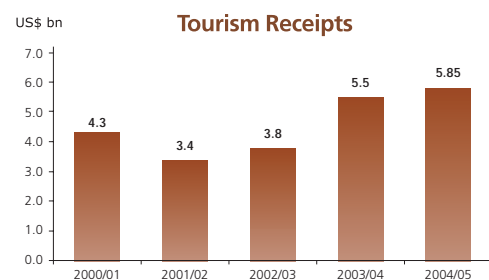


Egypt ... Open for Business



Tourism Sector

- Egypt saw rapid growth in tourism, 17.4% in 2005, one of the fastest in the Middle East, and was the destination of choice for 21% of all Middle East international tourist arrivals (ITA).
- Tourism provides a significant contribution to Egypt's economy. The hotels and restaurants segment of the industry accounted for 3.5% of Egypt's GDP in 2005, and the total direct and indirect impact of tourism on the economy is about 11.3% of GDP. More importantly, the sector employs around 12.6% of all Egyptian labor.
- Investments in the industry increased by 21% in 2005, reaching ~ EGP 3 billion.
- Tourism is the largest source of foreign earnings with 31.4% of total receipts.
- Receipts from tourism reached \$6.4 billion in 2005, an increase of 5% in 2004.
- International tourist arrivals increased to 8.6 million in 2005, representing a 6.2% growth over 2004.
- The number of international tourist nights grew rapidly between 2000 and 2005 reaching 85.1 million nights in 2005; a 4.3% increase over 2004.
- Most visitors to Egypt are from Europe, with Germans representing the largest share, with 18% of all visitors, followed by British visitors who represent 16%.
- Recreational tourism dominates the Egyptian market, accounting for 93% of all visits in 2004.
- The tourism industry is continually upgrading existing facilities and developing new destinations such as the Mediterranean Northern Coast, Marsa Allam, Ein El Sokhna, etc. in order to enhance Egypt's attractiveness and diversity as a world class tourist destination.
- Egypt offers several Mega Tourism Projects in different locations such as luxurious hotels, recreational parks and activities including Eco-Lodges and tourism facilities.
- In 2006 Egypt will begin a global marketing and promotional campaign to promote the country as a leading destination that offers diversity, proximity, and excellent value-for-money; not just in the 2 segments of Classical/Culture and Beach/Leisure, but also within the niche segments of Golf, Adventure, Honeymooners, Shopping, Yachting, Therapeutic, as well as Residential Tourism.
- In addition to the traditional feeder markets (Western Europe, Middle East, etc.) the campaign will also target new possible source markets such as Eastern Europe, India, China amongst others, for the very first time.

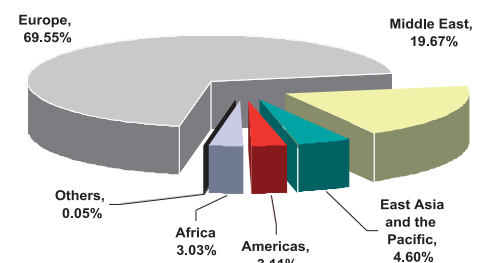


Source: Central Bank of Egypt



Source: Ministry of Foreign Trade and Industry

International Tourism by Region



Source: Ministry of Tourism; Tourism in Figures, 2003

Among all tourist destinations in Egypt, the Sinai draws the largest share of foreign arrivals with 31.8%. The Sinai's strongest attraction, Sharm El-Sheikh, accounts for 21.8% of all arrivals.

