A Study Examining Egypt’s Railway Expansion, Challenges to Compete, and the transition to Rescue the Tourism and Hospitality Industry

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Abstract

This research is aimed to identify these challenges, and how President Abdel Fattah al-Sisi and his administration is overseeing their progress and amending solutions to overcome them and to address the urgent of railway expansion. The correlation coefficient between two variables, namely the development and expansion of railway lines in Egypt, and the prosperity of tourism rolling demand of passenger and freight demands to reach sustainable tourism, was found to be direct positive correlation with highly positive significant.

Tourism accounts for over 12% of Egypt’s GDP, and since the January 2011 revolution to oust President Mubarak followed by the October 2015 bombing of a Russian chartered aircraft over the Sinai Peninsula, Egypt was deemed unsafe by the media and the tourism and hospitality industry suffered heavily as a result. Since then, the Egyptian government struggled to replenish the hospitality sector and focused its attention on forms to rectify Egypt’s reputation in the global presence by investing in restorations, coastal expansions, and real estate developments.

Due to the aging and poor conditions of Egypt’s national railway system, the need to access newly developed cities and future projects throughout inner and coastal areas, and its desperation to nourish the hospitality industry, the Egyptian government took aggressive steps to act on the following three issues:

1. Strategies to modernize and expand the Egyptian National Railways.
2. Methods to implement safety and security concerns to compete and restore confidence in tourism, and hospitality industry. The transition and rescue efforts to revitalize the tourism and hospitality industry.
3. Efforts to boost the tourism industry by increasing the tourism rolling demand of passenger and freight demands to reach sustainable tourism.

Keywords: Egyptian National Railways; Egypt Railway Expansion; Egypt Tourism, Egypt Safety and Security; Egypt Tourism Sector

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Introduction
Like most countries, tourism represents a significant percentage of its overall GDP. In most Mediterranean nations, it is an essential form of income due to their coastal settings attracting tourists locally and abroad. In this case, Egypt relies heavily on tourism for a source of foreign currencies and investments, increasing its labor force and job opportunities, and in the country’s overall development. In 2015 alone, Egypt, Turkey, and Tunisia combined attracted more than 250 million tourists and business arrivals from the all over the world, securing more than 200 million dollars in revenues, primarily due to their geographical presence of leading coastal shore lines in the region (United Nation World Tourism Organization [UNWTO], 2015).

However, among many obstacles Egypt is facing to attract foreign investments and gaining trust to attract tourists are safety and security issues. In 2011, at the peak of the peaceful protests in Egypt to overturn the Mubarak administration that led to the revolution to oust the president, it turned increasingly violent and the media began to send messages that deemed it unsafe to visit. Moreover, this instability reshaped the nation and was recognized as threatening, vulnerable, corrupt, with an increase in inequality between the class of people and living standards resulting in numerous attacks on foreign tourists and increasing skepticism in foreign investments. Egypt dramatically suffered financially from loss of tourist revenues which represents 12% of its overall GDP due to the increasing declination of global tourism (Galal, 2022).

After years of reformation of the Egypt’s government, now under the current administration of President Abdel Fattah al-Sisi, the country is undergoing a major transition and recovery efforts to rebrand the nation as safe and stable place to visit and invest. The new government is investing heavily on bold and aggressive massive restructuring projects in areas of real estate, transportation, The study will also provide recommendations that may help expedite the healing process and allow Egypt to regain its competitive edge in the global market.

Egyptian National Railways (ENR)

A Brief History

Before we examine the current expansion and restructuring of the ENR, it is imperative that we briefly understand its fruitful beginnings almost 200 years ago. In actuality the ENR was first ever railway during the Ottoman Empire, including Africa and the Middle East, and the second in the world after the United Kingdom (Raafat, 1998).

The idea was first established in 1834 to build a railway that extends from Suez to Alexandria. However, due to political conflicts, it did not revive until the late 1840s when the first construction began between Cairo and Alexandria (lasting six years from 1848 to 1854), and later extending to Suez Port. Its primary objective was to facilitate mail and travelers to and from Europe (primarily England) to the port in Alexandria in the Mediterranean, and to and from India to Port Suez in the Red Sea.

In order to facilitate the increased movement demand of trade and transportation throughout the region, between 1854 and 1887, ENR was running between Cairo and Delta region, including Cairo to Alexandria (completed in 1856), from Cairo to Suez (completed in 1858), and then Cairo to Port Said (began in 1860). By 1887, the railways were being extended throughout Egypt’s governate including Upper Egypt, Luxor, Aswan, and as far as South as the Sudanese borders by 1926, leading to the first means of public transportation established by the first quarter of the twentieth century. By the 1940s, after the outbreak of World War II, the British relied heavily on these lines to transport ammunitions, soldiers, and supplies which lead to further development of railway expansions and by
the 1950s, particularly after the July 23rd, 1952, Revolution, the Egyptian government used these lines to transform them to transport citizens, construction tools, and laborers, particularly for the construction of the High Dam. All this lead to the development and maintenance of signaling systems electronic scheduling, central control center, and other advancements to meet the rolling demand of So, tracking correlations between variables will help us understand one variable’s movement concerning another.

**Present Day Statistics**

Egyptian National Railways serves two primary objectives, the transport of passengers and that of freights, connecting its tracks to all major ports and cities. According to the ENR’s official website, the following statistics are as follows (Egyptian National Railway [ENR], 2020a):

- It owns over 9570 kilometers of railway tracks currently in service
- It connects to over 23 major cities and over 705 different stations throughout Egypt
- It transports approximately 420 million passengers annually
- It utilizes over 1332 level crossings
- It operates 3040 passenger coaches (850 of which are air conditioned)
- It has over 793 locomotives at its disposal
- It has built over 100 tunnels and 826 bridges in 6 regions, 9 sectors, and 8 subsidiaries

**ENR’s Safety Issues, Challenges, and Modernization**

**Overview:**

Egypt has suffered drastically in gaining trust from its citizens and foreign visitors. For decades, its ongoing train collisions that had raised questions on the safety and security of its train system have played a major role in the ongoing decline of passengers and freight occupancy. These issues have raised eyebrows of top government officials under the Al-Sisi administration to investigate and develop plans to rectify them.

As of 2020 and in order to regain passenger trust, freight transport, tourism, and attract future developments, ENR has allocated over 11 billion Egyptian pounds on railway expansions that will cross through 191 million square miles of unchartered territories throughout the region in order to revive local and foreign investments. This comes after the current Transport Ministry; His Excellency Kamel Al-Wazeer put into action a bold plan to both expand the railway platforms in parallel to the restructuring of existing defaults in its current tracks, railway crossings, and signaling systems.

In addition to ENR’s private investment, World Bank has approved 135 million dollars in loans to the over 470 million dollars needed to expand, fix, and upgrade ENR’s current railways (as shown in table no.1).

These include tracks, equipment, materials, and the upgrade/modernization of existing systems (World Bank Report [WBR], 2021).

**Poor Transport Infrastructure**

Egypt is by far the largest Arab country with over 101 million inhabitants and growing at a rate of two percent annually. With over 50% of Egypt’s population living in developed areas, the rest reside in rural settlements throughout the basins of the Nile River. While roads and railway tracks exist throughout the course of the river, both are poorly maintained and lack monitoring due to limited employees and poor training which cultivate to more frequent train accidents and disasters, some in catastrophic nature. The aging railway infrastructure is dilapidating at a high rate due to unregulated
maintenance and safety structure that are the primary cause of delays and frequent accidents. ENR’s poor planning and lack of employee training hindered Egypt’s overall objectives to pursue and attract tourists and foreign investments. These repetitive incidents caused the Egyptian government under the current administration to oversee and undertake drastic steps to address ENR’s poor management and appointed the transport minister to take action to reform their operational structure (Central Agency for Public Mobilization and Statistics [CAPMAS], 2020). It empirically found that when a country’s developing the infrastructure and the network for the Egyptian railways, the tourism rolling demand of passenger and freight also increases. So, the demand for excess number of tourist and expansion of Egypt’s railways have a positive correlation.

**Accidents, Passenger Concerns, and ENR Transport Operations**

Between 2018 and 2019, over 270 million passengers traveled by train in Egypt, making it the world’s busiest traffic railways in the world (averaging over 1.4 million daily passengers). According to ENR data, train passenger comprises 90% of its overall physical transport activities (Egyptian National Railway [ENR], 2019).

This means that ENR relies heavily on passengers in order to remain operational and profitable. Passengers and tourists alike are reluctant to consider other means of transport due to ENR’s poor locomotive maintenance, increasing of passenger safety, and delays due to poor operation services caused by ENR’s unregulated policies and inflexible scheduling (World Bank Report [WBR], 2018).

Egypt Today reported in 2018 that there are approximately 1000 train collisions in Egypt each year. That’s more than 5 times the number of accidents occurring in all of Europe annually, more than 7 times compared to the United Kingdom alone, and 20 times that of Japan. Investigations show that these incidents are caused by several factors such as ENR’s poor supervision, their lack of enforcing safety measurements, constant illegal crossings, funds for ENR’s maintenance that are corruptly allocated, and ENR’s poor training and unregulated drug testing of its employees (Egypt Today, 2018).

**Government’s Involvement to Rectify ENR’s Challenges**

On a positive note, improvements are taking place. The Government overseeing the above dilemmas has shown to be effective in addressing issues to overcome them. Egypt’s transport minister Kamel al-Wazir, under the direct supervision of Egypt’s president, Abdel Fattah al-Sisi, is undertaking actions to overturn these obstacles drastically. Prevention tactics are currently underway by the new administration. They include arresting citizens stealing railway tracks, policing those dumping garbage along the railways, removing markets that are established along the level crossings, and declaring fines on citizens that trespass on the tracks. Other measurements include the revamping of ENR’s signaling systems, regulated drug testing of its employees, increased management and supervision training, improved corporate policies and corporate restructuring, and the modernization of railway corridors across the nation (Abd Alla, 2022; El-Geneidy & Diab, 2013).

**Government of Egypt – Future Policies to Modernize the Railway Network**

The Government of Egypt understands the significance of operating and maintaining the nation’s railway network. Egypt’s national railways are essential to Egypt’s overall economy and play a major role of transporting passengers and goods throughout the region. Therefore, the Government of Egypt developed an aggressive plan to modernize ENR’s assets (mainly locomotives, railway tracks, and signaling systems) in order to increase safety and reduce backlogged maintenance of its equipment. The three core components the Egyptian government is launching to modernize the railway network are (World Bank [WB], 2020):
1. Modernization of Safe System Signaling that include:
   - Level crossing protection
   - Automatic block signaling system
   - Track upgrades with electronic safety functionality

2. Improvements of ENR’s Safety Management System (SMS) that include:
   - Analysis and data collection system that enables management to address areas that need immediate attention and repair
   - Asset management system that enables managers to assess railway assets and optimize output and measure cost, performance, and safety
   - Workstations safety solutions including crossroads, tracks, and locomotives

3. Human Resource Development that includes:
   - Project management
   - Safety management
   - Periodic monitoring of staff and technical audits
   - Regulations of civil works and their supervisors
   - Safeguard and compliance policies
   - Human resource practices and career advancement

World Bank Funding and Other Investment Partners

World Bank played a major role in providing funds to support ENR’s infrastructure, technical modernization, and safeguard components. It enabled other financial institutions to partner and invest in ENR’s overall long-term projects. They include:

1. European Investment Bank (EIB),
2. African Development Bank (AFDB), and
3. French Development Agency (AFD)

Without the support of the World Bank and other institutions, ENR would have been left with poor safety and efficiency targets. Moreover, these investments for Egypt’s railway modernization will help improve the Egyptian economy and ENR’s reputation as an institution of high standards and practicality. Overall, these modernizations will open doors to other foundations of future investments, primarily in real estate, hospitality, tourism, private capital sectors, and other urban transport.

ENR’s New Railway Expansions

Overview

It is worth mentioning that the current Egyptian administration under President Abdel Fattah al-Sisi is not wasting anytime in developing Egypt’s overall real estate, transport, and foreign investments to boost its economy. Working in parallel with modernizing Egypt’s current railway transport system, the al-Sisi administration is working tirelessly to expand/extend its railways to untapped locations along the coastal shorelines. This aggressive move is by far Egypt’s largest development project of the 21st century, aiming to attract foreign investors, develop real estate projects and infrastructure,
and increase global tourism. Currently, there are four main Egypt railway expansions and one extension projects (Egyptian National Railway [ENR], 2020c). They are:

1. Construction of Al Alaimen EL Sokhna railway line (approximately 1000 Kilometers)
2. Extension of the Cairo-Aswan railway to Toshki and linking with Sudan (approximately 250 Kilometers)
3. Construction of EL Manashi-6th of October railway line (approximately 50 Kilometers)
4. Construction of doubling the tracks between Qalioub-Menoufa-Tanta (approximately 100 Kilometers)
5. Construction of Siwa-Matrouh-Gergoub railway line (approximately 300 Kilometers)

Connecting the two major coastal shores of the Red Sea and the Mediterranean Sea (as shown in figure no.1), railway will extend from El-Sokhna to Al-Alamein. Of the all the projects worth mentioning, the El-Sokhna– Al-Alamein line is by far the largest of the five, comprising of 1000Km of new railway tracks with 18 stations in its route. They are:


Extension of the Cairo-Aswan railway to Toshki and linking with Sudan (Egyptian National Railway [ENR], 2020b).

The third largest of the five lines to be constructed, it will link the Cairo-Aswan railway to Toshki and to as far south as Sudan. It is a strategic move by the Egyptian government in order to gain access to the Cairo/High Dam railway line that services the heavily congested agricultural, industrial, and residential sectors in the area (as shown in figure 2).

Future expansions in region are underway to serve the following:

- Connect WadiHalfa city in Sudan to Aswan from the East (approximately 450 kilometers)
- Connect WadiHalfa city in Sudan to Aswan from the West (approximately 400 kilometers)
- Connect Abo Ahmed city in Sudan to Aswan (approximately 600 kilometers)

The primary purpose of this project is enabling the ry portso of El Manashi and 6th of October to link with the seashore ports of Alexandria and Dekheila, providing access to moving cargo and passengers to and from both and cities and all stations in between. This is shortest of the five railway lines to be constructed. However, its presence will make commuting of passengers and that of freight goods more accessible and feasibly economical in the long-term.

So, it can also be used as a double-edged sword in the field of revitalizing local tourism and international tourist by the expansion and the introduced facilities in Egypt’s railway so it will exceed the number of target visitors.

This inter-city, 100-kilometer railway track upgrade is being constructed due to the high-level demand of transporting goods and passengers between Qalioub, Menouf, and Tanta lines. The fourth largest of the five projects as shown in figure 3, this line will be built parallel to the existing track currently serving these cities. In addition to the new track, the existing track will be upgraded to improve scheduling and new switching and signaling systems will be replacing the current outdated platforms.

The second largest of the five railway projects, this track line plays an essential economic role on Egypt’s revenue returns. With approximately 300 kilometers of railway tracks, it will connect the
western seashore cities from the east to as far as the neighboring country of Libya (Bin Ghazi city) (as shown in figure 4).

The Gergoub seaport will connect to the railways of Qabbari/Matrouh line, the Samla/Sallum line, and other ports in its path including the Siwa Oasis which contributes to the major transport of goods and access to agricultural, industrial, and residential communities. It will also be utilized to boost tourism since the construction plan design will be built along the coastal shorelines of the Mediterranean Sea.

**Egypt’s International Tourism: 2005-2015, Current & Future Challenges**

**Overview**

According to World Tourism Organization, Egypt’s current reformation to stabilize the nation under the al-Sisi administration saw an increase in tourism by as much as 15 million in 2020 (Maged, 2020).

This comes after the Government of Egypt has placed many safety and security measures in place in order to regain trust and loyalty from tourists wanting to explore the nation’s vast cultural and historic spots and those traveling for recreational purposes along the coastal shorelines of the Mediterranean and the Red Sea. ENR wishes to seize this opportunity by expanding their tracks and provide accessibility routes to tourist destinations via railway. In addition, the increase in real estate development, including hotels, restaurants, timeshares, and business/residential communities along Egypt’s coastlines motivated ENR to invest heavily in the modernization and expansion of their routes along these lines in hope to gain awareness of its services and increase local and tourist passengers. To help us further understand how ENR plans to operate, we must investigate how Egypt’s government is reshaping the nation’s map through real estate development and foreign investment in order to attain a stronger, more sustainable economy.

**Egypt’s Tourism Industry, 2010 - 2015**

Egypt is the Middle East’s most attractive destination for most tourists. Its vast historical culture combined with long coastal shorelines puts Egypt on top of the list for visitors and investors alike. In addition, tourism and hospitality services contributes heavily to Egypt’s sustainability and overall economy in the areas of foreign currency revenues, GDP, employment (direct and indirect), tourism and hospitality investment (travel agencies, hotels, restaurants, and timeshares). (As shown in Figure 5).

below represents the contributions Egypt received from the tourism industry in 2015 (Ministry of Tourism and Antiquities, 2020).

While the above contributions were a positive impact on Egypt’s GDP, it is a decline of almost 40% when compared to 2010, which was at its peak when measuring tourist arrivals between 2010 and 2015. This declination was impacted directly by the 2015 after media travel warnings suggested that traveling to Egypt deemed unsafe after the 2015 Russian charter plane crash over Sinai (as shown in Figure 6).

Another sector that was directly affected by this crash was foreign investment. The decline in tourist revenue receipts created uncertainties on Egypt’s sustainability, resulting on a massive drop of foreign currencies from around 12 million dollars in 2010 to almost half by 2015 (as shown in Figure7). Hotels, restaurants, and other hospitality related organizations were impacted by this trend, resulting in revenue drop and employment layoffs. Astonishingly, employment by the tourism sector represents one and half times compared to the whole industrial sector in Egypt (Tohamy & Swinseco, 2000).
Current Challenges in Egypt’s Tourism Sector

Enhancing safety and security issues are pivotal to Egypt’s tourism and hospitality industry. Egypt’s government is working tirelessly to restore its image and brand itself in the global market. According to a 2020 TTCI report, Egypt’s competitive edge in tourism had improved drastically in the last two years. This in part comes from the direct involvement of the Egyptian government under the al-Sisi administration to reform and rejuvenate the industry by means of applying more viable security policies on international tourist safety issues (World Economic Forum, 2022).

Future Challenges to Improve Egypt’s Tourist Sector

Three primary milestones the Egyptian government should undertake to minimize security risks on international tourists and gain a competitive edge in tourism are:

1. Develop a crisis management department at the Ministry of Tourism to handle any safety and security issues in order to minimize losses and prevent negative global media publicity.
2. Adopt a strategy to enhance competitiveness in the tourist sector by opening channels of communication between Egypt and other governments that campaigns on topics of safety and security and new tourist activities and destination expansions.
3. Finally, the government should address issues on modes of transport by investing in the infrastructure of new roads, expansion of ENR’s railway routes, renovations of ports, and expansion of air transport.

The Transition to Restore the Tourism and Hospitality Industry

Overview

During the Mubarak administration, and in light of the aftermath of January 25th, 2011, revolution to oust the president, Egypt underwent a major social and economic decline and the hospitality industry suffered drastically from its outcome. Consequently, hotels, restaurants, and airline occupancy deteriorated in large percentages with huge profit losses. This led to:

- Massive employee layoffs in the tourism and hospitality sector,
- Lower quality in services
- Loss in economic growth
- Reduction in privatization and foreign investments.

This section is aimed to examine how the current Egyptian government under the administration of President Abdel Fattah al-Sisi managed to tackle these obstacles and took action to reform the nation’s suffering hospitality industry and gain a competitive edge in the tourist’s global market.

Egypt’s Tourism and Hospitality Industry

Along with revenues from the Suez Canal, the hospitality industry is an important source of income for Egypt and represents a huge market segment for the nation. The Government of Egypt worked tirelessly to re popularize the countries hospitality brands that deteriorated during the Mubarak era (and after the November 2015 Russian plane crash) and gained recognition from international tourists who were able to identify them by their name, quality, and value. Other contributions that played a role in turning the hospitality industry around were:

- Massive investments in media and advertising campaigns to brand Egypt’s tourism
- Improved quality of labor force, management practices, and customer service training
- Large presence of military and security personnel at tourist destinations and attractions
Egypt’s Current tourism and Hospitality Demographics

The al-Sisi administration wasted no time to help recover and reoccupy its suffering hotel industry. Since 2015, according to the Ministry of Tourism, hotels have had a steady increase in occupancy rates and an increase in development of new hotels is on the rise. 3 star hotels hold the majority of occupancy by tourists at 26%, while 4, 2, 5, and 1 star hotel ranking follow suit at 21%, 17%, 15%, and 11% respectively that determine the several level of packages that introduced in travel agencies.

The remaining 10% are under classification, meaning they’re a combination of private rentals and/or under classified or serviced properties. (As shown in Figure 8) below provides a breakdown percentage on occupancy by international tourists on star rated hotels:

Another demographic fact worth mentioning is that the hotels in the Red Sea and Sinai reflects an increase in most of the rooms occupied by tourists, representing over 73.7% of Egypt’s total capacity (as shown in Figure 9).

Based on the above figures, star ranking hotels managed to successfully overcome the turmoil they suffered from the revolution with the help from the Egypt’s new government who placed less restrictive rules to entering the country and opened doors to other nations that resulted in an increase of 55% occupancy by Ministry of Tourism and Antiquities (2020).

Planning for Crisis

Egypt’s bold and aggressive approach to overturn its losses in the hospitality industry was based on their criteria in planning for crisis after the Russian airplane crash. Since then, it helped hotels and restaurants plan and engage in opportunities to muster existing challenges and minimize future damages. It invested in new real estate development to attract tourists along its coastal areas in addition to expanding railway routes and new roads to access them. Furthermore, hotels began to assess and apply scientific methods to redesign their marketing strategies and on ways to sustain the flow of occupancy during difficult periods. Although the hospitality industry cannot resolve political crisis or unrest, they can plan for an improved management crisis system to protect the industry, their guests, and their shareholders.

Restoration of the Hospitality Industry

As Egypt continues to modernize and invest in new developments and railway expansions, it continues to constantly monitor its growth to insure it remains competitive with needs and demands of both tourists and investors alike. Place marketing and promotion are constantly being applied in the effort to restore Egypt’s hospitality sector and maintain a competitive edge against other rivals in the Mediterranean region such as Turkey, Morocco, and Spain (World Economic Forum, 2015)

Another approach Egypt’s hospitality sector is exercising to restore the industry is place branding. It simply refers to identifying the country’s region and identity. The restoration of tourism in Egypt applies place branding strategies through media campaigns in other nation’s televised and print sources to help educate and familiarize tourists to lure them in and attract investors accordingly. This restoration strategy proved to have a positive impact since many tourists previously perceived by the media during and after the 2011 revolution that Egypt is a risk nation to travel to. The government had to prove to the world once more that Egypt is a culture blended by Arab, Middle Eastern, and Pharaonic nature in order to attract tourists who either wish to travel to enjoy its vast coastal seashore lines for recreation, or those who wish to explore and experience its rich and cultivating history. This strategy proved highly successful and international tourism in Egypt is on the rise as new real estate development and railway expansions continues to grow due to stakeholder confidence.
Methodology

Correlation analysis is used to understand the nature of relationships between two individual variables. So, the researcher aims to study the impact of expansion railway in Egypt by direct large amount of investment on railway network growth in Egypt, and the prosperity of tourism rolling demand of passenger and freight demands to reach sustainable tourism then two variables can be specified as the amounts of Egypt’s tourist receipts in million dollars.

Research measures

The research comprised two phases then the correlation coefficient helps me to determine the degree of statistical relationship that exists between variables in research, the researcher passively observes the phenomena and measures whatever relationship that occurs between them.

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Its appositive quite strong correlation = 0.76

Conclusion

Tourism in an industry that’s pivotal to any country’s overall development and economic growth. Egypt after much reformation and development is becoming once more the region’s most attractive nation for tourism investment. In the next decade, Egypt’s future is bright and inviting, thanks to the Government of Egypt’s involvement to replenish this sector by investing heavily in massive project developments in the areas of real estate and transportation. The tourism and hospitality industry are once more emerging in a positive direction due to the al-Sisi administration’s direct involvement in implementing development programs to revive the nation and improve it’s branding in a global scale. Indicators in the Tourism sector are at their peak. Additionally, the new safety and security measures that the government is undertaking are a key factor in reshaping the flow of international tourists and gaining positive media presence at a global scale. Primary factors that international tourism had a positive impact on improving Egypt’s economy and sustainability are:

- An annual steady increase in employment in the tourism sector
- An increase in international arrivals and receipts
- New foreign investments in real estate and hospitality
- New attractive destinations throughout Egypt’s cultural and coastal destinations added to travel agencies program
- Higher hotel and restaurant occupancy rates so travel agencies package markup increase
- A decrease in terrorism attacks and instability issues
- Restoration of secure, comfort and safe transportation
• An increase in incoming international tourist, particularly from Eastern and Western Europe
• Improved labor conditions and an increase of higher educated workers
• Less restrictions on international arrivals
• More competitive pricing on tourist destinations created by an added railway network
• More attractive business establishments

In general, Egypt’s future in the tourism sector deems to become economically sustainable and there’s no sign of it declining. Egypt’s new government is constantly adapting new methods to improve, grow, and stabilize the nation and to dominate its presence in the Middle East region. There’s no doubt that in the coming decades, we will see other elements in play that will further enhance Egypt’s presence in the eyes of other nations and continue to restore confidence from visitors and investors alike resulting in further economic growth and trust in a global scale.

There’s no doubt that Egypt still faces many challenges to restore its hospitality industry and competitiveness in the region, but evidence shows that the Government of Egypt and its sitting president are tackling these challenges through action with steady and fruitful results. Egypt remains diligent to enhance the tourism and hospitality industry and will continue to apply effective management crisis strategies throughout the process. Its efforts to apply significant methodologies to overcome current difficulties in the tourism hospitality industry proved to be positive through the application of new management practices, employee morale and training, and the restructuring and modernization in other sectors such as safety and security and the railway system.

**Recommendations**

While this paper was designed to provide a perspective on Egypt’s ongoing investment to modernize and expand its national railway and to restore the hospitality industry, it also emphasized on how the new government struggled to overcome these obstacles and applied strategic methodologies to overcome them. The following recommendations are suggested based on the study conducted:

**Egyptian National Railways**

• After the expansion and modernization of The Egyptian National Railway tracks and equipment, they must apply supervisory training, employee drug testing, proper employee training, and conduct regular audit of its employees and track their performance.
• The Egyptian National Railways must maintain their current and newly purchased locomotives and passenger/cargo train carriages to ensure the safety, comfort, and proper scheduling are intact and administered.
• The Egyptian National Railways must put into action a plan ensures tracks are free from debris and other obstacles that can otherwise cause catastrophic accidents and passenger injuries which remains a problematic factor to this day.
• Egypt’s government should deploy military and policing presence at railway stations to ensure the safety and security of its passengers. This will also enable ENR to attract new passengers and increase revenues from tourists if reliability and efficiency are being met.
• Achieve Sustainable railways transport- with its objectives of universal access, enhanced safety, reduce environmental and climate impact, improved resilience, and greater efficiency.
• Attempting to reach a partnership agreement with the international reservation systems such as Amadeus or saber or World span to create a special platform for ticket and cargo services on Egyptian railways its fees paid quarterly subscription such as airline ticket services.
• Issuing metal stamps with serial barcode numbers to distribute them to tourism companies wishing to activate this service, as well as travel units in cl
Tourism and Hospitality Industry

- The necessity of having employees with experience and training in the field of tourist transport services and working to link this employee with the employees of preparing tourism programs within tourism companies through a mechanism organized through the Tourism Promotion Authority.
- Achieving the aspect of sustainability in tourism transport services
- Work on activating and facilitating the tourist movement by providing the means and lines of transport developed in the Egyptian railways to the various tourist destinations in Egypt and linking them with the schedules of charter flights.
- Establishing and modernizing private companies concerned with tourism transportation services as a main focus for supporting tourism programs and newly developed destinations.
- Establishing a bank to invest in transportation services and provide an investment incentive with a higher interest rate for tourism transportation
- Egypt’s hospitality properties much engage in applying sophisticated measures performed by senior managers to motivate employees and increase morale. Staff must be properly trained and rewarded accordingly based on their performance.
- Another motivational tool suggested to senior management is to involve employees in the marketing process and other activities to boost morale. This also provides staff a sense of value and trust when providing them the opportunity to carry a higher sense of responsibility. Senior managers will benefit when staff is engaged in the decision-making process as ideas and suggestion flow from their day-to-day experience with tourists.
- Innovative and creative thinking is imperative during periods of crisis. The tourism and hospitality industry must always remain diligent in acting accordingly when crisis arise in order to remain competitive. Hosting events and competitions in an international scene can be advantages in order to remain in the spotlight before, during, or after a catastrophic event. This can be quite favorable when a country’s image or tourist’s trust is at risk.
- New market segments are always recommended to ensure other forms of revenues can be gained. Local tourists are a huge source of alternative revenue especially during global and political unrest. Marketing programs for locals such as weekend getaways, anniversary packages, corporate events and such can be a positive impact in increasing local tourism.
- A cooperation protocol between the promotion authority and Egyptian railways for rack rates and group rates, preferable to be managed through an application.

References


Tables

Table 1
Amount that will be financed by World Bank under RISE (Railway Improvement & Safety for Egypt)

<table>
<thead>
<tr>
<th>Contract description</th>
<th>Contractor / Consultant</th>
<th>Amount in million USD</th>
<th>Duration (months)</th>
<th>Physical Progress</th>
<th>Financial Progress</th>
<th>Amount that will be financed under RISE (million USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signaling modernization on Cairo / Alexandria corridor</td>
<td>Thales</td>
<td>164.5</td>
<td>100</td>
<td>77%</td>
<td>85%</td>
<td>28</td>
</tr>
<tr>
<td>Signaling modernization on Beni Suef / Asyut corridor</td>
<td>Alstom</td>
<td>117.3</td>
<td>83</td>
<td>66%</td>
<td>87%</td>
<td>17</td>
</tr>
<tr>
<td>Signaling modernization on Asyut / Nagh Hammadi corridor</td>
<td>Thales</td>
<td>152</td>
<td>57</td>
<td>47%</td>
<td>62%</td>
<td>62</td>
</tr>
<tr>
<td>Supplying of 2000 coupling coils for ZUB system</td>
<td>Siemens</td>
<td>28</td>
<td>12</td>
<td>0%</td>
<td>0%</td>
<td>18</td>
</tr>
<tr>
<td>Supervision of signaling modernization on Cairo / Alexandria corridor **</td>
<td>Systra</td>
<td>3.5</td>
<td>102</td>
<td>77%</td>
<td>63%</td>
<td>3</td>
</tr>
<tr>
<td>Supervision of signaling modernization on Beni Suef / Asyut corridor **</td>
<td>Systra</td>
<td>2.1</td>
<td>85</td>
<td>66%</td>
<td>57%</td>
<td>3</td>
</tr>
<tr>
<td>Supervision of signaling modernization on Asyut / Nagh Hammadi corridor **</td>
<td>Systra</td>
<td>3.1</td>
<td>59</td>
<td>47%</td>
<td>71%</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: World Bank, 2021

Table 2
Correlation matrix (between two variables number of tourist arrivals and Railway expansion and Improvement in Egypt) from 2006 till 2020.

<table>
<thead>
<tr>
<th>Cases</th>
<th>no. tourist arrivals</th>
<th>expansion railway</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8.6</td>
<td>3.925</td>
</tr>
<tr>
<td>2</td>
<td>9.1</td>
<td>3.03</td>
</tr>
<tr>
<td>3</td>
<td>11</td>
<td>4.099</td>
</tr>
<tr>
<td>4</td>
<td>12.8</td>
<td>4.58</td>
</tr>
<tr>
<td>5</td>
<td>12.5</td>
<td>4.803</td>
</tr>
<tr>
<td>6</td>
<td>14.7</td>
<td>6.709</td>
</tr>
<tr>
<td>7</td>
<td>9.8</td>
<td>6.008</td>
</tr>
<tr>
<td>8</td>
<td>11.5</td>
<td>5.803</td>
</tr>
<tr>
<td>9</td>
<td>9.9</td>
<td>3.925</td>
</tr>
<tr>
<td>10</td>
<td>9.9</td>
<td>5.038</td>
</tr>
<tr>
<td>11</td>
<td>9.3</td>
<td>7.466</td>
</tr>
<tr>
<td>12</td>
<td>8.2</td>
<td>8.569</td>
</tr>
<tr>
<td>13</td>
<td>11.3</td>
<td>13.305</td>
</tr>
<tr>
<td>14</td>
<td>13.1</td>
<td>14.845</td>
</tr>
</tbody>
</table>

Source: made by researcher, 2022
title:

Figure 1. Construction of Al Alaimen ELSokhna railway line (Aly, 2021)

Figure 2. Construction of EL Manashi-6th of October railway line (Egyptian National Railway [ENR], 2020b)
Source: ENR Website

Figure 3. Construction of doubling the tracks between Qalioub-Menoufa-Tanta (Egyptian National Railway [ENR], 2021a)
Source: ENR Website
Figure 4. Construction of Siwa-Matrouh-Gergoub railway line (Egyptian National Railway [ENR], 2021b)

Source: ENR Website

Figure 5. Contributions from tourism in 2015

Source: Egypt Embassy

Figure 6 a. Contributions from tourism in 2015

Source: Egypt Embassy
Figure 6b. Contributions from tourism in 2021

Figure 7: Egypt’s tourist receipts between 2005-2015 (millions of dollars)

Source: Egypt Embassy

Figure 8. Hotels & Tourist Occupancy by Category

Source: Egypt Embassy
Figure 9. Hotels & Tourist Occupancy by Category

Source: Egypt Embassy