database
1. Hire market planner to design web site structure and database
2. Prepare terms of reference and hire web design firms
3. Manage web site production
4. Launch website
5.4-a Trade Show Attendance (2007)
1. Select shows in collaboration with MOT and others
2. Select private sector operators and public sector participants
3. Offer trade show workshop
4. Negotiate partner contributions
5. Prepare regional brochure, package fly sheets
6. Assistance (brochure design, printing) to private sector
7. Identify pre/post sales calls
8. Attend trade shows

5.4-b Trade Show Attendance (2008)
1. Select shows in collaboration with MOT and others
2. Select private sector operators and public sector participants
3. Offer trade show workshop
4. Negotiate partner contributions
5. Prepare regional brochure, package fly sheets
6. Assistance (brochure design, printing) to private sector
7. Identify pre/post sales calls
8. Attend trade shows

5.6-a Familiarization Tours (2007)
1. Prepare FAM itineraries
2. Pre-qualify and Select 6 local suppliers
3. Confirm all partners
4. Mail packet to participants
5. Host reception and lead FAM tours

5.6-b Familiarization Tours (2008)
1. Prepare FAM itineraries
2. Pre-qualify and Select 6 local suppliers
3. Confirm all partners
PART 6: ACTION PLAN FOR SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT

LIFE RS Activities

4. Mail packet to participants
5. Host reception and Lead FAM tours
5.7 Prepare all e-marketing and print materials
   1. Preparation of content, text and photographs
   2. Hire qualified graphic designer
   3. Print and distribute material
6.0 SRS Regional Tourism Destination Association
   1. Organize initial membership meeting
   2. Provide on-going technical assistance to executive
   3. Prepare task descriptions and responsibilities
   4. Prepare association constitution
5. Hire executive director
7. SME Technical Assistance
7.1 Receptive (inbound) Tour Operator Assistance
   1. Target market research
   2. Business planning
   3. Product development
   4. Green management Strategy
   5. E- Marketing initiative
7.2 Website Developments or Upgrading Assistance
   1. Review of current website
   2. Hire web designer
   3. Redesign including adding content, new software, etc
7.3 Handcraft Design and Production
   1. Identification of the requirements craftspeople
   2. Delivery of TA
9. **LIFE RS LEVEL OF EFFORT**

The above timeframe and identified activities will require a major commitment from all stakeholders. The LIFE RS project will be charged with both the overall leadership as well as responsibility to ensure that all targets are achieved and that the identified activities have met the goals and objectives of sustainable tourism development in the SRS Region.

The following table identifies the Level of Effort, in days, for the following contributors to realizing this action plan:

1. International Technical Assistance (ITA)
2. Egyptian Technical Assistance (ETA)
3. LIFE RS Project staff (LPS)
4. Regional Stakeholder Contribution (RST)

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<tr>
<th>LIFE RS Tourism Activities</th>
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<th>LPS</th>
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<td>1. Prepare resource base analysis for each itinerary</td>
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<td>1. Meet with suppliers. WGNP and guides</td>
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<td>5</td>
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<td>1. Prepare list and purchases equipment</td>
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<td>5</td>
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<td>1. Finalize draft itinerary (net price, fees, mark-ups)</td>
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<td>1. Finalize itineraries, promotional materials</td>
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<td>1.3 <strong>Ecolodge Investment and Construction Program</strong></td>
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<td>1. Identify 5 potential locations with TDA and EEAA</td>
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<td>2. Selection process to determine the best 2 sites</td>
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<td>- Ecolodge guidelines</td>
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<td>- Construction cost estimates</td>
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<td>- Cash flow analysis</td>
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<tr>
<td>- Assess financing and support</td>
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<tr>
<td>4. Prepare investment prospectus and promote projects</td>
<td>5</td>
<td>10</td>
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<tr>
<td>5. Assist investors: analysis and technical documents/drawings</td>
<td>5</td>
<td>10</td>
<td>10</td>
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<td>6. Provide technical assistance during construction</td>
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</table>

2.2 **Eco-Camp Development**

1. Identify options and preferred site location | 5   | 10  | 5   | 5   | 25    |
2. Prepare site plan                             | 5   | 10  | 5   |     | 20    |
3. Prepare business plan with concession scenarios | 10  | 15  | 5   |     | 30    |
4. Train 12 local villagers                      | 3   | 15  | 5   | 5   | 28    |
5. Final design drawings and tender documents    | 5   | 25  | 10  |     | 40    |
6. Negotiate with tent manufacturer (Berenice)   |     |     | 5   | 5   | 10    |
7. Prepare call for concessionaire               | 1   | 5   | 5   |     | 21    |
### LIFE RS Tourism Activities

<table>
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<tr>
<th>Activity Description</th>
<th>ITA</th>
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<tr>
<td>7. Negotiate/prepare final concession agreement and transfer of facility</td>
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<td>8. Co-manage the construction</td>
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<td>5</td>
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<td>9. Official opening</td>
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#### 2.3 Semi-permanent eco-camps

(select village locations)

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<td>1. Identify villages for semi-permanent eco-camps</td>
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<td>2. Select site for eco-camp</td>
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<tr>
<td>3. Negotiate with community leaders or CDA</td>
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<tr>
<td>4. Train eco-camp staff</td>
<td>2</td>
<td>10</td>
<td>3</td>
<td>15</td>
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<td>5. Purchase camp equipment, transfer to village</td>
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#### 3. Visitor Centre Network

##### 3.1 Regional Visitor Reception/Information Centre (Park entrance-north)

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<tr>
<td>2. Hire architect + prepare concept drawings</td>
<td>5</td>
<td>20</td>
<td>5</td>
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<tr>
<td>3. Train residents in handcraft production</td>
<td>5</td>
<td>20</td>
<td>5</td>
<td>35</td>
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<tr>
<td>4. Final architectural plans, constructions drawings</td>
<td>5</td>
<td>35</td>
<td>5</td>
<td>45</td>
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</tr>
<tr>
<td>5. Prepare tender documents</td>
<td>5</td>
<td>5</td>
<td>10</td>
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<tr>
<td>6. Prepare equipment list and purchases</td>
<td>3</td>
<td>5</td>
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<td>7. Train 8 villages to operate the Visitor Centre</td>
<td>15</td>
<td>5</td>
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<tr>
<td>8. Provide construction supervision assistance</td>
<td>10</td>
<td>5</td>
<td>15</td>
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<tr>
<td>8. Visitor Centre official opening</td>
<td>4</td>
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##### 3.2 Visitor Park Interpretation Centre

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<td>1. Finalize location within WGNP</td>
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<tr>
<td>2. Hire architect, interpretative planner, prepare concept drawings and present to stakeholders</td>
<td>15</td>
<td>25</td>
<td>10</td>
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<td>50</td>
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<tr>
<td>3. Final architectural plans and constructions drawings, presentation to USAID</td>
<td>10</td>
<td>45</td>
<td>15</td>
<td>5</td>
<td>80</td>
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<td>4. Prepare tender documents, hire contractor</td>
<td>10</td>
<td>10</td>
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<td>20</td>
<td></td>
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<tr>
<td>5. Co-manage construction activities</td>
<td>15</td>
<td>5</td>
<td>5</td>
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</tr>
<tr>
<td>5. Prepare list and purchase equipment</td>
<td>5</td>
<td>5</td>
<td></td>
<td>10</td>
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<tr>
<td>6. Train 14 villages for Visitor Centre operations</td>
<td>5</td>
<td>20</td>
<td>5</td>
<td>10</td>
<td>40</td>
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<tr>
<td>7. Opening of Visitor Centre</td>
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<td>5</td>
<td>10</td>
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</table>

##### 3.3 Visitor Interpretation Centre at El Skalateen

<table>
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<tr>
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<th>LPS</th>
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<th>Total</th>
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</thead>
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<tr>
<td>1. Identify stakeholders</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>15</td>
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<tr>
<td>2. Hire interpretive planner to prepare interpretive plan and operational procedures</td>
<td>10</td>
<td>10</td>
<td>5</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>3. Training in Visitor Centre operations and interpretive program delivery</td>
<td>5</td>
<td>15</td>
<td>5</td>
<td>3</td>
<td>28</td>
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</tbody>
</table>

Enhancing Sustainable Tourism in the Southern Red Sea Region of Egypt

PART 6: ACTION PLAN FOR SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT
<table>
<thead>
<tr>
<th>LIFE RS Tourism Activities</th>
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<th>ETA</th>
<th>LPS</th>
<th>RST</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Procure and install equipment</td>
<td>3</td>
<td>5</td>
<td></td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>5. Train 12 locals to produce local handcrafts</td>
<td>10</td>
<td>15</td>
<td>5</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>6. Manage opening of Visitor Information Centre</td>
<td></td>
<td></td>
<td>5</td>
<td>7</td>
<td>12</td>
</tr>
</tbody>
</table>

3.4 Visitor Interpretation Centre: adjacent to Sikait

1. Retain an archaeologist(s) to identify the purpose of each building                   | 20  | 10  | 10  | 40  |
2. Prepare 10 year development + restoration plan for Sikait site                       | 10  | 35  | 10  | 55  |
3. Hire interpretive planner + architect to prepare a business plan and preliminary drawings | 15  | 40  | 15  | 10  | 80  |
4. Work with partners to prepare architectural/site plans and constructions drawings     | 10  | 30  | 10  | 5   | 55  |
5. Prepare tender construction documents                                                  | 5   | 5   |     | 10  |
6. Prepare equipment list and procurement                                                 | 5   | 5   | 5   | 15  |
7. Co-supervise the construction of the Centre                                            | 10  | 15  | 10  | 45  |
8. Construct a self-guided interpretation trail                                           | 5   | 10  | 5   | 5   | 25  |
8. Manage opening of Sikait Visitor Centre                                                | 5   | 5   | 5   | 15  |

3.5 Visitor Information and Interpretation Kiosks (3)

1. Identify participation                                                                | 5   |     | 5   |     |
2. Hire interpretive planner and architect, to prepare interpretive plan and architectural design. | 5   | 25  | 10  | 10  | 50  |
3. Hire construction contractor                                                          | 5   | 5   |     |     | 10  |
4. Co-supervise construction                                                             | 15  | 10  | 5   | 5   | 30  |
5. Train 10 villagers in construction and maintenance                                    | 15  | 5   | 10  |     | 30  |
6. Open Information Kiosks                                                               | 5   | 5   | 5   |     | 15  |

3.6 Visitor Interpretation Support Facilities:
Interpretation Trails and Signs, Observation Towers

1. Field landscape architect + interpretive planner to layout trail, and site observation towers | 10  | 10  | 10  | 5   | 35  |
2. Preparation of construction plans, specifications and cost estimates:
   - Trails + Signs + Sun shelters                                                           | 5   | 25  | 10  |     | 40  |
   - Observation Towers                                                                      |     |     |     |     |     |
3. Prepare tender construction call                                                         | 5   | 10  |     | 15  |
4. Hire contractor and supervise construction                                               | 10  | 5   | 10  | 25  |
5. Press event for the opening of the trails + towers                                      | 4   | 5   | 5   | 14  |

4.0 Training Initiatives and Programs

4.1 In-house Training
   - Green Management
   - Tour Product Packaging
   - Marketing strategies + plan
1. Program design and development                                                          | 15  | 10  | 15  | 5   | 45  |

Enhancing Sustainable Tourism in the Southern Red Sea Region of Egypt 45

PART 6: ACTION PLAN FOR SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT
PART 6: ACTION PLAN FOR SUSTAINABLE TOURISM IN THE SOUTHERN RED SEA REGION OF EGYPT

**LIFE RS Tourism Activities**

<table>
<thead>
<tr>
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<th>ETA</th>
<th>LPS</th>
<th>RST</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>2. Preparation of training materials and workbook</td>
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<td>15</td>
<td>10</td>
<td></td>
<td>40</td>
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<tr>
<td>3. Program Delivery</td>
<td>20</td>
<td>15</td>
<td>20</td>
<td></td>
<td>75</td>
</tr>
<tr>
<td>4. Certification + technical assistance</td>
<td>5</td>
<td>15</td>
<td>10</td>
<td>10</td>
<td>40</td>
</tr>
</tbody>
</table>

**4.2 Training to Regional and Community Residents**

- a) Certified Guide Training + Camp Management
- b) Facility/attraction management and operations
- c) Handcraft production and sales

1. Program design and development                      | 30  | 20  | 10  |     | 60    |
2. Preparation of training materials and workbook      | 50  | 20  | 10  |     | 80    |
3. Program Delivery                                    | 40  | 50  | 10  | 20  | 120   |
4. Certification + technical assistance                 | 10  | 20  | 20  | 5   | 55    |

**4.3 Institutional Training Programs**

- i) Basic Park Ranger Training
- ii) Advanced Park Ranger Training
- iii) OAG System Operations and Management
- iv) EMU Tools and Techniques

1. Program design and development                      | 20  | 50  | 20  |     | 90    |
2. Preparation of training materials and workbook      | 30  | 20  | 10  |     | 60    |
3. Training Program Delivery                           | 40  | 30  | 10  | 20  | 100   |
4. Certification + follow-up technical assistance       | 10  | 10  | 5   |     | 25    |

**5. Tourism Marketing and Promotions**

**5.1 Regional Branding Workshop**

1. Workshop preparation                                | 5   | 5   | 5   |     | 15    |
2. Workshop delivery                                   | 5   | 5   | 5   |     | 15    |
3. Branding report and promotion                       | 10  | 5   | 5   |     | 20    |

**5.2 Specialty Tourism Research**

1. Prepare market profile                              | 5   | 10  | 5   |     | 20    |
2. Market intelligence reports                         | 10  | 10  | 10  |     | 30    |
3. Prepare tour operators database                     | 10  | 10  | 5   |     | 25    |

**5.3 Design Web site and Database**

1. Hire e-marketing expert to develop web site and database structure | 10  | 5   | 5   |     | 20    |
2. Prepare terms of reference, hire web design firm    | 3   | 10  |     |     | 13    |
3. Manage web site design + production                 | 5   | 40  | 10  |     | 55    |
4. Launch website                                      |     |     |     |     |       |

**5.4-a Trade Show Attendance (2007)**

1. Select shows with MOT, TDA and others               | 3   | 5   | 5   |     | 18    |

Enhancing Sustainable Tourism in the Southern Red Sea Region of Egypt
### LIFE RS Tourism Activities

<table>
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<tr>
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<th>LPS</th>
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<th>Total</th>
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<tbody>
<tr>
<td>2. Select operators and public sector participants</td>
<td>3</td>
<td>5</td>
<td></td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>3. Offer trade show workshop</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>4. Negotiate partner contributions</td>
<td></td>
<td></td>
<td></td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>5. Prepare regional brochure, package tour sheets</td>
<td>3</td>
<td>15</td>
<td>5</td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>6. Assistance (brochure printing) to private sector</td>
<td>3</td>
<td>20</td>
<td>10</td>
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<tr>
<td>7. Identify pre/post sales calls</td>
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<td>15</td>
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<tr>
<td>8. Attend trade shows</td>
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#### 5.4-b Trade Show Attendance (2008)

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<td>1. Select shows with MOT and others</td>
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<td>2. Select operators and public sector participants</td>
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<tr>
<td>3. Offer trade show workshop</td>
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<td>3</td>
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<td>13</td>
</tr>
<tr>
<td>4. Negotiate partner contributions</td>
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<td></td>
<td>5</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>5. Prepare regional brochure, package tour sheets</td>
<td>2</td>
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<td>5</td>
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<td>6. Assistance (brochure printing) to private sector</td>
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<td>7. Identify pre/post sales calls</td>
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<tr>
<td>8. Attend trade shows</td>
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#### 5.6-a Familiarization Tours (2007)

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<tr>
<td>2. Pre-qualify and select local suppliers</td>
<td>3</td>
<td>5</td>
<td>5</td>
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<tr>
<td>3. Identify Tour operators and confirm participation</td>
<td>5</td>
<td>5</td>
<td>10</td>
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<td>20</td>
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<tr>
<td>4. Mail packet to participants</td>
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<td></td>
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<tr>
<td>5. Host reception, lead FAM tours + Follow-up</td>
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#### 5.6-b Familiarization Tours (2008)

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<tr>
<td>3. Identify Tour operators and confirm participation</td>
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<td>5</td>
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<tr>
<td>4. Mail packet to participants</td>
<td>10</td>
<td></td>
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<tr>
<td>5. Host reception, lead FAM tours + Follow-up</td>
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#### 5.7 Prepare all e-marketing and print materials

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<tr>
<td>2. Hire qualified graphic designer</td>
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<td>3. Print and distribute material</td>
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#### 6.0 SRS Regional Tourism Destination Association

<table>
<thead>
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<td>1. Organize initial membership meeting</td>
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<tr>
<td>2. Provide on-going technical assistance to executive</td>
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<td>10</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>3. Prepare task descriptions and responsibilities</td>
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<td>10</td>
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<td>4. Prepare association constitution</td>
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<td>5 Hire executive director</td>
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### LIFE RS Tourism Activities

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<td><strong>7. SME Technical Assistance</strong></td>
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<td><strong>7.1 Receptive (inbound) Tour Operator Assistance</strong></td>
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<td>1. Target market research</td>
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<td>3. Product development</td>
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<td>5. E- Marketing initiative</td>
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<td><strong>7.2 Website Developments or Upgrading Assistance</strong></td>
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<td>1. Review of current web site</td>
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<td>3. Redesign web site: add content, software, etc</td>
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<td><strong>7.3 Handcraft Design and Production</strong></td>
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