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TOURISM IN NORTH AFRICAN COUNTRIES

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NOTE

The Conference on African Air Transport in November 1964 (E/CN.14/TRANS/26) requested in its recommendation No. 2 that the ECA undertake detailed studies on the possibilities of development of tourism in Africa. Within the ECA Programme of Work and Priorities adopted for 1965-1967 (Annual Report 3/3/64 - 23/2/65, E/4CO4-E/CN.14/343/Rev. 1; annotated list of projects for 1965-1967, No. 34) studies have been foreseen to assist African governments in developing tourist facilities, bearing in mind the views of the African Air Transport Conference.

At the Sub-regional Meeting on Economic Co-operation in North Africa on 24 June 1966 (E/CN.14/354) a request was made that an economic study be undertaken on the nature and magnitude of demand in the field of tourism at the sub-regional level specifying the possibilities of co-operation and co-ordination as revealed by that study.

It is to comply with this request that the present study has been undertaken.

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INTRODUCTION

1. Since the dawn of history the northern part of the African continent has been the stage of many fine civilizations which have deeply influenced the thoughts and aims of peoples of western civilizations, and of the entire world. Such civilizations would not have been possible under unhealthy or unfavourable living conditions. The coastal areas of North Africa are studded with the remains of once rich and prosperous cities built by the Phoenicians, Greeks and Romans, and the settlers in these regions were attracted not only by the fertility of the land and the possibility of gain, but also by the amenities of a mild and healthy climate, the beauty of the scenery and the material and cultural values of the old civilizations which they found there.
2. With the Arab conquest the Arabic language served as a potent instrument to transmit wisdom and knowledge of ancient civilizations and of Arab art and science to peoples of the Mediterranean and those farther in Western Europe. The exquisite works of architecture and handicraft, well preserved to the present day, and the mixture of the oriental and the western atmosphere have made a tremendous impact on the imagination of peoples of western civilization, which is a solid psychological foundation for tourist visits to the North African countries.
3. For Europe in particular and its highly industrialized areas, North Africa has additional attractions which will prove to be of utmost importance for the development of mass tourism. These are the long and magnificent coastlines stretching from the Atlantic Ocean, along the Mediterranean sea all the way to the Red sea. Space is there and unspoiled nature, under a warm and sunny climate; there is an abundance of extended beaches with fine sand and limpid water, cliffs and spurs in between, and undulating country or mountains in the background. Fertile regions with orange groves, figs, palms, vineyards, and various other cultures alternate with oak or pine forests. More to the south there is the immensity of the desert with

secluded oasis-patches of lush vegetation and shrines of original architecture and folklore. These splendours - a dreamland for the inhabitants of the cold, humid and smoky industrial cities of Europe of the past generation - have become real and accessible to a large number of people of the present generation owing to economic development, rapidly rising living standards and progress in transportation, reducing both travelling time and costs.

4. For many people, however, the North African region has remained a dreamland. Many of them are not yet aware of the actual possibilities of visiting this region as tourists, and for many of them it is still not possible to do so owing to the length or cost of such a trip. Both, no doubt, will change in future. But for the developing African countries it is not indifferent whether this process will rely only on spontaneous private action which will take time or whether it will be accelerated through an appropriate government policy. What foreign tourism means to any country, and in particular to the developing countries, is a well-known fact today. Tourism in favourable conditions can accelerate overall economic development, and both through such development and directly by its own virtue, raise the living standard of the population.

5. To start or speed up the development of foreign tourism requires, first of all, organized action by each of the countries concerned. As will be seen from the following pages, some of the North African countries have undertaken such action after careful consideration and detailed studies. However, once the decisions were taken, action was swift and efficient and the results have not only fulfilled expectations, but have in fact far surpassed them. In other countries tourism is still in its infancy. In a field such as tourism many things look obvious but are not, and some influential people consider that a fair intelligence, general education and practical experience enable them to take the right decisions concerning tourism. This may be so, provided expert technical advice is sought before

and acted upon it. Experience has shown, as in many other aspects of economic activity, that lack of co-operation with experts in the field has led to misplaced investments and uneconomical production, evils from which tourism is not exempt. It is, therefore, an encouraging sign that in most of the North African countries co-operation of foreign experts has been requested, through international organizations or on a bilateral basis, and that more detailed studies have also been undertaken by small teams of various project and research bureaus. In some countries, however, studies were undertaken, but either were not carried far enough to be conducive to deliberate and energetic action, or the overall political and economic conditions were not such as to encourage greater effort in the development of tourism.

6. Tourism, thanks in the first place to new possibilities in transportation, has changed in many aspects and become more diversified. Not only has it become international in the sense that tourists from one country travel to a place in another country and stay there for vacations, but also there are more and more tourists who enjoy travelling itself and include several countries in a single trip, whether they travel by car, plane or a cruising voyage. Automobile tours in particular have produced great changes in tourist patterns and all their implications have not yet been fully grasped. One of them is the regional character of mobile tourism and an increased need for co-operation between countries of the same region. Such countries are not only competitors; they are rather in the same boat and their success depends to a greater or lesser extent on their efficient co-operation.

7. Between countries of the North African sub-region, such co-operation is even more necessary than within other regions. While the need for such co-operation has been acknowledged in principle by the countries of the North African sub-region, its implementation has suffered from lack of true comprehension of its usefulness and scope, and also from divergencies

of view on some political issues which do not have anything to do with tourism. In Europe, devastated by the Second World War, tourism has been considered as one of the means of speeding up economic recovery and development, and to attract American tourists efficient co-operation was established between the countries of Western Europe. It had to be carried to the minds of potential American tourists that Europe was an attractive and comfortable region to visit and that trips to Europe were easy, feasible and very pleasant indeed. This co-operation was in no way limited to countries of the same social order or with a similar general policy. Yugoslavia also has derived great benefit from co-operating in the European Travel Commission, which was the main instigator and agent of the co-operation drive to bring American tourists to Europe.

8. The idea that North Africa is the region to be visited by European and American tourists has yet to be brought home not only to the large masses of potential tourists, but also to the travel agents of the most important travel markets. On the other hand, visits to North Africa must be made less expensive than they are at present in order to attract a sufficient volume of travel which will result in better occupancy rates of hotels and justify new investments. To attain both of these objectives efficient regional co-operation is necessary. Certain activities and organizations could best take place within the whole sub-region, while some others would be easier to organize within the more limited scope of the Maghreb countries, or even on a bilateral basis between neighbouring countries.

9. It would be unrealistic, however, to ignore or play down the serious difficulties which have to be overcome by developing countries in order to attain this or that particular objective provided for in their development programmes. It is, therefore, highly encouraging that at meetings of such important international bodies as the United Nations Trade and Development Board the debate has shown a general consensus that the search for a universal peace and the continued prosperity of the developed countries are

linked to the economic growth of the developing countries, and that economic development has been accepted as the common concern and responsibility of the whole international community.^{1/} The role of international tourism as a component of the efforts of developing countries has also been unanimously recognized, and in particular that international tourism as an important invisible export can and does make a vital contribution to the economic growth of the developing countries.^{2/} Insight gained through such discussions and resolutions of important international meetings, including the United Nations Conference on International Tourism, have led to the resolution of the United Nations Assembly No. 2148(XAI) regarding the designation of 1967 as International Tourist Year, and to the invitation to member countries and international organizations to exert every possible effort for the success of the International Tourist Year, with special emphasis on promoting tourism to developing countries.

10. Under such favourable auspices, regional co-operation could be somewhat extended to include co-operation between highly-developed tourist countries and countries which are at a lower stage of development, between countries in a more favourable geographical position in respect to travel markets and those which are less accessible, between countries which provide tourists and those that receive them. Such co-operation would help the countries of the North African sub-region, but the countries whose co-operation is requested would also benefit from it. Such measures include technical and economic assistance, but are not limited to them. They

1/ UN, Report of the Trade and Development Board, 1 January-29 October 1965, p. 5.

2/ UNCTAD, Proceeding of the United Nations Conference on Trade and Development, Vol. I, Final Act and Report, p. 55.

also include other measures, from transport policy and professional training to research and publicity, and these less frequently mentioned measures will also be discussed here.

11. The immediate task of this report is (a) to present an economic study on the nature and magnitude of the demand in the field of tourism at the sub-regional level and (b) to specify the possibilities of co-operation as revealed by that study. Economically speaking, a demand is a demand for goods or services of a given quality at a given price. It was necessary therefore first to define what precisely is the tourist offer in each of the member countries covered by this study. A chapter has thus been devoted to the presentation of the tourist attractions and facilities of each country and the prices of its basic tourist services. Such a short presentation of the main features of the tourist possibilities in each of the countries concerned will also help to a better understanding of the suggestions for co-operation and co-ordination discussed in separate chapters. Unfortunately, all the data necessary for an overall presentation of basic conditions for tourism were not available in each country visited. On the other hand, the main features and the basic problems of each of the countries are not necessarily of the same kind. Therefore, presentation is neither uniform for all the countries concerned nor complete. Yet on the whole the picture is true enough to serve as a basis for the analysis of the tourist demand and for the justification of measures suggested. The measures concerning co-ordinated action of the North African countries are summarized in Annex I. A few suggestions concerning individual countries are given in Annex II, while Annex III gives a projection of tourism development in North Africa until 1980.

CHAPTER I

MOROCCO

(480,000 square km, pop. 13 million)

Tourist attractions, climate, tourist regions and seasons

12. Morocco has several tourist regions which can be distinguished by different attractions, climates and seasons.

13. The coastal regions (1,700 km of coastline) have fine sandy beaches. The beaches in the Tangier area and on the Mediterranean are backed by picturesque landscape. However, intensive reafforestation, especially with maritime or Aleppo pines, would greatly enhance the attractiveness of the area for European tourists. The proximity of large enough towns provides an additional possibility for entertainment. The average monthly minima and maxima temperatures in the Mediterranean and Gibraltar areas are the lowest in December, with 8.1 and 15.9 centigrades at Al Hoceima, and 9.9 and 14.8 in Tangier. The warmest month is August, with 20.5 and 29.4 at Al Hoceima and 20 and 26.1 C at Tangier. There is more precipitation in the Gibraltar than in the Mediterranean area, with 887 mm yearly in Tangier compared to 335 mm at Al Hoceima. Most of the rain in the Mediterranean areas falls from December to the end of March, while around Tangier most of the rain (720 mm) falls from October to the end of March. According to these data, the Mediterranean areas can reckon with a longer good bathing season - eight months as compared with six months around Tangier. Because of pleasant weather, however, the tourist season could be considerably longer than the best bathing season. The northern part of the Atlantic coast has a similar climate to that of Tangier. But going south, there is less and less precipitation, and this is spread over a shorter period and at the same time temperatures get warmer and warmer.

14. The south, Agadir on the coast and Marrakesh inland, as well as the deep south, have little rainfall (up to 250 mm a year) and the hottest months are July, August and September. The lowest monthly average temperatures are in January with a minimum 7.2 and a maximum 20.3 C in Agadir, 4.5 and 18.3 in Marrakesh and 5.1 and 21.7 in Taroundant. The highest monthly averages are in August - 18.1 and 27.1 in Agadir, 19.4 and 38.3 in Marrakesh and 16.7 and 36.3 in Taroundant (south). While Agadir can have an all-year season, Marrakesh and the deep south are less pleasant in the months June to October. To estimate the climatic advantages and disadvantages of a particular area another element has also to be considered for which, however, we could not obtain quantitative data. This is the frequency, direction and velocity of winds, and what is carried with them (sand, dust, humidity, rain, etc.). According to the comments of some foreign residents, the presence of strong winds in some areas, i.e., around Tangier, can considerably impair the amenities of the beaches and sea. Another element concerning sea resorts is the water currents and the way they influence the safety of beaches.

15. The mountains might present interest for local tourism (skiing and summer vacation of Moroccan residents). For touring overseas visitors they enhance the rich scenic variety and add to the attractiveness of the country, but it should not be expected that non-residents would come to Morocco for a mountain vacation.

16. The big cities. Altogether, Morocco has a pleasant climate all the year round (except for the summer months inland south). Therefore, the Imperial cities present an attraction all the year round and could be combined with a stay in coastal resorts in the summer season and a leisurely tour of the south in winter and spring.

17. Of all tourist attractions, the sun, the warm and pleasant climate and the sea influence by far the largest number of foreign vacationists. But the splendours of the monuments of Islamic culture - mosques, palaces,

fountains, city walls, city gates, souks, medinas and the still present folklore, national costumes, dances and handicraft create that unique and colourful atmosphere which cannot be found north of the Mediterranean sea and make it well worthwhile for overseas tourists to incur additional costs and travel farther than usual.

Historical

18. Before achieving independence, Morocco had hotel facilities which catered to the needs of the well-to-do residents, mostly of foreign origin, on their business trips, on weekends, touring and annual vacation. In addition, international tourism of a high standing developed in the big cities and the south, especially Marrakesh and Agadir. Comparison of hotel capacity in Morocco before independence and today is rather difficult, since the statistics refer to different territorial units, and some adjustments have to be made which require accurate knowledge of how the statistics have been compiled. With these reserves, comparison is possible, based on the figures published in official statistical yearbooks. From December 1956 to December 1965, as shown in Tables 1 and 2, the number of tourist hotels in former French Morocco has decreased from 254 to 179 and the number of rooms from 7,957 to 6,519. This is largely due to the introduction of more rigorous criteria in the new hotel classification. However, with the incorporation of the former Spanish zone, the number of hotels in the whole country has been 231 with 9,490 rooms.

19. It has been explained that after independence uncertainty as to the future course of events started a flight of capital and European residents from the country, and this caused a decline of inland travel, of retail sales and a downward spiral of real estate prices and other economic dislocation.^{1/}

^{1/} Proposal for a chain of motels in Morocco, by Porter International Company, 1964, page 5.

TABLE 1
Hotel capacity in Morocco (former French sector)
on 31 December 1956

	Hotels	Total	DeLuxe	R O O M S			
				****	***	**	*
Large cities (Casa- blanca, Rabat, Fes, Meknes, Marrakesh)	122	5,042	662	938	1,502	1,105	835
Coastal areas (with- out Casa and Rabat)	76	1,686	99	429	234	259	665
Mountains (without Fes and Meknes)	48	1,106	-	40	394	301	371
South (without Marrakesh)	8	123	-	-	20	32	71
TOTAL	254	7,957	761	1,407	2,150	1,697	1,942

TABLE 2
Hotel capacity in Morocco on 31 December 1965
(Youth hostels not included)

	Hotels	Total	DeLuxe	R O O M S				Coastal resorts	Non clas- sified
				****	***	**	*		
Large cities (except Tangier)	102	4,550	907	709	1,116	1,065	671	-	82
Coastal areas ex- cept Casablanca, Rabat & Tetouan	75	3,407	254	725	320	356	589	1,028	135
Mountains (except Fes & Meknes)	39	905	-	27	241	397	240	-	-
South	15	528	-	269	67	62	102	-	28
TOTAL	231	9,390	1,161	1,730	1,744	1,880	1,602	1,028	245
Former Spanish sector	52	2,871	254	538	433	293	398	878	77
Without the former Spanish sector	179	6,519	907	1,192	1,311	1,587	1,204	150	168

Also, the number of foreign visitors has dropped from 351,476 in 1956 to 151,000 in 1961. It could be added that other components might also have impaired business in numerous hotels such as the increased use of automobiles for business trips, which saves time and reduces the need for overnight stays in the towns visited. But the fact that domestic business and pleasure travel have diminished and that foreign tourism has temporarily dropped so that some hotels had to close down, does not mean at all that foreign tourism could not very successfully develop in the future. The changed pattern of travel has deteriorated business conditions for some hotels, but at the same time created favourable conditions for other hotels which cope with the new trends. There are numerous hotels in which the occupancy rate has considerably increased in the last few years and is very satisfactory.

20. The upsurge of economic activity and growing confidence soon created favourable conditions for foreign tourism. In 1959 the road network in the Spanish sector of Morocco was modernized and linked to the already existing good highway network in former French Morocco.

21. The recent development of tourism can be traced from 1961 when the first tourist statistics became available and it has received a strong impulse with the end of the war in Algeria (Table 3). At the same time an effort had been made to renovate and modernize the existing hotel plant.^{1/} In Table 3 figures are given on foreign visitors to Morocco, established by a frontier check. Also important are cruise passengers whose number is increasing from year to year, but who are not included in the table.

^{1/} Ministry of Tourism, Rabat, Le Tourisme au Maroc, Les Investissements, page 3.

TABLE 3

Foreign visitors in Morocco, (frontier statistics)

(Moroccan residents in foreign countries are included in the figures)

1956	351,476
1961	151,000
1962	200,356
1963	287,190
1964	383,767
1965	378,745
1966	424,031

22. The changes which took place in Morocco have influenced not only inland tourism, but also the pattern of foreign tourism. Of 351,476 foreign visitors who came to Morocco in 1956, 278,621 or almost 80 per cent were French nationals. In 1966, of 424,031 foreign visitors, only 98,341 or about 23 per cent were French nationals. While the French travel market has remained a very important market, other travel markets have grown in importance. It is estimated that with an average stay of 9-10 days by foreign tourists spending \$14 daily, the foreign currency earnings of foreign tourism excluding transport outside the country were about \$53 million in 1965. This is 10.75 per cent of the total value of exports. Foreign currency earnings from tourism took the third place in export activities, after exports of food products, tobacco included, and exports of mineral products.

Research as the basis of the development programme

23. As a part of the overall programme of encouraging and developing tourism in Morocco, the Government arranged for a study to be carried out by the National Bank for Economic Development (BNDE). Most of the data contained in it was derived from a poll of 700 tourists who were visiting Morocco in July 1962. Since then, numerous other studies have been undertaken by Government bodies and various foreign aid agencies, among them

the IBRD,^{1/} and co-operation of foreign advisers has also been secured. This has to a considerable extent cleared the ground both for the Government policy in the field of tourism and for the investment studies concerning tourism facilities undertaken by various groups.

24. However, a basic source of information for research and investment studies was missing until recently. That was: statistics on tourist arrivals and nights at hotels and other tourist accommodation facilities. It has been decided to introduce such statistics from 1 January 1967. If properly analytic, such statistics would supply reliable information on the rate of occupancy of hotels of various types, categories, geographical location, on the respective seasons and patterns of travel of foreign tourists and in this way serve as a guideline for investments and tourist policy.^{2/}

25. In the absence of statistical data, the average rate of hotel occupancy had been estimated, or individual hotels cited. It happens, however, that the average 50 per cent occupancy rate as found out by the BNDE study does not give an accurate enough picture. We have already mentioned that through the changes after independence some hotels have lost the bulk of their business and some even had to close down. At the same time other hotels, especially those which cater to foreign tourists, after a temporary slackening of business, have recovered and are doing very well. For new investments it is important to note that modern hotels of the right categories, properly constructed in the right locations, can do good business, regardless of the fact that some other hotels in unfavourable circumstances could not survive. When the completion of a new highway in the USA attracts

1/ The Economic Development of Morocco, published for the IBRD by the John Hopkins Press, Baltimore, 1966.

2/ Surveys, such as the one carried out in July-August 1966 by the Ministry of Development, cannot substitute reliable statistical data, but only supplement them.

the traffic, and the motels on the road which traffic has abandoned have to vegetate or to close down, this does not prevent investors from constructing new motels on the new thoroughfare and doing a prosperous business.

26. However, as the Moroccan Government controls some hotel companies (with 3,813 beds altogether), the rates of occupancy of a sufficient number of hotels under various conditions must have been available to the Government planners, and helped them to elaborate a realistic investment plan, backed by an energetic tourism development policy.

The tourism development programme and its execution

27. The Three-Year Development Programme 1965-1967 has determined the following zones of priority tourism development two zones of Tangier, two Mediterranean zones, one zone on the Southern Atlantic coast, one zone of the Great South and the route of the five Imperial cities (Rabat, Marrakesh, Fes, Meknes and Tetouan). Drainage, forest planting, road construction, water supply, supply of electricity, improving of telephone lines, port construction, adaptation of beaches, etc., and other infrastructures have been foreseen as the basic task of the Government. But the Government is also more or less involved in the construction of tourist accommodation facilities (hotels, motels, coastal resorts and camp sites), although the importance of private initiative is stressed in that field. In addition to encouraging private investments, the Government participates in a couple of hotel companies, provides professional training to part of the personnel required for the new facilities, takes care of the publicity in foreign countries, and encourages tourism by some other measures of tourist policy. A new five-year plan has been prepared recently, but the figures have not yet been made available.

28. In order to attract investors, a series of far-reaching Government incentives have been introduced which can be ranged under the heading:

29. Liberal investment code and financing of hotel construction

- Refund of customs duties on imported new hotel equipment;
- Cut in the registration tax to 0.5 per cent on the assets transferred to the hotel company (droits d'enregistrement);
- Accelerated depreciation up to double the normal rate;
- Subsidy granted by the State (capital aid) up to 20 per cent of the planned investment;
- Tax remission on reserve for Government-approved purchases of new equipment;
- Stability of fiscal laws for 10 years (professional profit tax, licence tax, impôt de patentes, municipal taxes);
- Partial exemption from the licence tax, which is based on the rental value of the property used and on manpower employed;
- Guaranty to foreign residents of transfer of the capital invested and its revenues;
- Liberal financing out of public funds (up to 60 per cent of the value of the new construction); loans are usually granted for a period of 15 years, and the rate of interest is 3.25 per cent during the first five years, 4.5 per cent during the next five years and 6 per cent during the last five years. In some cases, loans can be extended to 20 years, with interest payment deferred by five years - no interest to be paid during the first five years. This has been made possible by the Government subsidy of 3 per cent to the bank extending the loans;
- Loans can also be given for purchases of equipment up to seven years at the rate of interest of 5 per cent.

30. Morocco has also signed investment guaranty agreements with several countries. Under such agreements the foreign Government guarantees the convertibility into the currency of the capital investments of its citizens in Morocco and of receipts from these investments. It also guarantees against losses due to expropriation or war damage.

Profitability of investments

31. Theoretically, the answer to the question of profitability is simple. If the turnover of a hotel at given selling prices covers the costs of production of hotel services (including capital costs) and the marketing costs and leaves a margin of benefit, the hotel is profitable.

32. The turnover depends on the prices compared to the amenities the hotel offers and the overall attractiveness of the area where it is located, and on the aggressiveness of marketing, including publicity, both for the hotel and for Morocco as a tourist destination.

33. The prices for foreign tourists are those quoted on foreign markets for an all inclusive vacation trip to Morocco. These depend upon the hotel prices in the country of destination, on transportation costs from the country of departure, and upon the marketing costs in the foreign market (i.e., organizing costs of the tour operator, his commercial risks, publicity expenses, etc.).

34. For individual tourists, their transportation costs to Morocco and accommodation and food costs in Morocco are of decisive influence. If souvenirs and other goods can be purchased there at favourable prices, and if amusements are inexpensive, this will strengthen their intention to visit Morocco, but the decisive elements are hotel and transportation costs. Transportation costs will be dealt with in a separate chapter for the whole of the sub-region, but hotel rates have a predominantly national character and will be discussed here.

35. How do Moroccan hotel rates compare with rates in countries in a similar geographical position? It is very difficult to accurately compare hotel prices. Not only do hotel categories in various countries follow different criteria, but also individual features of hotels within the same category in the same country differ considerably. The difficulty is even greater in Morocco where hotel rate lists for 1967 (hotel guidebooks) had not been available in time (by the end of March). Therefore only fragmentary comparison is possible, but even such a comparison can reveal a good deal. In Table 4 hotel rates are given in U.S. dollars for some resort hotels in Morocco and in Spain, which are more or less comparable. It appears from these figures that the published full pension hotel rates were higher in Morocco than in similar (although more developed) coastal resorts in Spain. The difference was particularly striking for hotels of lower categories, frequented by foreign tourists in Europe but much less in Morocco.

36. In hotels in other tourist areas and the large cities, prices must have compared even less favourably with prices in competitive countries. This point has attracted the attention of the responsible government officials, and in a speech delivered before the Moroccan Committee of the International Chamber of Commerce in January 1966, the Moroccan Minister of Tourism had clearly pointed out the advantages of low prices and high occupancy policy of hotel managements for the development of tourism in Morocco. It is true that hotels can charge to tour operators hotel rates at a discount, but high hotel rates which are published in informative literature may scare away potential tourists. It is even worse when no hotel rates at all are published in tourist literature. Recently, however, hotel rates in Morocco have been fixed (limited) by the Government, but the new rates have not yet been made available.

TABLE 4

Twin bedroom rates and full pension rates per person
double occupancy in some Moroccan and Spanish resort hotels in 1967
(in U.S. dollars)

Country place hotel	De luxe			***			***		
	Twin bed- room	Twin bed- room	Full pension	Twin bed- room	Twin bed- room	Full pension	Twin bed- room	Twin bed- room	Full pension
<u>MOROCCO</u>									
Restinga - Smir									
Grand hotel	8.91		12.87						
Hotel el Manar		7.92				11.88			
Hotel Karabo		5.94				8.91			
Al Hoceima									
Hotel Mohammed		5.94				8.91			
Agadir									
Village de vacances de luxe						10.-			
Tangier									
Simple village de vac								6.-	
<u>SPAIN</u>									
Senalmodena									
Hotel Riviera	10.-12.5		12.-13.33						
Hotel Costa del Sol									
Hotel Costa Azul		3.25-6.25	5.30-7.30				2.00-2.85	3.67-4.10	
Tonemolines									
Hotel El Andalous	7.85		10.17						
Hotel Torremare		4.17-6.25	6.35-7.35				2.65-3.35	3.25-3.60	
Hotel Don Iuan									
El Arenal									
Hotel Garonda Palace	7.35-11.70		10.-12.15						
Hotel Acapulco		3.85-5.60	6.15-7.00						
Hotel Biarritz							3.00-4.50	4.00-4.75	
Hotel Ondina							2.00-3.00	3.55-3.95	

37. The fixed costs in hotel business are rather high in comparison with the variable costs. It is therefore particularly important to spread the annual fixed costs over as large a turnover as possible, which in hotel business means achieving a high rate of occupancy during an extended period. In a study undertaken by competent specialists in the field, investment in a special type of hotel aided by favourable credit conditions would bring a return of 7.3 per cent on the equity invested with an occupancy rate of 50 per cent, and 27 per cent if the occupancy rate is 70 per cent. Achieving a high rate of occupancy is optimistically considered by some promoters to be a matter of the hotel management alone, and cases have been cited of resort hotels in Morocco which have achieved an annual occupancy rate of over 70 per cent. While a good management can, under equal circumstances, by economy in production costs offer accommodation and food at lower prices than competitors and by aggressive marketing attract foreign tour operators and foreign and domestic tourists, this can be done only to a certain extent. To extend the season and thereby the volume of business requires far greater strength than a hotel or even a hotel chain can muster. Publicity by government bodies is indispensable, but in order to create a truly favourable climate for increasing the business volume of existing and new hotels, even a government alone can do little. To achieve full success an efficient co-operation on a regional basis is necessary.

CHAPTER II

ALGERIA

(341,000 square kilometres, pop. 10,670,000)

Tourist attractions, zones, climate, seasons

38. The tourist attraction liable to attract the greatest number of foreign tourists to Algeria is the coast and the sea. A large number of fine sandy beaches, flanked by picturesque landscape, makes it possible to locate resorts in places which offer the double advantage of unspoiled nature and a large city nearby or at a convenient distance. The mountainous, and in vast areas wooded hinterland, ancient Roman sites, and picturesque moslem cities inland provide opportunity for numerous shorter or longer excursions, while farther inland the majestic desert and enchanted oases offer possibility for shorter or longer tours combined with a stay in the coastal resort. The bathing season lasts from April to October, but in favourable sunny locations and with sheltered and heated swimming pools the season could be extended from March to mid-November. The monthly averages of highest and lowest daily temperatures are not carried in the statistical yearbooks, but they will be somewhere between the figures at El Hoceima on the Mediterranean coast of Morocco and Tabarka on the North Tunisian coast. Precipitations are at Oran 364 mm annually with the heaviest rainfall from October to February (170 mm), at Algiers 708 mm with the heaviest rainfall from October to February (518 mm), at Annaba 750 mm, with the heaviest rainfall from October to March (597 mm) (average figures for a 15-year period). The unpleasant sirocco wind is of short duration, ranging from 1-2 days in Oran to about 12 days a year in Algiers.

39. The whole country offers an extremely rich variety of tourist attractions and is ideally suited for automobile touring and motorcoach tours over most of the year. The desert oases are also suited for stays or leisure tours from October to May. Algiers, with its surroundings, is

a strong tourist attraction in its own right and with adequate publicity and marketing it could become a highlight of any Mediterranean cruise, and of Mediterranean-European tours by American tourists. It will also prove to be a favourite excursion place for tourists stationed in coastal resorts, both on the Algerian coast and Majorca and, of course, a convenient base for any Algerian tour. National costumes, folklore, handicraft and an amiable population provide a colourful and lively ambience which differs in many ways from the European atmosphere and has its peculiar charm. All this would not fail to attract ever larger numbers of foreign tourists if efficiently publicized on the main travel markets.

Historical

40. It is very difficult to evaluate the number of foreign tourists who had visited Algeria before independence, and to compare it with recent figures after independence, as different criteria have been applied for statistical recordings and French visitors had not been considered as foreign tourists. When considering only foreign tourists from countries other than France, their number has increased from 29,000 in 1960 to 53,657 in 1965 and 69,123 in 1966. With French tourists included, the total number of foreign tourists was 109,332 in 1965 and 127,564 in 1966. However, the UIOTO definition of tourists which has been applied lately includes also businessmen and it is obvious that after independence the number of foreign businessmen visiting Algeria must have increased substantially, so that one cannot speak yet of a considerably increased number of tourists who come for pleasure and relaxation. It is estimated that the foreign currency earnings from foreign tourism (transportation outside the country excluded) was \$15.3 million in 1965 and \$17,859,000 in 1966.

41. There was a considerable amount of local tourism in Algeria before the war and tourists were mostly residents of European origin who travelled

for business, excursions, touring and stayed for shorter vacations in coastal and oasis hotels. In 1952, there were 132 tourist hotels in Algeria with 5,123 rooms. But with 850,000 well-to-do French citizens who left Algeria after independence, the local tourist public has almost disappeared except in areas within weekend reach by car from Algiers. Also, domestic business travel has temporarily decreased and most of the hotels lost the bulk of their clientele. The hotels which suffered most were those outside the larger cities and those not suited for modern overseas tourism.

42. Table 5 gives a survey of hotels in operation by the end of 1964. There were 142 hotels with 5,628 rooms. According to the new hotel classifications there were 179 hotels at the beginning of 1967 with 7,640 beds (6,192 rooms) in tourist hotels, 396 of which were in the de luxe category, 820 in 10 hotels of the first class category, 1,487 in the 25 hotels of second class, 2,041 in 46 third class hotels and 2,896 in 86 hotels of the fourth class. Some of these hotels are not in a very good state and need repair and modernization. But their greatest handicap is that most of them are small hotels scattered all over the country and are suited only for business people or tourists travelling by car (inexpensive touring). Both categories are presently not very numerous. On the other hand, only a few of the hotels in the large coastal cities are suited for the resort type of tourist, and the few other hotels in small places scattered all over the coast cannot satisfy even less demanding tourists, primarily for lack of entertainment and social life. A notable exception is the Moretti complex 25 km from the centre of Algiers. A large number of converted villas, bungalows, hotel buildings and restaurants totaling some 1,200 beds situated in a vast park, flanked by an extended beach of fine sand and surrounded by pine forests make it the first important coastal resort in Algeria. This complex is large enough to enable charter flights to be organized so that tours can be sold on foreign markets at competitive prices.

TABLE 5
Tourist hotels in Algeria by the end of 1964

Location	***		**		*		*		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Algiers	2	282	6	377	13	686	11	370	32	1,715
Oran	2	215	8	415	5	198	6	214	21	1,042
Constantine	2	125	2	199	2	106	5	114	11	544
Annabo			2	115	2	48	1	28	5	191
Shikdo					3	78	1	60	4	138
Total large cities	6	622	18	1,106	25	1,116	24	786	73	3,630
Coastal areas outside large cities					10	269	8	179	18	448
Oases	4	167	5	67	4	67	5	144	18	613
Other towns			4	216	12	340	17	431	33	937
TOTAL	10	789	27	1,557	51	1,792	54	1,540	142	5,628

24. But even with the present hotel capacity it is possible to organize motorcoach tours on 6-12 days' itineraries covering large cities, several picturesque smaller towns on the coast and inland, and some of the oases. The Algerian Tourist Agency has started selling such tours, however, with little help from the Ministry of Tourism and almost no publicity. Moreover, hotel prices were much too high, which made it difficult for the Agency to offer attractive packages pricewise.^{1/}

^{1/} The rates in the first two hotel categories (de luxe and first (**)) are free and so are the rates of rooms with private bath and toilet in lower categories. As these free rates have not been compiled for individual hotels, there is some uncertainty in this respect which is not encouraging foreign Travel. The Agence de Tourisme Algérienne (state-owned) offers twin bedrooms in de luxe category from \$20 up and full pension rates from \$15 up. Rates for twin bedrooms with private bath and toilet in second category (*) hotels are from \$12 up and full pension per person also from \$12 up. For rooms with less complete private facilities, maxima room rates have been established. For a double bedroom in the second (**) category, rates are from \$5.20 to \$6.36, in the third (**) category from \$3.84 to \$4.60. Full boarding house rates were not available.

Hotel occupancy and profitability

44. It is no wonder that in such conditions the rate of hotel occupancy was not satisfactory. In 1964 (except in Algiers where all tourist hotels have enjoyed a very high rate of occupancy) in hotels both on the coast and the interior, in big as well as in small towns, the rate of occupancy of rooms was between 10 and 30 per cent. Only in hotels in oases closest to Algiers has hotel occupancy reached 40 per cent in the months of tourist affluence.

45. This situation has slightly improved in 1966. In the district of Algiers the four star hotels have achieved 90 per cent of room occupancy, and the three star hotels 85 per cent. In inferior categories, however, occupancy rate has been only 30 per cent. In the district of Oran, the highest occupancy rate has been achieved by the four star hotels with 56 per cent, while the occupancy rates of lower categories has been by far less satisfactory. In the district of Constantine, four star hotels have achieved 72 per cent and three star hotels 60 per cent occupancy rates. Even in the oases of the South with a much shorter season four star hotels have achieved a 40 per cent occupancy rate, three star hotels only 33 per cent, while the lower categories have only a very low occupancy rate. The occupancy rate in small towns, both on the coast and in the interior, is far less satisfactory and so is attendance in restaurants everywhere.

46. A similar though less marked situation in Morocco has not hindered development of tourism and new investments have been channelled to areas, hotel types and categories which can attract foreign tourists (mainly in coastal areas and the Imperial cities), while the hotels in poor locations and in other unfavourable conditions were left to their fate. The peculiar conditions in Algeria, however, prevented such an economic selection. Private capital did not find conditions ripe, not only for new investments, but also for repairs and modernizing of the existing hotels, and it is a current saying in Algeria that the largest privately-owned hotel chain is

making efforts not to modernize their plant and attract tourists, but to get its hotels nationalized. The tourist hotels in oases and some large cities owned by such companies are expertly run, but they cater mainly to the weekend public without seriously endeavouring to attract overseas tourism which would fill up the hotels throughout the week. Liberalization of pricing recently introduced for hotels of highest categories will enable such hotels to adopt a dynamic price policy which could attract foreign tour operators. It is not excluded, however, that the mode of remuneration and cost ventilating between the company and hotel managers is responsible for the lack of interest of both the company owning the hotels and hotel managers to develop business. On the other hand, the state-owned hotels of all sorts, categories and locations are kept together under the direction of the same state organization, Office National Algérien du Tourisme (ONAT), and whatever revenue is derived from hotels operating profitably is eaten up by those hotels which lose money and by a costly roof organization. (ONAT is running a giant complex of most diversified establishments scattered all over Algeria, ranging from de luxe hotels to small one star hotels and from plush night club type of restaurant to modest milk bars.) There is little economic justification to run unviable hotels at the expense of the successful ones, and to mix up all sorts of catering establishments into one pot. Therefore, there is hardly anything left from the revenues of the state-operated hotels which could be invested in new profitable hotel plant. This peculiar situation is throwing unfavourable light on the whole hotel industry and delaying acceptance of the tourism development plan prepared by the Ministry of Tourism.

47. It is true that hotel operating costs in Algeria are somewhat higher than in the neighbouring countries, but these differences have diminished in the last few years. With appropriate incentives for hotels which cater to foreign tourism, new resort hotels, properly constructed, in the right location and efficiently operated, would be profitable with a 50 per cent occupancy rate, and highly profitable with an occupancy rate of over 55 per cent which could be achieved by good promotion and marketing.

Plans for future development

48. Studies undertaken by some foreign research bureaus and tourism experts have sufficiently cleared the ground for a realistic tourism development plan, which has been prepared by the Ministry of Tourism, but is still lacking acceptance by the Government. The plan emphasizes the need for large enough coastal resorts to attract charter business and of hotel construction in some oases towns so as to provide comfortable accommodation at all stopovers of motorcoach tours through the Sahara.

49. The National Algerian Tourist Office (which operates the State-owned hotels and other tourist accommodation plant) has, without waiting for the plan to be adopted and with the help of the Algerian development fund, undertaken construction of a 200-bed hotel in the Moretti complex mentioned above. If efficiently run, this complex will certainly prove the viability and profitability of hotel enterprises catering to foreign tourism. In addition, hotels are being constructed by the same office which will in addition to existing hotels provide comfortable accommodation at all stopovers of Algerian motorcoach tours which include the South (Sahara desert). If supported by efficient publicity for Algeria on the most important foreign travel markets and with skilled marketing, these investments, small though they are, may act as a catalyst and bring about a reversal of the unfavourable attitude prevailing actually in Algeria in respect of investment in tourism, both with the Government officials and private investors.

50. The adoption of the first investment plan prepared by the Ministry of Tourism for 1967-1969 would imply construction of new tourist facilities to the value of \$60 million. Tourist accommodation facilities are scheduled to be built: out of government funds 1,000 beds in 1967, 2,000 beds in 1968 and 7,000 beds in 1969; in the following three years, yearly construction out of government funds is scheduled to be at about 5,000 beds so that about 33,500 beds would be available for the 1974 season.

If private initiative follows, this investment programme could be largely surpassed. Also, if part of the funds available to the "Organisme de coopération industrielle" (Franco-Algerian) is earmarked for the tourism development project, this might greatly accelerate tourism development and make available the French know-how in the field of hotel construction and management.

51. It should be noted that investments in new resort hotels which attract tourists from overseas will also improve the situation of the small hotels scattered all over the country, owing to excursions and tours which could be organized for resort guests, who can travel throughout the week, and not only on weekends and holidays as do residents of Algeria. In this way hotels which are not able to attract tourists from overseas will benefit from such tourists attracted to Algeria by new modern resorts.

Liberal investment code

52. As a third step and after the Government-sponsored investments have proved profitable, a liberal investment code for both domestic and foreign capital may bring forward the same vigorous development as took place in both neighbouring countries of Algeria. By ordinance of the President of the Republic of 15 September 1966 a new investment code has come into existence which has put tourism in the same favourable position as that of industry as regards transfer guarantees and fiscal and financial privileges.

53. According to the new regulation, foreign investors enjoy guaranty of transfers abroad of the revenues of the capital invested and of retransfer of the proceeds of sale of their enterprise or shares in it to Algerian residents. Fiscal advantages include reduction or exemption of the tax on transfers of real estate necessary for the business activity envisaged, temporary exemption of the real estate tax up to ten years, reduction of the production tax rates and deferment of payment of customs duty on imported equipment, reduction or exemption from the business profit tax

during a period of five years and in some cases guaranty of fiscal stability on conventional basis. Financial privileges include an interest subsidy up to 3 per cent for hotel construction loans, and in some cases a State guaranty for loans contracted to finance equipment.

54. If given appropriate publicity, these measures would be sufficient to attract private capital into the Algerian hotel business since they are as favourable as the measures encouraging investment in both coastal neighbouring countries of Algeria. There is but one clause which might weaken the impact of the new measures of encouraging private investment; it is contained in Article 8 of the Ordinance which foresees the possibility of nationalization of investments under the new investment code. Although this is presented rather as an exceptional measure and the principle of equitable and transferable indemnity has been elaborated, the very fact that nationalization of investments under the investment code has not been ruled out will make potential investors hesitate. As the new investments have to fit into the plan of economic development of the country it would seem natural that the Government has definitely made up its mind where co-operation of private capital is useful for the country and therefore permitted without reserve. Uncertainty in this respect may partially offset the effects of the privileges and guaranties foreseen in the code.

55. It is true that bilateral conventions with foreign countries about investments of their citizens in Algeria are recognized as valid instruments of economic policy and that they might bring additional guaranties which might reassure foreign investors. Anyhow, the mention of nationalization in an investment code has an unfavourable psychological effect on private investors, and if it is to be mentioned in such a text perhaps a guaranty should be given that it could in no case take place within a fixed period of fifteen or twenty years.

56. Foreign tourism cannot be developed overnight, but the first steps in the right direction have already been taken and Algeria is certainly a country which can look forward to a great tourist future. To achieve the best results (from these measures) favourable general conditions have to be created both in the country and on foreign markets. Some of them have to be brought forward by the Algerian government, while some others can be achieved only through efficient co-operation of several countries. The first set of measures are beyond the scope of this study and the second set will be dealt with in chapters concerning the joint actions to be undertaken by Maghreb countries, or by all the North African countries.

CHAPTER III

TUNISIA

(164,150 sq. km, pop. 4,457,862)

Tourist attractions, tourist areas, climate and seasons

57. From Tabarka, close to the Algerian border and all the way to the Libyan border at Djerba, spurs suitable for underwater fishing break up the 1,200-km coastline into many extended beaches of fine sand. The warm and sunny climate makes for a long bathing season (10 to 12 months on the southern beaches). The lowest temperatures on the coast are in January, with monthly averages of minimum and maximum temperatures of 7.2 and 15.1 Centigrade in Tabarka, 8.2 C and 14.6 C at Kelibia (Cap Bone) and 8.3 C and 15.9 C on the island of Djerba. The corresponding temperatures in July are 19.5 C and 30.9 C in Tabarka, 20.6 and 31.9 at Kelibia and 21.7 C and 31.4 C on Djerba. The monthly hours of sunshine are in January from 175 in Tunis to 234.6 in Gabès, and in July 373.9 and 325.7. The winds are gentle to moderate, refreshing the coastal areas in the summer.

58. With the sunshine and the mild climate the beaches are the main tourist attraction of Tunisia. The desert and the oases, the towns with interesting Moslem architecture, and the remains of the antique civilization intensify the pleasurable excitements of a vacation stay in Tunisia, by providing a colourful atmosphere so different from that which is found on the northern shores of the Mediterranean. All this is concentrated in a comparatively small area, easily accessible, and from the tourist point of view can be considered as additional to a vacation stay in a coastal resort or a large city.

59. Handicrafts, national costumes and folklore enhance still more the peculiar attractiveness of the country. There is also the human element, much more important than usually recognized in studies on tourism. The

picturesque setting between the blue sea and the placid landscape or the graceful architecture of the cities is brought to life by a friendly and handsome population. From the airport officials, taxi drivers and the hotel staff to people one chances to meet in the cities or in the country, everyone is helpful and friendly.^{1/} No wonder that many tourists come to Tunisia again. This also explains the fact that Tunis, which does not offer anything so spectacular as do some of its rival cities on the Mediterranean, is attracting from year to year more cruise passengers (from 5,893 in 1961 to 30,595 in 1966). For this reason also, resort areas not too distant from the large cities have a comparative advantage over resorts in remote areas. With the development of individual travel to Tunisia, this advantage of resort areas closer to Tunis will become even more apparent.

Historical

60. There were only a limited number of hotels in Tunisia in 1958, mainly in the city of Tunis and in some district centres. After a brief delay brought about by the war in Algeria, the Government decided to encourage the development of the tourist industry. This decision has been taken after consultation with prominent foreign tourism experts and on the basis of studies made available through the United Nations Technical Assistance Programme. Further studies have also been undertaken about various aspects of tourism development and areas to be developed, by experts and organizations engaged on a bilateral basis or retained directly by the Tunisian government and later also by various Tunisian government agencies. However, studies on tourism in co-operation with international organizations, or on a bilateral basis, are still being carried out in Tunisia.

^{1/} Among 90 per cent of unprovoked favourable comments on tourist conditions in Tunisia, 70 per cent stress the friendliness of the population. The climate, with 20 per cent, comes next. Enquête touristique, Tunisie 1966, page 33.

61. Another basis for a judicial analysis of facts of importance for tourism development are accurate and up-to-date statistics published in Tunisia. They include tourist accommodation capacity; entries of foreign visitors to Tunisia (by country of residence, month, means of transportation used, etc.); tourist nights in tourist accommodation establishments (by nationality, type of accommodation, hotel categories, regions and months); the rate of occupancy according to type and category of accommodation and region; the earnings of foreign currency and data on the climate.

Government policy in development of tourism

62. The studies which were undertaken made it clear that the geographical position of Tunisia, including climate, beaches, landscape and comparatively short distance from the main travel markets, combined with other tourist attractions, are such that foreign tourism can successfully develop. Favourable weather conditions through extended periods make for a long season and high occupancy rates of hotels. Also, other conditions in the country were estimated to be such as to make hotel investments profitable.

63. The government policy in developing tourism, which has taken into account these favourable conditions, includes various measures, the most important of these being as follows:

- Defining zones suitable for tourism development - enjoying priority in public investments.
- The Tunisian Three-Year Plan and the Ten-Year perspectives allocated adequate credits for the budget of tourism and spas.
- Parallel to hotel construction, professional training for executive jobs in hotel operation has been provided by sending 314 Tunisian undergraduates to hotel schools in France, Switzerland, USA, Holland, Italy and the UK. For minor and medium jobs, ten hotel schools have been opened in the centres of main tourist areas.

-The Government provides public utilities in development zones, takes care of protection and restoration of historic sites, has undertaken reafforestation in development zones, and proceeded to create a company for domestic transportation.

-Of particular importance are the measures taken by the government in order to encourage private investments in tourism. They will be shortly enumerated.^{1/}

Measures to encourage private investments

64. Investment incentives made available by the Bill of 2 September 1966:

-Granting of subsidies covering the costs of architectural study, costs of projects making use of reinforced concrete and cost of study of utilities.

-Total or partial reimbursement of customs duties paid on necessary imported hotel equipment.

-Rebate of interest paid on medium- and long-term loans of 3 per cent annually on the borrowed sums.

-Putting at the free disposal of the investor for a period of thirty-five years the land necessary for hotel construction, after which period both land and hotel have to be returned free to the State.

65. The investor may request issuance of a letter of establishment, according to the chart of 19 September 1946, entailing the following privileges:

^{1/} For more details see Les investissements touristiques en Tunisie, Tunis 1966 and Tunisian Tourism, December 1965.

(a) Financial privileges consisting of a guaranty given by the Tunisian Treasury for the loans taken for construction and equipment of the hotel.

(b) Fiscal privileges:

- Registration at fixed (not proportional) tax rates of acts constituting or transforming the enterprise.
- Exemption of the licence tax on business profit of the enterprise up to five years.
- Report of losses for five consecutive years.
- Exemption of the tax on the revenues of bonds and shares issued in order to set up or expand business.
- Reduction of municipal taxes.
- Other privileges which may be asked for and obtained for some particularly interesting projects.
- For investments over 100,000 a guaranty of stability of tax laws may be granted for a period of up to fifteen years.
- Deduction from the base of the tax on business profit of sums to be reinvested in construction or expansion of hotel plant.

66. Transfers of revenue and retransfer of capital invested by foreign residents are guaranteed in Tunisia (Bill of 4 June 1957). In addition, bilateral agreements between Tunisia and Belgium, Federal Republic of Germany, France, Holland, Switzerland and USA provide for a guaranty of the latter countries to their residents having invested in Tunisia to obtain indemnity in case of nationalization, expropriation and similar events causing loss of investment.

67. In addition to these guaranties and privileges, of great practical value to potential investors is the supplying by the General Commissariat of Tourism of complete and accurate information on the legislation, the fiscal system concerning hotel business, the costs of construction, costs of imported equipment, labour costs, costs of material, social security costs, insurance costs, cost of land, etc. Of equal importance are detailed figures on tourism development in Tunisia. There are countries in which such information is almost considered a State secret. In Tunisia it is available to all persons reasonably interested in it, and such an open attitude has greatly helped to create an atmosphere of mutual understanding and trust which is a prerequisite for a successful investment policy based on co-operation with foreign capital and know-how.

68. The plans of tourism development in Tunisia were the Three-Year Plan 1964-1967 in which feasibility studies and infrastructure had priority, but also in which a series of new de luxe and first class hotels had been opened. Facilities for popular tourism were also provided by construction of holiday villages. The second, Four-Year Plan 1965-1968, is characterized by a greater diversification of hotel plant and by large private investments in the hotel industry. Although this plan has scheduled construction of only 4,000 beds, the actual number of hotel beds had increased from 7,573 at the end of 1964 to 17,581 at the end of 1966, that is by 10,000 beds. Thus, in only half of the scheduled period, new hotel capacity has been provided which is two and a half times greater than that originally scheduled for the whole four-year period (see Table 6). In addition, construction of other new hotels has been decided, with 14,900 beds to be completed by 1968, which will bring the total hotel capacity in modern tourist hotels to nearly 32,500 beds.

TABLE 6

Tourist accommodation capacity in Tunisia (beds)

Categories	1961	1962	1963	1964	1965	31/12/66
Hotel de luxe and 1st category	1,130	1,257	1,606	2,473	3,657	8,064
Hotel 2nd category	1,076	1,072	734	1,047	1,502	1,981
Hotel 3rd or 4th category	1,743	1,748	2,203	2,153	2,269	2,522
Total	3,949	4,077	4,543	5,673	7,428	12,567
Holiday villages and youth hostels	-	-	1,200	1,900	2,188	5,014
	3,949	4,077	5,743	7,573	9,616	17,581

69. Of the 14,900 beds projected, 8,200 will be in hotels of the first category or in de luxe category, while 5,400 beds will be in holiday villages and bungalows. It is also interesting to note that some new hotels will be established on the north western coast which has up to now obtained only limited attention.

70. Increase in foreign visitors recorded at the frontier has been evident as shown in Table 7. Their number has risen from 46,110 in 1961 to 218,817 in 1966. But even more spectacular has been the increase of tourist nights with 320,485 nights in 1961 and 1,636,881 nights in 1966 (see Table 8). In Table 9 evaluation is given of tourist nights, by visitors from the main travel markets.

71. Foreign currency receipts from tourism have augmented accordingly from \$2,800,000 in 1961 to \$18,118,000 in 1965 and to \$26,190,000 in 1966. Also very encouraging is the average expenditure per tourist night which has risen from \$9.5 in 1961 to \$16 in 1966. In 1965 tourism held the second place as foreign currency earner from export activities, but with such rapid development it has become in 1967 the top foreign currency earner.

TABLE 7
Entries by nationality in Tunisia

Nationality	1961	1962	1963	1964	1965	1966
<u>Maghreb Arabe</u>						
Algeria	a/	a/	25,638	39,243	34,889	28,346
Libya	2,401	2,787	5,187	6,326	8,026	14,681
Morocco	344	1,186	1,160	2,101	2,119	5,315
Total "A"	2,745	3,973	31,985	47,670	45,034	48,342
Africans	a/	a/	460	648	696	785
Germans	6,241	7,652	11,682	13,953	22,288	33,640
Americans (USA)	2,747	3,333	4,058	5,066	6,125	7,555
English	3,068	3,364	4,936	5,870	11,865	20,325
Austrians	959	973	1,302	1,471	2,612	3,007
Belgians	858	1,054	1,609	2,460	4,502	6,145
Danish	181	159	386	481	492	1,410
French	18,293	18,333	27,836	32,402	34,500	48,426
Dutch	1,187	766	1,132	1,291	3,065	3,104
Italians	3,748	4,535	6,934	9,111	8,847	11,565
Middle East ^{b/}	a/	a/	2,117	3,004	1,995	1,993
Russians	180	410	386	412	626	584
Swedish	227	526	1,107	1,912	3,027	4,498
Swiss	2,220	2,805	4,795	7,051	12,576	18,139
Various	3,456	4,869	4,006	5,433	7,590	9,299
Total "B"	43,365	48,779	72,746	90,565	120,806	170,475
Total A & B	46,110	52,752	104,731	138,235	165,840	218,817
Annual increase		+14.4%	+98.5%	+32%	+20%	+32%

Source: Sûreté Nationale.

a/ Numbers included in "various."
 b/ UAR, Lebanon, Jordan, Yemen,
 Syria - Saudi Arabia.

TABLE 8
Number of nights of foreign tourists

1961	1962	1963	1964	1965	1966
320,485	395,777	540,759	694,374	1,129,416	1,636,881

TABLE 9
Number of nights of residents of some important tourist markets

	1961	1962	1963	1964	1965	1966
French	68,977	76,105	134,120	173,208	216,956	356,226
German	77,918	94,155	137,682	164,944	308,331	463,457
British	22,650	26,920	32,076	41,493	116,075	206,286
Swiss	28,408	39,155	54,306	75,116	156,622	206,288
Scandinavian	4,998	6,914	13,092	27,764	40,414	70,708
Belgian	6,689	8,730	16,805	25,193	56,168	67,521
USA	14,537	18,603	18,913	22,940	33,645	41,892
TOTAL	224,177	270,582	406,994	530,658	928,211	1,412,378

72. Hotel rates in Tunisia in 1967 are given in Table 10. They compare favourably with rates in Spain, Morocco and other North African countries. As most of the tourists come in groups organized by travel bureaus, the actual prices are even lower than indicated in the official publications. It would be beneficial for the tourist economy of Tunisia to attract well-to-do tourists who travel independently and are willing to spend more money.

Among them those travelling by car are particularly interesting. The recent introduction of the Ferry Service Marseilles-Tunis will help a good deal to attract well-to-do tourists travelling by car but there are many more tourists who would like to come to Tunisia and other countries in North Africa but cannot afford to. So they visit Spain, Italy, Yugoslavia, Greece, etc. They too could be attracted to North Africa and this question will be dealt with in a separate chapter.

TABLE 10
Hotel rates in Tunisia in 1967 (in US dollars)

	First		Second		Third		Fourth
	Double room	Full pension	Double room	Full pension	Double room	Full pension	Double room
Tunis	7.20-17.50		4.20 11.40		1.90-6.10		1.15-2.30
Resorts	7.60-9.50	6.65-9.50	5.70-7.60	5.70-6.65	3.00	3.80-5.70	2.30

CHAPTER IV

LIBYA

(1,769,000 sq. km, pop. 1,621,000)

Tourist attractions, areas, climate, seasons

73. The coastline of Libya, stretching over 1,800 km in length, can be divided into the western part or Tripolitania and the eastern part or Cirenaica. The coastal area of Cyrenaica is reported to be more picturesque, flanked by mountainous and occasionally wooded areas (pine and oak). It also has finer beaches.

74. The climate of the northern regions is moderate with refreshing breezes in summer. In the absence of the monthly averages of maxima and minima temperatures, the absolute minima and maxima in a month have to be used. They, however, give a less reliable picture of the climate, as very high absolute maxima and very low absolute minima are usually considerably in excess of the highest monthly averages or fall considerably below the average lowest temperatures, and an exceptionally hot or cold day might create a wrong impression of the climate. It can be estimated that in the winter months the average monthly minima and maxima are about 10 and 15 Centigrades in Derna, and between 10 and 20 in Tripoli, while in the summer months average minima and maxima are about 20 and 30 Centigrades in Derna and between 20 and 35 in Tripoli. The rainfall in Derna in 1964 was 248.8 mm for the whole year, with the heaviest rainfall from November to February (228 mm). In Tripoli annual rainfall was 268.2 mm with the heaviest rainfall from November to January (224.3 mm).^{1/} Owing to such climatic conditions the bathing season may stretch over eight to nine months and the weather on the coast and the nearby hills (Cyrene) is pleasant all the year round. Refreshing breezes from the sea in summer make it even more temperate, especially in Cirenaica.

^{1/} Statistical Abstract of the Kingdom of Libya, 1965.

75. The well-preserved antique sites, Phoenician-Roman in the west, with Sabratha (65 km west of Tripoli) and Leptis Magna (120 km east of Tripoli), and Greco-Roman in the east with Cyrene, Tolmeitha and Apollonia, enhance the touristic value of the whole area. In addition to their historical and artistic values, they bear testimony to the excellent climatic and general living conditions of the area which made possible such prosperous cities in antiquity. Tripoli and Benghazi, both pleasant cities combining modern and oriental features, are suitable supports for coastal resorts which should be built along selected beaches in their vicinity. The muhafazat of Fezzan with its seat in Sebha, and other oases complete in the cooler season the tourist attractions of Libya.

Historical

76. A turning point in Libyan economic history has been the discovery and intensive exploitation of large oil deposits. This fact has changed the traditional pattern of Libyan life and created favourable conditions for a rapid overall development of the country, tourism included. Table 11 shows the development of crude oil production from 1961 to 1965. Gross domestic product of Libya has risen accordingly from \$146 million in 1958 to \$1,143 million in 1965. The export of crude oil in 1965 in value of \$784 million has been 5.4 times as large as the gross national product in 1958.

TABLE 11

Crude oil production in Libya (in 1,000 barrels)

1961	6,642
1962	66,643
1963	166,272
1965	434,880

TABLE 12

Hotels in Libya (end of 1966)

	De Luxe		1st Category		Tourist		2nd Category		3rd & 4th C.		Non classif.		Total	
	Hotels	Beds	Hotels	Beds	Hotels	Beds	Hotels	Beds	Hotels	Beds	Hotels	Beds	Hotels	Beds
<u>Tripolitania</u>														
Tripoli	2	684	5	438	15	536	9	541	9	207	1	84	31	2490
<u>Cyrenaica</u>														
Benghasi	2	275	3	285			4	257	15	605			24	1422
Gedabia											3	40	3	40
Shahaat	1	44											1	44
Beida	1	124					1	23					2	147
Sousa			1	8									1	8
Marj									1	15			1	15
Tobruk			1	41					1	28	1	36	3	105
Derna									3	113	1	44	4	157
Emsa'ad							1	28					1	28
<u>Fezzan</u>														
Sebha	6	1127	10	772	15	536	15	849	29	968	2	38	72	4494

77. The boom in the country has already brought forward construction of new hotels necessary to satisfy the rapidly growing demand for hotel accommodation. Their clients are mainly business people on business trips, or staying for a couple of weeks in hotels before they can settle in an apartment for a longer stay. Table 12 shows hotel capacity in Libya by the end of 1966 and how it is distributed. The bulk of the hotels are in the two largest cities (3,912 beds out of 4,494 for the whole country).

TABLE 13

Number of foreign tourists' arrivals at hotels and nights spent

Year	Arrivals	Nights
1963	60,750	346,296
1964	66,990	309,308
1965	65,340	366,200

78. The even spreading of the tourists' nights over all the months of a year, regardless of the months with less favourable weather, shows the business character of the great majority of visitors. With the average daily spending of \$18, the global foreign currency earnings from tourism can be estimated at \$6,591,600. Figures on hotel occupancy are not available.

Outlook on tourism development

79. In view of the high hotel rates in Libya, coupled with the rapidly rising costs of meat, fish, poultry, eggs, dairy products, fresh fruit and vegetables, and the rising labour costs, doubts have been expressed about Libya's tourist future. This, however, is a short-sighted view. It is true that labour costs will probably remain higher than in the neighbouring African countries, and this will bear on hotel costs and impair the competitiveness of Libyan hotels in international tourism. It is,

however, our impression that the actual high hotel rates in Libya and the rising costs of some materials are of a predominantly speculative nature owing to the rapid increase of demand and the scarcity of goods and services offered. But as capital is not lacking and labour and construction entrepreneurs can be attracted from abroad, competition will soon bring prices down. The fact that foodstuffs and other articles have to be imported does not necessarily mean that prices will remain high. They are at present high due to a lack of adequate organization of import business and wholesale and retail trade rather than for permanent reasons. With the liberalization of imports and an effective competition among importers, prices of imported goods will soon drop to a reasonable level, particularly as import duties in Libya do not exceed 10 to 15 per cent and sea transport is not expensive. Building of modern roads, now in progress, will also reduce costs of supply from the neighbouring African countries. Of considerable importance for a favourable cost structure in the hotel industry is a very light taxation and inexpensive energy which will become available as soon as the local power sources will be used for supplying electricity.

80. On the other hand there is already a strong domestic tourist demand. There should have been, by the end of 1966, almost 90,000 foreign nationals residing in Libya. This means there are whole families which are a ready clientele not only for resort hotels and bungalows for the summer vacations, but also for weekends, short school vacations, etc. Owing to the rapid economic development and progress in education, more and more Libyans are becoming wealthy and will require tourist facilities in their own country. It is true that many of them will be attracted to the island of Djerba in Tunisia which is only 370 km from Tripoli. But it should not be forgotten that three-quarters of Libyan oil production is north of the 28th parallel in Cirenaica which is rather far from Tunisia while resorts near Benghazi would be the better location for personnel in the oil industry.

81. There is a certain analogy between what could be developed in Libya and what has developed on a much larger scale in the Middle East. Three-quarters of Lebanon's one and a half million foreign tourists come from Arab countries. They are looking to Lebanon for the delights of a rich, modern city with a pleasant climate, for the coolness of the mountains and the refreshing breeze from the sea. But there are also 370,000 tourists from other countries. Many of them are just making a short stop-over in Beirut on their way to distant countries, many of them are on a Middle Eastern tour, but 43.7 per cent of them come from overseas just to visit Lebanon. In Libya the domestic public could already sustain one or two coastal resorts which should be preferably located near the large cities. In this way such resorts would attract excursionists and weekenders from the city and vacationists both from the nearby city or the interior country. Such well-equipped resorts, with casinos, dancing, other amusements and social events will, with adequate publicity, soon attract foreign tourists as well. Lebanon is earnestly trying to attract European vacationists to its newly built coastal resorts. In Table 14 a comparative picture is given of the Lebanese and Libyan hotel rates. Libyan rates are not at a disadvantage, and it has already been mentioned that they are likely to drop in the future. At the same time, Benghazi and Tripoli are 1,000 to 1,300 km nearer to the main European travel markets than Beirut, and this makes also for lower transportation costs.

82. There is a good possibility for a successful development of tourism in Libya in step with the rising domestic demand, but always with an eye upon attracting foreign tourism as well. To achieve this, great care should be taken in respect of what tourist plant should be created and where it should be located. There is great temptation to build somewhere along the coast agreeable small hotels which would attract tourists from the city, and where some families would come for vacations; a similar

TABLE 14

Hotel rates in Libya and Lebanon (in U.S. \$)
Price of a twin bedroom (for two persons)
Price of full pension per person in a twin bedroom

	De luxe		1st category		Tourist	
	Twin bedroom	Full board per person	Twin bedroom	Full board per person	Twin bedroom	Full board per person
<u>Benghazi</u>						
Bernice	13.44	14.28				
Lux			9.80			
Grand Hotel					6.75	9.50
<u>Shahaat</u>						
Hotel Shahaat	8.40	10.40				
<u>Beida</u>						
Palace Hotel	12.75	15.28				
<u>Tripoli</u>						
Libya Palace	15.12	16.40				
Grand Hotel			9.25	15.20		
Capitol			7.75	9.75		
Continental					5.50	8.70
<u>LEBANON</u>						

	De luxe		**		**	
In Beirut	11.70- 27.36	13.00- 24.50		9.50- 12.00		7.15- 8.75
In coastal resorts		9.75- 16.25		8.15- 9.75		

hotel will soon be built elsewhere and domestic tourism will get started. If Libya relies only on domestic tourism such small hotels might do, but in this way it will not be able to attract foreign tourists.^{1/} The situation would be quite different if coastal resorts were created consisting of large hotel and other tourist accommodations where entertainment and social events are easy and economical to organize, utilities and landscaping can be provided more cheaply, and if it were efficiently publicized and charter flights attracted. It is therefore essential not to disperse the funds available for tourist investments, but to create a few resorts or at least one resort which will be able to attract both domestic and foreign tourists. For domestic tourism, in addition to hotels, bungalow-type facilities with a kitchenette should also be provided to be used by families on their vacations. After the first successful step others will soon follow, both by expanding the newly-created resort and by creating other ones.

^{1/} While the domestic tourist demand is rising in Libya, in another North African country domestic tourist demand has temporarily but considerably diminished, and all the small hotels scattered on a long coastline have lost their business. It was not possible to use them for foreign tourism and to substitute foreign tourists for the former clientele.

CHAPTER V

UNITED ARAB REPUBLIC

(1,002,000 sq. km, pop. 30,000,000)

Tourist attractions

83. The tourist attractions of Egypt are unique and well-known to educated people throughout the world. In addition to the cultural heritage from oldest antiquity, the fine monuments of Islam culture link the past to the present day. The achievements of modern civilization, the Suez Canal and the Aswan Dam are hardly less famous, and they show that the creative genius and the hard-working habits of the people in the Nile valley have not subsided with age, although the new gigantic monuments are not to the glory of the dead but to the well-being of the living. The sunny and mild climate, the scenery of the Nile river and the 2,900 km of coastline add to the traditional assortment of the tourist attractions of UAR as do the oases, the Sinai Peninsula and the cities with rich handicrafts and courteous and friendly people.

84. Four tourist regions can be distinguished: the Nile delta including Cairo with its surroundings; the Upper Nile Valley; the Mediterranean coast and the Suez area with the Red Sea coast and the Sinai peninsula.

85. In Table 15 monthly averages of minima and maxima temperatures indicate an important aspect of the differences in climate of the four regions. Annual rainfall is insignificant -- from 1 mm in Luxor to 184 mm in Alexandria. Relative humidity of the air is rather low in the Upper Nile region and the Red Sea coast, and moderate in Cairo (74 in January and 61 in July) and in Alexandria (69 in January and 77 in July). The Mediterranean coast with its fine beaches could have a bathing season from March to November, although the main season is actually shorter owing to the predominance of local tourism in the area. For stationary tourism

in the Upper Nile region, the summer months are not suited, but mobile tourism is feasible in Egypt all the year round. In months suited for sea bathing, however, the most attractive packages for the European public would include a tour through the Upper Nile region, a visit to Cairo and a stay of several days in one of the coastal resorts. The very long season in each of the tourist regions makes for high occupancy rates of hotels, while the all-year-round tourism feasible in Egypt as a whole makes possible the organization of charter flights under favourable conditions.

TABLE 15

Monthly averages of minima and maxima temperatures in
various tourist regions of the UAR (in centigrades)^{a/}

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Alexandria												
Min.	9.3	9.7	11.2	13.5	16.7	20.2	22.7	22.9	21.3	17.8	14.8	11.2
Max.	18.3	19.2	21.0	23.6	26.5	28.2	29.6	30.4	29.4	27.7	25.3	20.4
Cairo												
Min.	8.6	9.3	11.3	13.9	17.4	19.9	21.5	21.6	19.9	17.8	13.9	10.4
Max.	19.1	20.7	23.7	28.2	32.4	34.5	35.4	34.8	32.3	29.8	25.1	20.7
Luxor												
Min.	5.4	6.8	10.7	15.6	20.7	22.5	23.7	23.5	21.5	17.7	12.3	7.9
Max.	22.9	25.5	29.0	34.8	39.4	40.7	40.8	41.0	38.9	35.1	28.9	25.0
Hurghada												
Min.	9.7	10.1	12.4	15.9	20.8	23.5	24.8	25.0	23.2	20.0	15.0	11.4
Max.	20.4	20.8	22.8	25.8	29.4	31.2	32.5	32.9	30.4	28.2	25.3	21.7

^{a/} Data published by the State Tourist Administration in 1966.

Historical

86. Table 16 presents the development of foreign tourist arrivals and nights and foreign currency earnings from tourism. There had been fluctuations in this development due to international events which affected the UAR and the Middle East, but the rising trend is marked, especially for tourist arrivals in the country. Parallel to the volume of tourist traffic, earnings from foreign tourism increased from \$46.5 million in 1956 to \$85.5 million in 1964 and to \$110.7 million in 1965. The average foreign currency earnings per tourist night also increased from \$8.9 million in 1956 to \$12.2 million in 1964 but dropped to \$10.6 million in 1965. This is most probably due to the increased share of Arab tourists (see Table 17). According to estimates of the UAR State Administration for Tourism, the average daily spending of Arab tourists is \$9.12, of European tourists \$13.70, of American tourists \$18.15 and of tourists of other nationalities \$11.40, while the average spending of tourists on a stay shorter than three days is estimated to be \$15.60 without regard to the nationality.^{1/}

87. In Table 18 figures are given on the number of tourist arrivals and tourist nights in 1965 by countries of residence.

^{1/} The average daily spending in Tunisia in 1964 was \$12.92 which is only slightly more than in Egypt (\$12.20). This can be explained by a smaller percentage of regional tourism in Tunisia than in the UAR.

TABLE 16
The tourist movement (1956-1965)

Year	Tourists	Tourist nights	Tourist receipts in million US \$
1956	170,246	5,320,841	46.5
1957	127,528	5,896,921	52.9
1958	162,812	3,653,052	35.6
1959	240,263	4,923,961	53.8
1960	285,450	4,560,279	53.6
1961	283,957	4,645,067	53.1
1962	291,180	4,166,477	40.6
1963	404,109	4,223,375	61.1
1964	497,382	7,024,264	85.5
1965	542,100	10,400,731	

TABLE 17
Tourist nights and foreign currency earnings in UAR in 1965

	Nights	Daily expenditure in \$	Foreign currency earnings in \$
Arab tourists	7,066,945	9.12	64,450,538
European "	2,268,002	13.70	31,071,627
American "	385,557	18.25	7,036,415
Others	589,342	11.40	6,718,499
Quick trippers	90,885	15.60	1,417,806
TOTAL	10,400,731	10.60	110,694,885

Source: UAR State Tourist Administration, Statistical report for 1965.
The foreign currency earnings from tourism were in 1965 about one-fifth of the visible exports.

TABLE 18

Arrivals in UAR of foreign tourists in 1965 and tourist nights

Countries		Arrivals		Nights	
I.	<u>ARABS</u>	<u>246,027</u>	45.5%	<u>7,067,489</u>	68%
	Jordan	20,708		1,091,714	
	Lebanon	19,014		415,420	
	Sudan	18,330		679,208	
	Saudi Arabia	10,564		518,439	
	Syria	9,862		363,899	
	Iraq	9,589		247,978	
	Kuwait	8,288		338,848	
	Others	149,622		3,411,983	
II.	<u>EUROPEANS</u>	<u>179,299</u>	33%	<u>2,327,739</u>	22.5%
	UK	41,665		266,068	
	Germany	27,695		405,667	
	Greece	24,661		278,847	
	France	18,745		200,779	
	Italy	16,232		384,676	
	Scandinavia	11,480		115,751	
	Netherlands	6,700		72,879	
	Switzerland	5,044		86,745	
	Belgium	4,933		55,640	
	Spain	4,535		53,093	
	Austria	4,145		107,892	
	Yugoslavia	3,590		66,192	
	Others	9,814		233,510	
III.	<u>AMERICANS</u>	<u>62,723</u>	11.5%	<u>394,927</u>	
	USA	53,118		334,752	
	Canada	4,309		29,057	
	Others	5,296		31,118	
IV.	<u>OTHERS</u>	<u>54,051</u>		<u>610,576</u>	3.5%
	Asia	25,963		380,355	
	Australia & New Zealand	18,463		33,645	
	Africa	6,899		126,174	
	Others	2,726	10%	70,402	6%
TOTAL		542,100	100%	10,400,731	100%

Hotel capacity and hotel occupancy

88. From December 1964 to December 1965 the number of beds in hotels available to tourists increased from 21,840 to 22,625. The distribution of hotel beds per category and region is shown in Table 19. With Port Said, Ismailia and Suez excluded, there were only 250 hotel beds in Red Sea resorts by the end of 1965. This number has increased since by 192 beds, a hotel in Ein Sukha being responsible for this increase.

TABLE 19
Number of hotel beds in Egypt on 31/12/65

	De luxe	First class	Second class	Tourist class	Third class	Total
Cairo and Lower Egypt	1,399	3,431	3,006	2,358	3,129	13,323
Mediterranean coast	174	1,188	627	1,506	999	4,494
Suez and Red Sea		394	201	449	234	1,279
Upper Egypt	858	1,212	1,042		417	3,529
TOTAL	2,431	6,225	4,876	4,313	4,780	22,625

89. The annual rate of occupancy in Cairo in 1965 for some hotels rose to 95 per cent and it is generally high although the average figures per category of hotels are not available. In Alexandria and Port Said the rate of occupancy is somewhat lower but still very high, with 78 per cent in Alexandria and 82 per cent in Port Said in the most frequented hotels. In Upper Egypt hotels open all the year round attain 62 per cent occupancy. These figures could be of great interest for new investments. However, it cannot be seen from the figures published in official statistics which of the individual hotels taken as examples are city hotels and which are resort hotels. This is of particular interest for both the Mediterranean and

Suez - Red Sea areas where the quoted high occupancy hotels are probably city hotels and no indication is given of the occupancy rates of resort hotels. The actual rate of occupancy of resort hotels, however, is of prime importance for any resort development project in the Mediterranean or Red Sea areas.

90. In Table 20 a comparison is given of hotel rates in Egypt and in Spain, which has been one of the least expensive tourist countries in Europe. It appears from these figures that both in de luxe and first class hotels, in cities as well as in resorts, room and full pension rates compare favourably with those in Spain. For the second and third hotel categories, however, the rates of Spanish hotels seem to be lower, although it is very difficult to make a comparison as equipment and service in lower hotel categories differ considerably with individual hotels. However, the differences in the rates are small and the conclusion is justified that the rates of Egyptian hotels are highly competitive.

91. No data were available on the profitability of existing hotels in Egypt. However, when taking into account the high rate of occupancy, higher than in Lebanon and in Tunisia, well-run hotels in Egypt could be highly profitable. It should be kept in mind that in Tunisia new private investments in hotels by far surpassed all government forecasts and plans, and that new hotel construction in Lebanon has rather to be checked than encouraged.^{1/} No specific data have been assembled on the wages and social security and fiscal charges in Egypt, but in a country with an annual population increase of nearly 2.5 per cent the wages for manual jobs would not be high, while training for medium and higher jobs

^{1/} Lebanese Central Office of Information, Bulletin No. 49 of February 1966, Beirut Hotels, Documents and Studies by Pierre Gorra.

TABLE 20

Hotel rates in Egypt compared with hotel rates in Spain
(in U.S. \$)

City and Hotel	No. of beds	Twin bed- room	Full pension per person	Twin bed- room	Full pension per person	Twin bed- room	Full pension per person	Twin bed- room	Full pension per person
<u>UAR</u>									
Cairo									
Shepherds	535	9.70-14.25	8.85-11.10						
Sheheresade	160			6.85-8.55	7.30-8.10	5.70	5.40		
Kasr AN NILE	768								
Alexandria									
Palestine (resort hotel)	174	9.12-13.70	8.45-10.75						
Cecil hotel	123			6.40	6.95				
Sidi Abderahman									
Alamein (resort hotel)	118			8.-	7.50				
Marsa Matruh									
Rim	96								
Riviera	84			6.15-6.85	6.15-6.50	4.10-5	4.60-5.00		
Hurghada									
Hurghada	702			9.10	8.15				
Rest Home (without bath)	150					4.60	4.80		

City and Hotel	No. of beds	De luxe		***		***		**	
		Twin bed- room	Full pension per person	Twin bed- room	Full pension per person	Twin bed- room	Full pension per person	Twin bed- room	Full pension per person
<u>Luxor</u>									
New Winter Palace	188	10.80-13.10	10.30-11.50						
Winter Palace	332			7.15-8.60					
Luxor	174					5.60-6.70	5.70-6.80		
<u>MADRID</u>									
Hotel Plaza	630	5.60-14.	12.10-13.85						
Ritz	798	10.50-18.70	14.60-18.90						
Hotel Avenida	783			5.00-6.25	6.60-7.30				
Hotel Baraxal						2.50-3.85	4.00-4.70		
<u>Barcelona</u>									
Hotel Manila	358	9.16-12	12-13.35						
Hotel Cristal	760			6.70-8.75	9.00-10.-				
<u>El Arenal</u>									
Garonda Palace	706	7.35-11.70	10-12.15						
Barritz	147					3.00-4.50	4.00-4.75		
Acapulco	191			3.85-5.60	6.15-7.00				
Ondina	162							2.00-3.00	3.55-3.95

in the hotel industry, both in school and on the job, can comparatively quickly provide a sufficient number of trained nationals satisfied with lower wages than in most of the competing European countries. The average annual earnings per person in the hotel industry in the UAR has been estimated to be \$532 in the year 1964-65.^{1/} Fiscal charges can always be adjusted so as to encourage the hotel industry and they would not present a serious problem.

92. It is a matter of general economic policy how much investment by foreign and domestic private capital in the hotel industry is to be encouraged. If a positive attitude is taken in this respect, examples of Morocco and Tunisia have shown that an appropriate investment code and fiscal and financial incentives, if given adequate publicity, can be of vital importance. The know-how and the connections on travel markets of foreign investors can accelerate development of tourism and help create a favourable attitude of travel business circles on markets which will provide the greatest numbers of long-distance tourists.

^{1/} UAR, General Frame of the Five-Year Plan for Economic and Social Development 1960-1965, National Planning Committee, page 121.

CHAPTER VI

SUDAN

(2,505,805 sq. km, pop. 13,576,000)

Tourist attractions, regions, climate

93. There are actual tourist attractions in the Sudan which under present conditions are liable to attract tourists, and there are potential attractions which could appeal to tourists provided adequate transportation and accommodation is available.

94. First among the actual attractions is the Khartoum area with the city of Khartoum (pop. 132,000) and the old city of Omdurman (113,500). The site on the Nile river, a colour mixture of modern and traditional life, unusual costumes, customs, traditional sports events (horse races), beautifully carved articles of ivory, ebony, crocodile and python leather items, silver filigree and other handicraft will delight tourists, and as a meeting point of people who come to Khartoum from various parts of this huge country Khartoum has much liveliness and colour. "In modern tourism people are one of the most magnetic attractions and the people of the Sudan have the warm and friendly qualities that are difficult to find elsewhere." Many foreign tourists will subscribe to this view expressed by Mr. Stephen Streeter, of the American Tourist Association.^{1/} Two large, beautifully situated hotels on the Blue Nile, several smaller hotels, four museums, easy accessibility by air owing to direct air communication with several large European cities and African capitals provide adequate facilities for European tourists and for such American tourists as do not expect quite the same comfort as they are used to at home.

^{1/} Streeter, Stephen, Tourist Development Plan in the Republic of Sudan, June 1966, page 8.

95. There are tourists who would enjoy staying in Khartoum a week or more, but for the bulk of international tourists two or three days will do unless some interesting attractions in the surroundings are included in this programme. The antique sites combined with handicraft shopping in the Shendi district may provide such additional attractions and also the pyramids, temples and tombs in the Merove district, provided suitable transportation and accommodation is available. The modern highway Khartoum-Port Sudan will also include Port Sudan into the current tourist attractions of the Sudan. With a population of 52,000 and adequate hotel facilities, restaurants and international club, a large swimming pool, beaches, marine gardens, possibilities for fishing, skin diving, etc., Port Sudan could be advantageously included into a package tour to Sudan. The mountain resort of Erkowit (above 1,000 m), however, might be attractive for domestic and regional tourists, including tourists from Saudi Arabia or Kuwait, but for European tourists it might only be a pleasant stopover on a surface tour of the country. There is also big game hunting for a special well-to-do tourist public. How numerous such clients are in the present conditions is difficult to estimate. Among potential features which would prove attractive not only to big game hunters but also to the general tourist public are the Dinder National Park, the Mt. Marra and the Southern districts. They would provide ample opportunity for photo-safaris and visits to villages on days of tribal festivities, which are considered by some^{1/} to be Sudan's greatest tourist attractions.

96. A systematic modernization programme for the Government guest houses and establishment of a comfortable large tourist camp in the Dinder National Park parallel with suitable publicity and good marketing organization,

^{1/} Streeter, *ibid*, page 20.

could attract charter arrangements from Europe. Khartoum is about 2,000 km less distant from the great European cities than its main competitors for big game hunting and this is of certain advantage for organizing safaris; for the public on photo-safaris this might prove decisive. As soon as the southern provinces are opened up for tourists similar measures would attract tourists there. A Nile river ride and tribal life to be seen not far away from its banks could, as reported by a few tourists who have seen it, be another major attraction for overseas tourists. However, under the present conditions the 1,430 km long trip by river steamer from Kosti to Juba takes 10 days upstream and seven days in the opposite direction.^{1/} No tourist would be that interested to spend so many days on a river boat trip. But a river hydrofoil such as those plying the Moskwa, Volga and Danube rivers^{2/} at a cruising speed of 35 knots would cover this distance in 24 effective riding hours upstream or in three or four days from Khartoum with overnight stays at Kosti and Malakal, and much less in the opposite direction. Combined with a return by plane or a continuation to Uganda and Kenya, such trips could be suitably publicized by overseas travel bureaus and sold in attractive packages, including a stay in Khartoum and possibly a side trip to Port Sudan.

1/ Sudan Tourist Guide, ed. 1967, page 18.

2/ See Shipping and Shipbuilder Annual Review, 1967, London, pages 224 and 225.

97. In the tourist literature compiled on the Sudan either by the Sudanese authorities or foreign experts, no direct reference is made regarding the most favourable tourist season in various regions. For the Khartoum area, a review of the temperatures in various months shows that the coldest month is January with monthly averages of minima temperatures of $15^{\circ}5$ C and of maxima temperatures of $32^{\circ}20$ C. The hottest month is June, with the monthly averages of minima $26^{\circ}5$ C and of maxima $41^{\circ}5$ C. The appropriate tourist season, considering all monthly averages, would be from November to May. This is confirmed by the statistics of arrival of foreign tourists in the Sudan which show a comparatively high incidence from November to end of May with a peak in March, and a notable recession from June to the end of October. In Port Sudan the coldest month is January with monthly averages of 20° C and 27° C, and the hottest month is August with $29^{\circ}5$ C and 41° C. The season here could be similar to that in Khartoum, but a couple of months longer. In the southern provinces, the temperatures do not vary considerably according to season. The hottest month in Juba is March with the monthly averages of minima 23° C and maxima 37° C, while the coldest month is July with monthly averages of 20° C and 30° C. Rather, it is the rainfall which has to be taken into consideration and the dry season is from November to April in the farthest south, becoming longer more to the north. This is also the best time for tourists to visit the area.

Tourist arrivals in the Sudan and foreign currency earning

98. In 1964 the number of foreign tourists in the Sudan was 9,995 and the number of transit visitors 14,023. Transit visitors are those in possession of a tourist visa valid up to seven days. According to people in travel business their stay in Khartoum is of one to two days.^{1/} The number of tourists has increased from 1961 to 1964 by 10 to 12 per cent per year and from 1964 to 1965 by 15 per cent. In Table 21 the number of tourists is

^{1/} Ibid, page 10.

broken up by nationalities and purpose of visit. Eighty per cent of those recorded as tourists came for holidays or for health reasons, while business travellers accounted for only 20 per cent. Many of those on holidays, however, came to visit relatives who live in the Sudan.

TABLE 21
Arrivals by nationalities and purpose of visit (1965)

Country of Nationality	Holidays	Business	Health	Official mission or delegation	Religion	Totals
Germany	2,115	529	137	39	5	2,820
Switzerland	864	216	54	18		1,152
England	970	243	61	15	5	1,299
America	1,680	420	105	26	8	2,239
Arab countries	1,041	259	65	16	7	1,388
Others	1,882	471	117	39		2,509
TOTAL	8,557	2,138	509	153	20	11,407

99. It is estimated that tourists stay on the average of about 15 days in the Sudan and spend about \$20 a day. With transit visitors who stay 1-1/2 days the average foreign currency earnings from tourism in the Sudan has been estimated to have been about \$3,276,000 in 1964. For 1965, it has been estimated that in addition to 11,407 tourists who stayed on the average of 15 days, there were 16,800 transit tourists who stayed on the average of two days, which makes for both groups put together an average stay of seven days, and foreign currency earnings of \$4,092,000 which is only 2 per cent of the foreign currency earnings from exports of goods.

Hotel accommodation and hotel rates

100. Table 22 shows the number of hotels and hotel beds by provinces. No figures, however, are available about hotel nights and the rate of hotel occupancy.

TABLE 22
Hotels in Sudan (end of 1966)

Province	No. of hotels	No. of beds
Khartoum	25	750
Kordofan	7	140
Kassala (Port of Sudan)	6	120
Northern (Shendi)	5	100
Blue Nile (Kosti)	5	100
Upper Nile (Malakal)	1	20
Equatoria (Juba)	1	40
Darfur	1	20
TOTAL	51	1,290

101. In Table 23 a comparison is given between full board prices per person in air-conditioned twin bedrooms with private bath in good hotels in Egypt and in the Sudan. The prices in Khartoum are considerably higher than those in Egypt. It is true that some costs in Sudan might be higher, i.e., owing to a shorter season and the capital costs divided on a smaller turnover, further to costs of electricity and consequently costs of air conditioning and the prices of imported food and other material. But such a difference in prices may also be to some extent explained by the rate policy of the R/R hotels which set the example followed by private hotels. So far as such high prices are charged to clients who come on business to the Sudan and therefore do not have a choice to go elsewhere, they may be profitable to the hotel. But if foreign tourists are to be attracted and new hotel

plant is constructed for this purpose the question of operating costs and rates to be charged to clients is of prime importance, and everything should be done to keep them within reasonable limits. A dynamic price policy which will encourage foreign travel agencies to send tourists to the Sudan will be necessary in this respect.

TABLL 23
Hotel rates in Egypt and Sudan (in US \$)

	Price of double room	Full pension per person double occupancy
<u>Aswan</u>		
New Cataract ****	from \$10.85 to \$14.25	from \$10.30 to \$12.00
Cataract ***		\$7.70
Edfu ***	\$10.00	\$8.55
<u>Cairo</u>		
Shepherd **	from \$9.70 to \$14.25	from \$9.40 to \$11.70
Sheherasade *	from \$6.85 to \$8.60	from \$6.95 to \$7.80
Cleopatra	from \$9.12 to \$14.25	from \$8.10 to \$10.65
<u>Khartoum</u>		
R/R hotels		from \$13.50 to \$27.00
Private hotels		from \$12.00 to \$22.50
Outside Khartoum		\$7.50

102. A comprehensive set of sound measures to encourage tourism has been proposed by the tourism consultant Mr. Streeter among others, about simplification of frontier formalities. It is also understood that the ideas expressed by Mr. Streeter are being further elaborated by other consultants in order to be applied in actual practice.

CHAPTER VII

DEVELOPMENT FOR TOURIST TRAVEL TO NORTH AFRICA

103. The rapid expansion of international tourism, and the huge volume it has attained in recent years, make it an economic factor of prime importance. The continuity of its expansion in the past and the reasons which have brought it about make it reasonable to assume that this expansion will continue in the future. It has been estimated that the number of foreign tourist arrivals in the world in 1965 has been some 113 million and that their number has increased in 1966 by 12 per cent. Expenditure for foreign travel reached \$13 billion in 1966, an increase of 12 per cent compared to 1965. Europe accounted in 1966 for over 60 per cent of this volume. Africa's share is only 2.5 per cent. This great growth has by passed the developing countries apart from a few that are geographically close to the industrial countries of Europe and North America. Only in more recent years, as incomes in the industrial countries of Europe have been rising and access to more distant horizons is made easier by improved and cheaper means of air and other transport, have some of the developing countries been able to begin exploiting their tourist potential. On the whole, it is those which are near the main markets of industrial Europe, that is, countries bordering the Mediterranean or those near North America such as Mexico and the Caribbean islands, that have fared best.^{1/}

104. The development of international tourism is one aspect of the development of tourism in general, which also includes domestic tourism. The causes of this increase are well known:

- (a) Increase of personal incomes in the highly developed and in some developing countries;

^{1/} UNCTAD, Review of Developments in the Field of Invisibles, TD/B/C.3/39, Corr. 1 of 3 March 1967, pp. 14-15.

- (b) Increase of population;
- (c) Spreading of longer annual vacation;
- (d) Growing numbers of retired people with substantial incomes, deriving from personal property, life insurance and pensions;
- (e) The strain in modern industrial societies, creating an essential need among the working population for rest and relaxation on annual vacations;
- (f) Convenience and cheapness of transportation by automobile and airplane, the first enabling whole families to travel inexpensively for vacation, and the second saving time and costs on tourist trips to more distant destinations;
- (g) Increasing possibilities to obtain foreign currency for trips abroad and simplification and even elimination of frontier formalities.

105. According to an estimate of IUOTO, world expenditure for travel in 1965, including domestic and international, was \$57.3 billion, excluding expenditure on tourist transport of which \$46 billion for domestic tourism. Surveys in some Western European countries have shown that the proportion of the population taking a holiday abroad is rather low: 16 per cent in the Netherlands, 13 per cent in Sweden, 8 per cent in France and the UK and 6 per cent in Italy. It is, however, likely to increase, not only because of the growth of the per capita national income, but also for other reasons which will be discussed in the following pages.

106. It has been noted that the number of tourists who travel abroad increases at a faster rate than the per capita gross domestic product. While from 1958 to 1964 per capita gross domestic product in the European Economic Community and the European Free Trade Association combined has increased by a yearly average of 6.5 per cent, the volume of international tourism in

the European OECD countries has increased by 10 per cent annually. The U.S. Department of Commerce also makes the comment that since 1957 U.S. overseas travel expenditure including trans-ocean fares has increased at nearly twice the rate of disposable income.^{1/} This has been explained primarily by the fact that travel expenses increase proportionately faster than personal incomes. Being rather elastic, the demand for travel is very sensitive and responds positively to the lowering of prices of tourist services offered and to increase of personal income. This, however, tells only one side of the story. The other is that in addition to the general increase in personal incomes there is more than proportionate increase in the number of persons in higher income brackets. In other terms, in addition to the overall growth of incomes, the pattern of the income distribution is changing in favour of higher income categories. And it is just among the beneficiaries of larger incomes that the potential overseas tourists are most highly concentrated.

The West-European travel market

107. In Table 24 figures are given on the number of people who earn yearly incomes higher than \$3,000 (or a slightly lower sum) in UK, France, Federal Republic of Germany, Sweden, Denmark and Netherlands, countries where statistics on income distribution were available. It appears from these figures that during extended periods the number of personal incomes in the higher income brackets increased at a far faster annual rate than the per capita gross domestic product over the same period. In the UK, per capita GDP increased at an annual rate of 5.3 per cent, while the number of personal incomes over \$3,000 increased at an annual rate of 19 per cent.

1/ IATA Bulletin No. 33, "1965 Annual Report of the Director General of IATA," page 67.

TABLE 24

Increase of the number of higher income earners and of
the per capita gross domestic product in some
European countries

Country Category of income	<u>Number of income earners</u>		Annual rate of increase in %	Annual rate of per capita GDP (%)
	Year	Year		
<u>United Kingdom</u>	<u>1954/55</u>	<u>1963/64</u>		5.3
Over \$3,000	1,047,000	5,016,900	19	
Over \$5,600	315,000	827,900	11.3	
<u>France</u>	<u>1956</u>	<u>1963</u>		5.0
Over \$3,000	323,339	1,687,316	26.6	
Over \$6,000	72,666	408,150	24.4	
<u>F.R. Germany^{a/}</u>	<u>1957</u>	<u>1961</u>		8.8
Over \$3,000	563,000	1,374,900	25	
Over \$6,000	195,267	576,400	31	
<u>Sweden</u>	<u>1959</u>	<u>1964</u>		5.4
Over \$3,000	552,323	1,592,087	18	
Over \$5,790	78,173	262,357	27.4	
<u>Denmark</u>	<u>1959/60</u>	<u>1964/65</u>		8.0
Over \$3,000	71,598	325,592	35.4	
Over \$5,600	12,272	42,612	27.3	
<u>Netherlands</u>	<u>1950</u>	<u>1960</u>		7.6
Over \$3,000	90,400	406,900	16.2	
Over \$5,524	30,000	111,900	14.1	

^{a/} The figures for F.R. Germany have to be augmented with those wage earners in higher income brackets who do not pay income tax.

In France, the annual rate of increase of per capita GDP was 5 per cent, while the number of personal incomes over \$3,000 increased by 26.6 per cent. In the Federal Republic of Germany per capita GDP increased by 8.8 per cent yearly while the number of incomes over \$3,000 increased by 25 per cent. In Sweden per capita GDP increased by 5.4 per cent annually and the number of incomes over \$3,000 increased by 18 per cent. In Denmark per capita GDP increased by 9 per cent annually and the number of personal incomes over \$3,000 by 35.4 per cent. In the Netherlands per capita GDP increased yearly by 7.6 per cent, and the number of personal incomes over \$2,762 by 16.2 per cent.

108. This means that the number of those who can afford to travel as tourists overseas (to North Africa) is increasing much faster than the per capita gross domestic product or per capita national income. It is to be expected that this correlation will continue in the future although the annual rate of increase of the per capita GDP in Western Europe might drop to the actual rate in the U.S. which is about 3.5 per cent. In such a case the increase in the number of people who can afford to travel to North Africa would also slow down. But even then its annual increase would still remain between 10.5 and 14 per cent. Thus a solid economic background exists supporting the continuous growth of the demand for tourist services overseas.

109. It is considered that in Europe approximately 5.2 per cent to 7.5 per cent of the income of average European families is devoted to travel and tourism.^{1/} Therefore, earners of incomes close to \$3,000 a year who

^{1/} Pilot Survey of Africa, Tourism Potential, published by Transport and Tourism Technicians Ltd., London 1966, Appendix 5, page 4.

are single could afford a two- or three-weeks' vacation in North Africa.^{1/} Earners of higher incomes would normally be able to take wife and children on such a vacation. As a first approximation in order to delimit the potential demand for vacations in North Africa, an estimate for 1965 is given in Table 25 for six Western European countries (UK, France, Federal Republic of Germany, Sweden, Denmark, Netherlands) of the number of earners of incomes over \$3,000 a year. The number of such income earners is about 17.6 million in the countries observed. If we add to this figure the estimated number of some 5 million income earners over \$3,000 in Austria, Belgium, Finland, Greece, Ireland, Italy, Norway, Portugal, Spain, Switzerland and possibly Turkey, we could reckon that in 1965 there were some 22 million income earners over \$3,000 a year for all the European OECD members.

TABLE 25

Estimated number of higher incomes in some
European countries in 1965

Country	Incomes over \$3,000
United Kingdom	5,970,000
France	2,700,000
F.R. Germany ^{a/}	5,681,500
Sweden	1,974,400
Denmark	440,000
Netherlands	862,000
TOTAL	17,627,900

^{a/} Including incomes submitted only to wage tax.

^{1/} If we consider that income tax and direct local taxes absorb 25 per cent of the lowest incomes over \$3,000, and the disposable income is about \$2,250, a sum of \$169 (7.5 per cent of the disposable income) could be reserved for vacation travel. An inexpensive two-week charter trip to North Africa costs from \$130 to \$160 according to the countries of departure and destination, and many single income earners could afford such a trip.

110. About one half of these income earners have incomes between \$3,000 and \$4,000, that is, they could take a North African vacation if single, but rarely if they are married, and quite unlikely if they have both wife and children to support. On the other hand, earners of higher incomes would be able to take wife and other family members on an overseas vacation. From the figures on the size of families in various income brackets which were available in one country which can be considered as typical^{1/} it can be calculated that the number of people who can afford to travel overseas (income earners and members of their families) is in Western Europe about 10 per cent smaller than the number of earners of incomes over \$3,000. We can consider therefore that in Western Europe in 1965 some 20 million people had sufficient means for a vacation in North Africa. Among these 20 million people some are babies, some small children, some are sick, some too busy and some too old to travel. Many income earners are saving energetically and have postponed their travel needs, others prefer a second residence in their country or on the northern shores of the Mediterranean, some do not think much of travelling or of travelling by air, etc., and most of them will just go for vacation in their own country or somewhere else in Europe. Therefore, all this population of 20 million could not be considered as potential tourists, and we have still to learn more about their vacation behaviour. Surveys carried out among the income earners in brackets over \$3,000 would give us a more accurate picture and help us to assess the potential tourists. But even now it cannot be denied that the potential market for travel to North Africa lies mainly within the beneficiaries of higher incomes and that with the rapid increase of their number in the future, the market for North African tourism will fast expand.

1/ The German Federal Republic, Statistisches Jahrbuch für die Bundesrepublik Deutschland 1961, p. 444.

111. For the immediate practical purpose of assessing the number of potential tourists, we should take the number of Western European tourists who have actually travelled abroad in 1965. Their number has been estimated at 25 million.^{1/} Over 1.4 million of them actually travelled to the U.S., North Africa and the Middle East, of which only 574,000 to North Africa. If we take it that every six of the actual tourists who travelled to other European countries could have afforded to travel to North Africa, there would have been in 1965 almost four million of such potential tourists in addition to the 1.4 million who actually travelled to non-European destinations. The notion "potential tourist" lacks precision and in the light of the number of people who could financially afford such a trip, the number of potential tourists to North Africa could be considerably larger. It could as well be that every fifth or every fourth tourist who travelled to another European country in 1965 might have travelled to North Africa as well. The choice of the smallest possible number has been made purposely to show that even with the most pessimistic forecast of the potential tourist demand in Europe for overseas travel, this demand by far surpasses the tourist offer in the North African countries which could be reasonably developed during an extended period in the future.

112. If we take only this hard core of potential tourists to North Africa, that is 5.4 million, and estimate the increase of their number by 14 per cent annually, the potential market in Western Europe for the North African countries would be 10.6 million in 1970, 20.4 million in 1975 and 38.5 million in 1980. How much of this potential demand will materialize in actual tourists to North Africa will depend on the following conditions:

^{1/} Pilot Survey of Africa's Tourism Prospects, Transport and Tourism Technicians Ltd., London 1966, page 44.

- (a) that accommodation capacity has adequately augmented;
- (b) that the offer of tourist services in North Africa is at competitive prices;
- (c) that the quality of tourist services catches up with those north of the Mediterranean;
- (d) that additional transportation services are created between North Africa and Europe, and the air fares are low enough;
- (e) that efficient promotion of sufficient volume and intensity is carried out on the European market.

Such conditions could be created by all the Mediterranean North African countries, and the second part of this section will be based on their feasibility.

113. In order to analyze Western European tourism, distinction has been drawn between the Mediterranean countries and Portugal on one side and the other Western European countries on the other. Tables 26 and 27 show the respective increases of foreign tourist arrivals in each of the groups from 1957 to 1965. They show that the number of foreign tourist arrivals in the OECD European countries and Yugoslavia has increased in eight years from 42.4 million to 83.3 million, or for 41 million arrivals. The increase has been of 30.3 million in the Meridional European countries and only of 10.5 million in the remaining Western European countries. The average annual increase has been of 11 per cent in the former, while only 5.6 per cent in the latter countries. In other words increase of volume of foreign tourism has been almost twice as fast in the Mediterranean countries as in the remaining Western European countries. This clearly shows the preference of the majority of the public for sunny and warm countries on a warm sea.

TABLE 26
Tourist Arrivals Southern Europe in '000
(Frontier Check)

Country	1957					1965					TOTAL
	N	E	US	O	T	N	E	US	O	T	
Greece	54	99	39	59	25	60	483	185	119	847	
France	2,938	694	609	69	4,310	7,459	1,365	1,088	1,188	11,100	
Italy	6,525	6,781	879	444	14,629	10,879	1,792	1,33	89	23,894	
Portugal	70	116	39	26	251	592	601	202	114	1,509	
Spain	1,449	1,025	289	424	3,187	4,613	2,602	1,035	2,013	13,272	
Turkey	26	43	20	11	100	2	173	7	67	301	
Yugoslavia											
Arrivals at Hotels	125	339	24	11	499	714	1,784	59	62	2,658	Arrival at hotels
TOTAL	11,187	9,097	1,899	1,044	23,227	26,319	19,109	3,697	4,456	53,581	

N = Tourists from neighbour countries
O = Other tourists
E = Other European tourists

T = Total
US = US and Canadian tourists

TABLE 27
Trend of International Tourism in West European Countries
without Mediterranean Countries and Portugal

Country	Arrivals		Nights	
	1957	1965	1957	1965
Austria	3,412,204 ^H	6,413,220 ^H	21,838,106 ^W	43,154,138
Belgium	1,633,200 ^E	2,890,000 ^E	3,429,727	6,087,000
Germany	4,403,463 ^E	6,409,667 ^H	9,247,272	13,326,869
Ireland	1,951,791 ^{Fr}	1,793,000 ^{Fr}	23,031,134 ^E	19,848,000
Luxembourg	253,909 ^E	378,938	507,818	808,817
Netherlands	1,166,532 ^H	1,819,745 ^H	2,916,330 ^E	4,646,675
Scandinavia	1,031,811 ^{*Fr}	1,547,800 ^{*Fr}	5,994,504 ^E	8,877,240 ^E
Switzerland	4,146,194 ^H	5,687,952 ^H	13,461,453	17,885,874
United Kingdom	1,180,432 ^{Fr}	2,775,800 ^{Fr}	42,259,466 ^E	90,600,000
TOTAL	19,179,536	29,716,122	122,675,810	205,234,613

H = Arrivals in hotels

E = Estimate

Fr = Frontier check

* - To eliminate German excursionists which were included in the official statistical figures for 1965, the rate of increase from 1957 to 1967 has been calculated without German tourists and the rate thus obtained applied to the global number of foreign tourists in 1957 - German tourists included.

114. There remains, however, other competition. Competition of European Mediterranean regions, competition of Asian Middle Eastern countries, competition of Eastern Europe, and to some extent competition of other tourist regions in the world.

115. In the North Mediterranean countries, domestic and short- and medium-range international tourism are on the rise, and new investments aim at satisfying this demand. Numerous investments are made in new hotels and

even more in supplementary accommodation facilities. But this intensive investment trend is going to change the very aspect of the main tourist areas in Europe which will not be quite to the taste of their traditional visitors, so that they will look for new horizons overseas. Once the meeting place of notable personalities and wealthy people, some fashionable resort areas are becoming more and more popular and no longer attractive for some tourist categories. Many resort areas have been over-developed and urbanized and they look more and more like the big cities the tourists wanted to escape from while on their vacation. Congested traffic on the roads presents little pleasure to motorists. Fumes from engines are a poor substitute for the scent of pine woods and the breeze from the ocean. The roads are studded with gas stations, parking areas, camping sites, advertising boards, snack bars and shops which have changed the landscape and obliterated once famous views. There is no wonder that the tide of big tourism which first flooded Spain, then Yugoslavia, Greece and Portugal has now reached Turkey and already there are important bridgeheads on the southern shores of the Mediterranean. It is obvious in which direction big tourism is moving and that North Africa has splendid possibilities to reap full benefit from it.

116. The most conservative forecasts of future development are usually based on trends revealed in the past. Table 28 shows that the number of foreign tourist arrivals in the four major tourist countries of North Africa has increased from 384,200 in 1957 to 1,195,692 in 1965, which means an annual increase of 15.3 per cent. Regional tourism (mostly of Arab visitors) has increased at a much faster rate (24.6 per cent yearly) from 67,855 in 1957 to 395,301, but the European tourists, with 574,785 arrivals in 1965, are still the largest group, although their annual rate of increase has been only 10.5 per cent. We must consider, however, that in the period surveyed, North African international tourism, except in Egypt,

TABLE 28

Tourist Arrivals in North African countries (frontier check)

Country	1957					1965				
	A	E	US	O	T	A	E	US	O	T
Algeria		11,678	804	7,518	20,000	33,076	68,910	1,976	5,370	109,332
Egypt	65,907	41,883	9,992	9,746	127,528	246,027	179,299	57,427	59,347	542,100
Morocco	1,274	175,163	19,135	5,121	200,693	69,170	222,175	25,278	61,797	378,420
Tunisia	674	30,586	1,396	3,331	35,987	47,029	104,400	6,125	8,286	165,840
TOTAL	67,855	259,310	31,327	25,716	384,208	395,302	574,784	90,806	134,800	1,195,692

A = Arab Countries

O = Others

E = European countries

T = Total

US = US and Canada

was only in its infancy and that in all countries it has encountered great difficulties of all kinds. Other countries, under similar climatic conditions though farther away from the main European travel markets, have achieved a considerably faster progress in the same period. Table No. 29 shows the development of tourism in some countries of the Middle East. The number of foreign tourists has risen there from 283,917 in 1957 to 1,353,474 in 1965 at an annual rate of 21.5 per cent. Here, regional tourism (Arab tourists) constitutes the bulk of the tourist traffic (558,381 in 1965) followed by European tourists (378,102). But the annual rate of increase of European tourists has been considerably higher (28.6 per cent) compared to 16.7 per cent of the Arab group. It is obvious that competition of Asian Middle Eastern countries is considerable. Their tourist attractions are unique and most of them are dotted with an extended coastline. Especially Asian Turkey has a long coastline which has yet to be developed from the tourist point of view. Lebanon, Jordan, Israel, Syria will probably still gain in tourist importance. Their disadvantage, however, compared to the Maghreb countries, is their longer distance from the main European markets. For the well-to-do sightseeing tourists the attractions of the Middle East will compensate for the longer distance, but for the bulk of European vacationists who travel every year mainly to enjoy the sea, sunshine, pleasant climate and friendly people, vacations in the Maghreb countries will be less expensive owing to shorter travel, and therefore preferred.

117. The Black Sea coast has recently been rapidly developed as a tourist area, and vacations in the Bulgarian and Rumanian coastal resorts are included in the programmes of most of the European travel agencies. Also travelling by car from Western Europe to the Black Sea becomes more frequent. There is still space there for new development, although the straight coastline makes the land facing the sea rather limited. Two other factors have also to be taken into consideration. It is to be expected that there will

TABLE 29
Tourist Arrivals in the Middle East (frontier check)

	1957				1965			
	A	E	US	T	A	E	US	T
Israel		23,835	12,809	44,562	-	117,720	77,553	251,624
Lebanon	97,990*	38,864	22,540	177,591*	271,389*	172,066	81,779	600,504*
Jordan	41,682	6,672	4,651	61,764	286,992	88,316	47,739	501,346
TOTAL	139,672	69,371	40,000	283,917	558,381	378,102	207,071	1,353,474

A = Arab countries
E = European countries
T = Total

US = US and Canada
O = Others
* = Without Syrian tourists

be a steady increase of tourists from Eastern Europe in addition to those of Western Europe. On the other hand the Black Sea climate allows only for a considerably shorter season than that in North African countries and will mainly absorb the peak summer season travel.

118. Other tourist areas in the world will certainly attract more and more tourists in the future due to the increasing number of higher incomes in the most developed industrial countries, cheapening of transportation and tourism development in the recipient countries. They will, however, compete only for tourists in higher income brackets.

The North American travel market

119. It is estimated that 6.7 per cent of an American family budget is devoted to travel and tourism.^{1/} Owing to the costs of travel to North Africa, only persons with incomes over \$10,000 could normally afford a vacation trip there. The number of U.S. income earners over \$10,000, as well as the number of higher income earners in Western Europe, is increasing at a higher annual rate than the per capita gross domestic product. As shown in Table 30, the per capita gross domestic product in the U.S. increased from \$2,090 in 1953 to \$3,002 in 1964 at an annual rate of under 3.4 per cent, while the number of earners of incomes over \$10,000 increased from 1,378,000 in 1950 to 9,455,000 in 1964 at an annual rate of 14.8 per cent. Particularly rapid has been the increase of the number of incomes from \$10,000 to \$15,000, with an annual increase rate of 17.7. This means that the number of potential tourists who can afford a transatlantic vacation trip is rapidly increasing, much faster than the overall increase of wealth in the U.S.

^{1/} Pilot Survey of Africa's Tourism Prospects, Transport and Tourism Technicians Ltd., London, 1966, page 49.

TABLE 30
Individual income tax returns in the US
(before tax)

Gross income class	Number of returns in thousands				Annual increase
	1950	1960	1963	1964	1950-1964
\$5,000 - \$10,000	6,115	20,266	22,074	22,516	9.1%
\$10,000 - \$15,000	679	3,642	5,670	6,620	17.7%
\$15,000 - \$20,000	256	786	1,231	2,643	11.0%
\$20,000 - \$50,000	359	765	1,043		
Over \$50,000	84	126	162	192	5.9%
Incomes over \$10,000	1,378	5,318	8,106	9,455	14.8%

Source: Statistical Abstract of the US, 1965, page 403.

120. During the period 1962-1965, the number of U.S. residents travelling overseas has increased from 1,767,000 to 2,620,000 at an annual rate of 14 per cent.^{1/} The number of U.S. tourists who travelled to Europe increased from 710,000 to 1,221,000 at an annual rate of 19.4 per cent.

121. An income of \$10,000 a year has been estimated to be the lowest one permitting such trips. However, should the air fares be lowered in the future owing to the introduction of Jumbo-size passenger planes, trans-atlantic vacation trips would become accessible even to earners of smaller incomes. In Table 31 we give therefore the per cent distribution of families by income level from which it appears that in 1964 45.7 per cent of U.S. families had an income of over \$7,000 a year. Bachelors and young

^{1/} Tourism in OECD Member Countries, 1966, page 118.

couples earning even the lowest of such incomes would soon be able to travel over the Atlantic if further reductions of air fares were to take place. There is here a vast new market to be tapped by future lowering of transatlantic air fares.

TABLE 31

Per cent distribution of families by income level in the US

Year	Income level			
	\$7,000 to \$10,000	\$10,000 to \$15,000	Over \$15,000	Over \$7,000
1953	11.6%	4.1%	1.3%	17%
1963	22.5%	14.5%	5.4%	42.4%
1964	23.2%	16.2%	6.3%	45.7%

Source: Statistical Abstract of the US, 1965, page 341.

122. Since it is not to be expected that the annual increase of the GDP will diminish in the future it is likely that the rate of increase of the number of people who can afford to travel overseas will further remain at the same high level and consequently that the number of potential visitors to the North African countries will rapidly increase. We can assume that there were at least 3,000,000 American potential tourists in 1965 who could have afforded vacation trips to the Mediterranean region and that their number will increase by 12 per cent annually. Their number would be therefore 5.3 million by 1970, 9.3 million by 1975 and 16.4 million by 1980. There is, however, a notable difference between the potential tourists from Western Europe and those from the U.S. and Canada. The former, who dispose of an income of over \$3,000 can afford travel within Europe and extend their travel to North Africa and even to the Middle East. Therefore, those who are saturated with the European resorts could easily be attracted

to North Africa, which can provide sea, beaches and sunshine in addition to a quite different ambience. Overseas travel to other destinations would already be much more expensive and therefore hardly accessible to the bulk of European tourists who travel overseas. Thus the main competitors to North African countries on the European markets are other European countries and next to them the Middle East. American tourists with incomes of \$10,000 and more have the possibility of visiting Latin America, Europe, the Pacific, etc., in addition to Africa. Competition here is much stronger. The highlights fit to attract American tourists must be of outstanding quality and presented in such an attractive way that they can compete with the top tourist attractions in the whole world. Also, quality of tourist accommodation and service must be first rate and it depends a good deal on the efficiency of tourist services how many potential tourists will actually be attracted to North Africa.

123. Some of the main attractions of North Africa in the eyes of European tourists have but little appeal for Americans. Neither the U.S. nor Canada are lacking fine beaches, high mountains and natural wonders of all kinds. The U.S. has also extended deserts; therefore, it is rather the monuments of ancient civilizations, the cities with their mauresque architecture and oriental atmosphere, peculiar towns hidden in desert oases and especially people with their customs and way of life, the possibilities for entertainment and shopping, which are liable to attract American tourists. American tourists when travelling across the Atlantic, seldom limit their stay to one or two countries. They are likely to visit several countries and stay in each of them a few days. During such a short stay in each country they visit only the main highlights. This should be kept in mind when planning facilities and programmes for American tourists and promoting travel on the North American market.

124. It has been estimated^{1/} that the growth rate of the volume of American tourism to Africa will be about 15 per cent per year. Owing, however, to the very low start basis of 90,000 North American tourists in North Africa (in 1965), the number of American tourists could in the next ten years increase at a higher rate provided the public opinion in the U.S. becomes more favourable in respect of the North African countries and a vigorous and efficient travel promotion supports marketing of North African tours.

Arab countries and other markets

125. Although emphasis in this study is laid on the Western Europe and North American markets, the regional travel markets including the Middle East Arab countries are also of great importance. In 1965 tourists from Arab countries accounted for one-third of the foreign tourists in North Africa. These regional tourists as well as local tourists improve the profitability of tourist hotels. In addition, many of them use supplementary tourist accommodation including apartments and many stay with friends and relatives.

126. The volume both of regional and domestic tourism in the North African countries will develop mainly as a result of the overall development of the North African sub-region. The changes, however, in the North African sub-region were important and rapid, as a result of the independence that the individual North African countries have achieved during the last two decades and observation of the past trends would hardly be a sufficient base for forecasting the future volume of regional tourism.

127. On the other hand the pattern of local and regional tourism shows considerable differences from one country to another, and the problems

^{1/} Pilot Survey of Africa's Tourism Prospects, page 49.

connected with it should be examined for each country separately. For the purpose of this study it should be noted, however, that the regional market is also likely to grow steadily. The lack of quantitative precision concerning this market does not impair its very important role in tourism development of the North African countries.

128. As regards other tourist-generating countries, including the East European countries, it should be noted that additional volume of tourism deriving from them will certainly benefit North African tourism. The volume of overseas tourism, however, originating from these countries, is still too limited to justify at present a systematic travel promotion activity in them, and development of international tourism in the North African sub-region will essentially depend on the Western European and regional markets with probably an important boost from the North American market.

CHAPTER VIII

TRANSPORT

129. Of 1.2 million foreign tourists who came to the North African countries (except Libya) in 1965, 529,000 or 43.8 per cent came by air, 421,000 or 34.8 per cent by land and 257,000 or 21.4 per cent by sea (Table 32). No statistics were available about the kind of land transportation used by tourists (automobile, bus or train) and it would be useful to introduce such specifications in the frontier statistics. When taking only the 229,000 tourists from neighbouring countries, 70 per cent of them came by land, 21 per cent by air and 9 per cent by sea.

130. Whatever the means of transportation used, the costs of transportation from the neighbouring countries are comparatively low. In respect of costs of accommodation and food, transportation costs play only a secondary role. It is quite different with overseas tourists. Here transportation costs may take the larger portion of the global costs of the vacation. The North African tourist offer on overseas markets includes prices which have to cover both accommodation and food costs at the country of destination and transportation costs from the individual overseas market to the country of destination. These global prices determine the competitive position of the North African countries. It is therefore important not only to cut down accommodation and meal prices in the North African countries and to make the off-season attractive by a dynamic price policy, but also to take such measures which will bring down transportation costs from the U.S. and from Europe to individual African countries.

131. This is particularly important for air transportation costs, owing to the predominant role of air transportation in overseas tourism, but for some countries it is also important that transportation costs be reduced for those who travel by car. These costs include mainly gasoline costs, road tolls and ferryboat fares and car-freight. Today the number of those

TABLE 32
Transportation used by foreign tourists
to come to North Africa in 1965

Country of Origin of Tourists	Air	Sea	Land	Total
<u>Morocco</u>				
From neighbour countries	5,604	11,174*	86,013*	102,791
Other foreign tourists	110,410	65,817*	99,402*	275,629
<u>Algeria</u>				
From neighbour countries	1,620	566	29,696	31,882
Other foreign tourists	47,152	10,974	19,324	77,450
<u>Tunisia</u>				
From neighbour countries	3,385	647	38,883	42,915
Other foreign tourists	92,398	16,315	14,212	122,925
<u>UAR</u>				
From neighbour countries	36,722	9,398	3,481	49,601
Other foreign tourists	229,679	142,238	120,581	492,498
<u>Sudan</u>				
From Arab countries	261	21	1,106	1,388
Other foreign tourists	1,878	156	7,985	10,019
<u>TOTAL</u>				
From neighbour countries	47,592	21,806	159,179	228,577
Other tourists	481,517	235,500	261,504	978,521
TOTAL	529,109	257,306	420,683	1,207,098
<u>Libya**</u>				
From Arab countries	N.A.	N.A.	N.A.	17,705
Other foreign tourists	N.A.	N.A.	N.A.	47,635

Notes: *Car-passengers who came by ferry boat to Tangier have been added to passengers who came by land.

**Hotel arrival statistics.

who travel from Europe by car is not very large. The most important route is that by ferryboat via the Gibraltar Strait. It is our considered opinion that facilities for car transportation over the Mediterranean could be considerably increased and that touring from Europe to Africa and vice versa is a feasible and attractive form of tourism, and will have a great future. We shall consider these questions in two separate sections, one on air transportation, and the other on surface transportation, mainly car and ferryboat.

A. Air Transportation

Regular and special air tariffs to North Africa

132. The distances for air travel between the main European travel markets and the individual North African countries vary from 738 miles between Zurich and Tunis to 3,437 miles between Stockholm and Khartoum. The lowest public round trip fare is between Zurich and Tunis of \$119.00. For this amount it is possible to have a three weeks vacation in a coastal resort north of the Mediterranean with transportation included and even a four weeks vacation in the Alps. For an equal amount, accommodation and food are available in a comfortable resort hotel in North Africa during two to three weeks. Thus the transportation costs, far from being insignificant, account for the difference in the costs of a vacation south of the Mediterranean compared to a vacation in Europe. This holds true for visits from the nearest large European travel markets to the nearest North African countries. For travel from northern Europe or for travel to the middle eastern (in IATA terms) North African countries, both the absolute amounts of transportation costs and their comparative share in the global travel costs are far larger.

133. It is useful to recall that the normal fares in Europe and between Europe and North Africa are from about 15.5 to 19.5 cents per round trip mile, while they are around 12 cents per round trip mile over the North

Atlantic and about 9 cents per mile for long-distance round trips in the United States. In other words, regular air transportation fares are almost twice as expensive for long-range trips in Europe and Africa than in the United States. It is therefore of great importance to have air transportation costs reduced for tourists between European markets and the North African countries. The more these costs are reduced, the more European tourists are going to visit North African countries. In the long run also, development of overseas tourism in North Africa depends on the lowering of transportation costs between Europe and North Africa. To a large extent this is also true for the development of tourism from North America to the North African countries.

134. With this in view the Sixth General Assembly of the International Arab Tourist Union in December 1966 decided to take a firm stand as regards reduction in travel fares to Arab countries made by international aviation companies.^{1/} Important for tourist travel are the special fares. Among them are the "creative" public air fares and various group fares, both less expensive than the normal round trip fares, but for the development of tourist traffic especially important are the IT fares, granted to travel agencies for their clients who pay both for transportation and hotel costs at destination (inclusive tours). Considerable progress was achieved when such IT fares were introduced for travel from both Europe and North America to the North African countries. Because of these special fares a round trip from Zurich to Algiers costs \$78.60 instead of \$129.60 for the normal round trip fare, to Tunis \$85.20 (instead of \$140.60), to Tripoli \$133.20 (instead of \$194.60), to Casablanca \$137.70 (instead of \$186.60), to

1/ Egypt Travel Magazine, January 1967, page. 43

Cairo \$197.20 (instead of \$340.50) and to Khartoum \$347.70 (instead of \$521.40). In Table 33 are shown the IT round-trip fares between some important travel markets and individual North African airports.

TABLE 33
Individual IT fares to North African airports
(in U.S. \$)

From:	Algiers	Casablanca	Cairo	Khartoum	Tripoli	Tunis
Frankfurt	98.60	151.90	212.60	351.20	140.60	101.50
London	121.60	126.00	231.00	361.80	144.70	123.00
Paris	88.50	130.00	212.60	351.20	138.40	98.00
Stockholm	272.50	258.80	283.40	439.90	253.70	215.60
Zurich	78.60	137.70	197.20	347.70	133.20	85.20
New York	370.00	324.00	569.00	677.00	418.00	379.00

135. Between North America and the North African countries the introduction of individual IT rates also considerably reduced travel costs. Thus IT fares for individual travel are for a round trip from New York: \$324 to Casablanca, \$370 to Algiers, \$379 to Tunis, \$418 to Tripoli, \$569 to Cairo and \$677 to Khartoum.

136. Although the introduction of IT individual fares represented a substantial progress, this is still not sufficient in the competition with the North Mediterranean countries, so far as the attraction of European and American tourists is concerned. Even with the individual IT rates, transportation costs between Europe and the North African countries vary between 9.87 and 13.34 cents per round trip mile. This is still more expensive than the normal long distance round trip fares in the USA, which are about 9 cents per round trip mile. Although the individual IT rates from North America to North Africa are lower than IT rates from Europe

and vary from 8.56 to 10.49 cents per round trip mile, they have only reached the normal round trip rates in the United States. It was therefore a great improvement when IT fares for groups of a minimum of 15 people were introduced over the North Atlantic this year, considerably reducing transportation costs to North Africa. Thus the round trip fare from New York to Casablanca is \$265, to Algiers \$312, to Tunis \$330, to Tripoli \$369 and to Cairo \$440. This has reduced the fare per round trip mile to slightly over 7 cents.

Co-operation with foreign travel agents

137. For the development of tourist traffic, IT rates are particularly important: (1) they are lower than any other individual fares on scheduled services and (2) they are granted only to travel agents and not directly to the public. This means that such fares bring clients to travel agents and, in addition, the agents are granted a substantial commission by the airlines.

138. In order to keep their clients, travel agents, besides offering trips to well-known tourist areas, have to offer new destinations which are attractive, where travel is pleasant and interesting, but which are not widely known to the tourist public. This keeps travel agents always on the lookout for new attractive countries and regions. Therefore, travel agents are the natural allies of new countries which try to attract foreign tourism. Interesting IT rates are a suitable tool for obtaining the co-operation of travel agents and for boosting overseas travel to North Africa. Other conditions are equally necessary to encourage foreign tour operators and other travel agents to include the North African countries in their offers to clients printed in programmes of several hundred thousand copies for each of the large tour operator firms. Tour operators need the efficient co-operation of hotels in countries where they send their clients, the co-operation of local travel agencies and the co-operation of official

tourist organizations of the respective countries including their representatives abroad (tourist information offices in foreign countries). First of all, tour operators have to be supplied with complete, accurate and up-to-date information on tourist attractions and tourist facilities, rates and schedules, administrative formalities concerning tourist travel, etc. Printed information material, including well-made folders with striking colour photographs, have to be supplied in time to foreign travel agents, but also of great importance are personal contacts. Therefore, foreign tour operators should be visited by tourist representatives of the North African countries and by qualified executives of North African travel agencies. Such visits should take place at the right moment, that is, when tour operators are considering what tours to offer in their programmes for the next year. The time when tour operators are preparing their next year's programmes, varies according to markets. In some countries programmes are edited, printed and distributed to retailers and clients much earlier than in other countries and local market customs have to be considered.

139. Other public relations and publicity activities have to precede or accompany calls on foreign travel agents, such as invitations of tour operators to visit the North African countries, invitations to editors and travel writers of magazines and daily papers, including press photographers, etc. Paid advertisements have to be placed in magazines and daily papers, well selected for their influence on the travelling public, and free publicity secured.

140. In carrying out local reservations and organizing local tours and other arrangements, accuracy and prompt replies by hotels and local travel agents is very important, as well as the granting of attractive commissions or discounts to foreign tour operators. Equally important is to secure hotel accommodation of the quality which has been promised.

141. With the introduction of IT group fares on the North America-North Africa run, which have substantially reduced transportation costs, it is now the right moment to start with intensive advertising, publicity and

marketing campaigns on the United States and Canadian markets. This requires qualified, well-trained people and considerable financial means. As will be explained in the following chapter, co-operation among North African countries can save costs and, by greater efficiency, extend the reach and strengthen the impact of such marketing and promotional actions which are necessary to influence the vast and prosperous North American travel market. But also on European markets, co-operation of the North African countries would achieve better results at smaller costs. Although IT fares from Europe to North Africa have been limited only to individual IT fares, except for travel to Egypt, such fares in addition to charter flights and surface transportation justify an increased promotional and marketing activity on European markets, particularly as new investments are largely increasing available hotel capacity.

Necessity for spreading IT group fares to all North Africa

142. This does not mean that the competitive position of the North African countries on the European travel markets could not be considerably improved by a wider use of IT group fares. Of all the North African countries, only the UAR has secured IT group reductions of 60 per cent, for groups of 40 people from all the European countries, and of 55 per cent for groups of 25 from the Scandinavian countries. These reductions have brought down the rates per round trip mile to 7.09 respectively 8.43 cents and this will greatly stimulate the tourist traffic to Egypt. It is regrettable that other North African countries have not followed this Egyptian lead and secured such favorable group rates on scheduled services from Europe to their main airports. There are of course charter flights which offer even less expensive transportation. A fully used chartered plane costs somewhere between 3 to 6 cents per round trip mile, and charter flights can considerably boost long distance tourist travel. They have brought fortune to Majorca and other Mediterranean tourist areas and they could

play a major role in developing overseas tourism to North Africa. But the importance of charter flights is often exaggerated. In 1965, the number of passengers on charter flights over the North Atlantic was 480,496 as compared to 3,611,277 passengers on scheduled flights. Or to take a North African example: of 266,401 foreign tourists who arrived in Egypt by air in 1965 only 11,443 arrived on chartered planes.

143. There are limitations to the economic use of chartered planes. The capacity of these planes is somewhere between 70 and 160 seats. If a travel agency is to run charter flights economically, they must bring full planeloads of passengers to destination and take as many passengers home (except for the first flight). If the flights are weekly and the average stay of tourists at destination is two weeks, the travel agency which has chartered the plane must secure 140 to 320 beds in hotels at the destination point. Only resorts with large hotel capacity are suited for charter business on a large scale, and it is much more difficult to organize charter flights to smaller places.

144. On the other hand, charter flights are economical only if booked near capacity. Only big tour operators with widespread business connections can successfully operate charter flights, and charter flights have led to concentration of travel business in some countries. It is true that tour operators are always on the lookout for new attractive tourist countries, yet experience teaches that frequently small tour operators and travel agents show more initiative in offering to the public tourist destinations which are not yet widely known than large tour operators where imagination and initiative are often sacrificed to routine. But when the small tour operators offer overseas tours to new destinations, the large tour operators are compelled to follow.

145. With charter flights the risks are smaller in the main travel season when booking up to the charter plane's capacity is easier than in the off

season. Outside the main season the risk of not selling all the plane seats is bigger, and the risk premium tends to increase the prices of the package offered, in spite of the lower hotel rates in the countries of destination. For travel to several African countries with stays of a few days in each of them where surface transportation is used, charter plane tours cannot be organized as inexpensively as tours using scheduled services, provided special IT group fares are available.

146. It is therefore to the advantage of the recipient countries, of the great majority of travel agents and of the public to have favourable IT group rates. The Europe-Middle East rates and the Scandinavia-Middle East rates should therefore be extended to all the North African countries, including the Maghreb countries and Sudan. The fact that under IATA terms Algeria, Tunisia and Morocco are considered as European countries should not prevent them from obtaining the same favourable IT group fares as those obtained by Egypt. This is particularly important for Algeria and Libya which do not have large tourist accommodation capacity concentrated in coastal resorts like Tunisia and to a certain extent Morocco. But also for Tunisia and Morocco IT group fares would be highly beneficial as they would allow smaller group tours to places like Djerba, Agadir, Marrakesh, etc. in addition to the large places. Smaller groups are often preferred by well-off tourists to large groups carried by charter planes. Also with smaller groups land transportation from the airport is often easier to organize, and this is a circumstance not to be disregarded when countries are concerned which are at the developing stage of tourism. We already mentioned bigger risks for tour operators who offer charter plane arrangements to the public in the fall, winter and spring when the demand is smaller. Such risks are much smaller for small groups carried on scheduled services, and lower prices can be offered to induce the public to travel outside the main season.

147. But extending today's IT Middle East group fares to all North African countries is not all that could be done. It should be borne in mind that Africa has only started to attract big tourism and bold steps are required to succeed in it. In order to attract overseas tourists, American air companies offer attractive arrangements which allow an overseas tourist couple to travel coast to coast on a circular trip of over 2,572 round trip miles for only \$112.50 per person, which is less than 4.37 cents per round trip mile - almost as low as transportation costs on a fully booked charter plane. It might be considered by some air carriers that a reduction of 60 per cent or 55 per cent on the normal round trip fares for IT groups is quite enough. Introduction of such group fares is certainly an important step in the right direction and should be generalized to include all North African countries on one side and all the European countries on the other. But this still is not sufficient. In the slack season the minimum number in the groups should be reduced to 15 (such as for the transatlantic IT group rates) and the rate reduced to 5 to 6 cents per round trip mile. Such a measure would greatly benefit tourism in the North African countries. Their season would be extended and hotel occupancy rates substantially increased. New hotel investments would prove more profitable and make unnecessary interest subsidies out of the government budgets. But for the scheduled carriers this would also prove beneficial. With adequate safeguards there is no danger of losing regular passengers and such a measure would create new traffic which otherwise would not come into being. There is reserve seating capacity in the planes of all the air companies which fly into North Africa. The load factor would increase and the financial situation of the companies improve. It would be very useful for tourism development in North Africa if the official tourist organizations of individual North African countries were to make such recommendations to their respective governments in order that the national air companies submit proposals to this effect at the next IATA tariff conference. The hand of

each of the national tourist organizations would be strengthened if such concrete steps were decided at a meeting of the interested North African countries, sponsored by the Permanent Consultative Committee of Maghreb.

Reduction of operating costs

148. Such measures would augment the revenue of the air companies concerned, but steps could also be taken to reduce their operating costs. In Table 34 operating expenses of scheduled airlines in 1964 are presented. By comparing their own operating expenses with the global figures for the whole industry some national air companies will most probably come to the conclusion that some of their fixed costs are out of proportion with their revenues, and that the station and ground costs, ticketing, sales and promotion costs and the general and administrative costs could be substantially reduced by merging small national companies into a larger sub-regional company as recommended by the African Air Transportation Conference held in November 1964 in Addis Ababa. Such an air company, by reducing important cost categories, could easily offer low cost transportation truly creative of tourist traffic, and at the same time operate profitably. As long as national companies carried only passengers on domestic services, and on their international services carried mostly business people and government officials who did not mind paying high fares, small air companies could be maintained. Explosion of modern tourism, however, has changed all this. Tremendous possibilities of development have been opened, but strength and efficiency are required to channel a large volume of tourist traffic to the North African countries. In such a highly competitive field as that of tourism, reduction of costs is of prime importance and tourism should not be impeded by the desire of individual countries to have their own air companies which are too small to stand international competition, and have to be kept alive by restrictive transportation policies and government subsidies. The Scandinavian countries have long since recognized

this fact and acted accordingly. SAS has proved the value of their co-operation. There is no reason why the North African countries could not act similarly under even more favourable conditions of rapid tourist development.

TABLE 34
Operating expenses of world scheduled airlines in 1964
(in millions of US dollars)

Flight operations	1,935
Maintenance and overhaul	1,333
Flight equipment depreciation	700
Station and ground	1,157
Passenger services	590
Ticketing, sales and promotion	1,178
General and administrative	<u>607</u>
Total operating expenses	<u>7,500</u>
Operating result	+ 612
Per cent of total revenue	+ 7.5%

Source: IATA statistics.

B. Surface Transportation

Ferry services between Europe and North Africa

149. Automobile transport from Europe to Africa is possible theoretically via Turkey, Syria and Jordan to Egypt, and practically by ferry boat services Algeciras Seuta (285 km), Algeciras-Tangiers (51 km), Malaga-Tangiers (160 km), Malaga-Melilla (200 km) and Marseilles-Tunis (912 km). There is also the possibility of transporting cars by regular passenger steamers.

TABLE 35
Ferry boat rates for 1967 (in US dollars)

Operator and Line	Cross Time	Km.	Freight for car	Passenger fares	Remarks
<u>Transmediterranea</u> Algeciras - Senta	1½-4	28.5	up to 4 m up to 5 m	I. 1.95 II. 1.25 III. 0.73	Food not included " " "
<u>Danish R/R</u> Korsr - Nyborg	1¼	30	up to 4.25 m up to 4.25 m	1.75 2.75	" " " " " "
<u>Transmediterranea</u> Agenciras - Tangier	2½	51	up to 4 m up to 5 m	I. 4.80 II. 3.53 III. 2.27	" " " " " "
<u>British Rail</u> Dover - Calais Dover - Boulogne Dover - Ostende Newhaven - Dieppe	1½ 3¾-4 3¾	42 50 120 125	up to 3.81 m up to 4.27 m " " " "	6.20 Cabin suppl. " " 8.00 8.40 Cabin suppl. 5.60	" " " " " " " " " " " "
<u>Limadet</u> Malaga - Tangier	5	160	up to 3.99 up to 4.99	6.40	" " "
<u>Thoresen</u> Southampton - Cherbourg Southampton - Le Havre	5 7½-8	150 180	up to 3.81 up to 4.26 up to 4.26	8.55 Cabin suppl. " " 3.50 3.50	" " " " " " " " "
<u>Jadrolinija</u> Ancona - Zadar	7½	170	up to 750 kg. up to 1250	6.- Cabin suppl. 4.-	" " "
<u>Cie. Transatlantique</u> Nice - Calvi Marseille - Ajaccio	5½ 10½	175 342	up to 4 m up to 4 m	I. 7.90 II. 5.50 I. 13.72 cab. II. 9.25 cab. 4.-	" " " " " "
<u>Transmediterranea</u> Malaga - Mellila	10	200	up to 5 m	I. 6.57 II. 4.12 III. 1.95	" " "

Table 35 (Cont'd)

Operator and Line	Gross Time	Km.	Freight for car	Passenger fares	Remarks
Barcelona - Palma	10	278	up to 5 m in off season 15.90	I. 16.34 II. 9.17	
Adriatic Line Brindisi - Igoumenitza	10½	260	up to 950 kg. 16.-	Stateroom 30.- Couchette 15.- Armchair 11.-	Food not include
Brindisi - Patras	19	500	up to 950 kg. 21.-	Stateroom 37.- Couchette 21.- Armchair 18.-	" " "
T.T. Line Trelleborg - Travemunde	8½	250	up to 4.25 8.75	9.25 cabin 35.	
North Sea Ferries Hull - Rotterdam	14	400	up to 3.81 16.80 up to 4.27 21.-	18.20	bed and meals included
Tirrenia Palermo - Tunis	14	342	up to 4.3 m 37.- up to 4.65 m 41.-	I. 34.- Tourist 19.75	simple passenger ship
Cie Transatlantique, Mixte Palma - Algiers	8	300	up to 1000 kg. 38.46	cc. 21.26	" " "
Marseille - Palma	15	527	38.46	cc. 24.70	" " "
Tirrenia Naples - Tunis	24½	655	up to 4.3 66.32 up to 4.65 71.-	I. 59.- Tourist 32.50	" " "
Cie Transatlantique, Mixte Marseilles - Algiers	20	770	up to 1000 kg. 77.-	cc. 42.60	" " "
Marseille				cc. 41.50	
Marseille - Tunis	24	912	up to 1000 kg. 77.-	Economy class 33.50	

150. In Table 35 a comparative survey is given of ferry services and passenger steamer services between Europe and Africa and some other ferry services in Europe. It appears from this table that while the rates of the short Gibraltar ferry services compare favourably with those on the English Channel, the internal Danish services are about 50 per cent less expensive as far as car transportation is concerned. The rates of the ferry service between Malaga and Tangiers and the ferry service between Malaga and Melilla are close to the rates of approximately equally long services elsewhere, i.e., the ferry service Ancona-Zadar and Brindisi-Ygoumenitza, although the latter transports cars 100 km farther for about the same price, and the Trelleborg-Travemünde ferry service transports cars of the same size 100 km farther at half the car freight of the Malaga-Tangiers ferry. Table No. 36 showing transportation of automobiles through the port of Tangiers, (the total volume of automobiles transported by ferry service is much larger, with the shortest ferry service Algeciras Seuta, and the service Almeria-Melilla) indicates clearly the high points of traffic in Europe-bound traffic in July and August and in Africa-bound traffic in August and September. It is obvious that the bulk of the summer traffic derives from Moroccan residents who in the hottest months travel to Europe for vacation.

152. The long-distance ferry service Tunis-Marseilles (912 km) is meant for well-to-do tourists and prices may not seem essential. However, if we compare its rates with the ferry service Hull-Rotterdam, the car freight could be \$30 lower, and this would certainly boost business. The least attractive for motorists are the regular passenger steamship and motor-ship lines between Marseilles and Algiers, and between Palermo or Naples and Tunis. The rates both for car and passengers are rather high and such rates are not to encourage taking a car on a North African trip.

TABLE 36
Automobile transportation through the Port of Tangiers

Months	1 9 6 5		1 9 6 6	
	Entries	Exits	Entries	Exits
January	921	800	1,105	783
February	751	823	559	705
March	979	1,126	1,973	1,235
April	2,006	2,336	1,916	2,003
May	1,310	1,799	1,385	1,699
June	1,559	2,892	1,638	2,791
July	3,651	7,987	4,781	7,948
August	6,056	7,134	7,552	7,490
September	7,623	3,355	4,765	3,583
October	2,539	1,442	2,496	1,332
November	862	1,023	1,154	854
December	1,005	1,164	1,229	1,123
TOTAL	29,262	31,881	30,553	31,546

153. For developing touring from Europe to North Africa, an essential link is missing: a ferry boat service between Sicily and Tunisia or, more accurately between Marsalla and Kelibia. This 155 km long crossing, if operated by a large modern ferry boat with cafeteria facilities, reclining armchairs, and only a very limited number of berths, and offering transportation of cars from 110 up and passengers for 35, would make possible trips by automobile all around the western Mediterranean including Italy, Tunisia, Algeria, Morocco and Spain. There were 37 million private automobiles in Western Europe in 1965, which could carry some 100 million tourists. If only one-tenth of one per cent of their owners would like to undertake such a fascinating 7,000 km long trip through Africa, the Apenin and Iberian peninsulas, there would be 100,000 European motorists in Tunisia,

Algeria and Morocco. With the completion of the Strada del Sole in Italy and improvement of roads in southern Spain, many thousands of tourists would undertake such trips. There is also the possibility of inexpensive family travel by car to take a vacation in Tunisia or eastern Algeria, or of combining the trips through Italy or Spain with a return by a long-distance ferry boat such as that between Tunis and Marseilles. It is essential, however, that the rates of the Sicily-Tunisia crossing be as low as possible in order to attract mass traffic. In addition to European tourists, such a ferry boat would be used: (i) by Algerian, Tunisian and Libyan tourists travelling to Europe by car; (ii) by the Algerian and other North African workers^{1/} who work in Germany and Switzerland, when they come home for vacation or return definitely; (iii) by foreign residents in North Africa and their families for inexpensive vacation travel or for coming to or leaving North Africa at the beginning or end of their assignment. There would also be the possibility of using the ferry boat for transportation by truck of perishable commodities requiring fast transportation and careful loading and unloading.

154. To assure the complete success of the ferry service right from the beginning, wide publicity should be given about it by the joint efforts of the Maghreb countries and individually by the interested Maghreb countries; by the European touring and automobile clubs and by the company operating the ferry boat line. But other interested organizations could also be requested to co-operate in promoting travel to North Africa by car, such as oil companies which sell gasoline in Italy, Tunisia, Algeria, Morocco and Spain, manufacturers of automobiles, caravans and camping equipment, etc.

^{1/} In 1963, the last year for which we had data available, 526,850 residents of Algeria travelled abroad, 323,126 as tourists and 203,792 for work, 19,000 of them to countries other than France. In 1966, 324,383 workers of Algerian and other nationalities entered Algeria and 342,008 left.

155. There are two basic concepts of passenger transportation policy. One is to take advantage of the existing volume of traffic, which is considered unshrinkable, owing to the rock bottom inelastic demand for it, and to exact high fares. Such a system was possible under the protective regime for traffic between the former metropolitan powers and their colonies, and traces of such a way of thinking are still to be found in the rate policy of important transportation companies. The other is the modern conception of developing passenger frequency and thus reducing the portion of the fixed costs in the price of individual passage. This policy makes it possible to achieve profit with low fares owing to a higher load factor. With such an elastic demand as that due to modern tourism and with a strong international competition in it, the only justified policy, creating traffic and especially tourist traffic, is the policy of low fares, or rather a dynamic tariff policy, making available discount fares which would attract tourists who otherwise would not travel at all, or who would not otherwise be attracted to travel in the periods of slack frequency. To introduce and maintain such a policy, it would be useful for the shipping company operating the ferry service to be owned or efficiently controlled by the country which is interested in developing tourism. In the event of a ferry service Sicily-Tunisia, this would be the Tunisian Government. If, however, this would impose too great a burden in order to finance such a service, other countries equally interested in it, such as all the Maghreb countries, should be invited to participate, and the Maghreb Shipping Company would be very well suited to operate such a ferry service. The necessary know-how, technical assistance, and available credits for acquiring a modern ferry boat could be provided on a bilateral basis similar to that adopted for the organization of the Sudan Shipping Line.

Gasoline prices for foreign tourists

156. Another important measure is to secure cheap gasoline to foreign tourists who travel to North Africa by car. In a country with moderate retail prices for gasoline the structure of the price per unit expressed in percentage is as follows:

Retail price	100%
Taxes and duties	51.5%
Sales margin of the oil companies	7%
Sales margin of the retailer	7.2%

and the remainder are costs of imported gasoline and transportation costs. In other countries which sell gasoline at higher prices, the percentage of taxes and duties are necessarily still higher.

157. It would be highly stimulative for European motorists if discounts were made available for them on retail gasoline prices (gasoline coupons) not only in one African country as it is now, but in all the Maghreb countries plus Spain, Italy, and possibly France. All these countries would have certain advantages by refraining from taking too high a percentage of tax on gasoline sold to foreign tourists and by attracting a large new volume of automobile tourist traffic which would create considerably larger earnings in other fields and indirectly augment the Government tax receipts.

158. Morocco has already introduced such gasoline coupons securing to foreign tourists a 30 per cent discount on gasoline prices. Other Maghreb countries could avail themselves of the Moroccan experience and introduce similar systems or still better, work out jointly a perfected system. The weakness of the Moroccan system is that it grants too small a commission for sales of gas coupons abroad and it does not request co-operation of the right organizations. While in Morocco there can well be banks who sell

gas coupons and are satisfied with a small commission, it would boost sales and also automobile travel to Africa if the touring and automobile clubs in Europe were entrusted with selling such coupons for all the Maghreb countries and if they were granted a substantial commission. They would be materially interested in promoting travel to North Africa and they are in an excellent position to inform their numerous membership about the fine possibilities for touring in North Africa. Another joint step of the Maghreb countries would be to request from Spain introduction of similar gasoline coupons as a measure of economic co-operation to help develop tourism in the North African countries. In the following chapter more will be said about these coupons.

Cruises

159. In a different field, cruises also require attention. The number of passengers travelling on cruises is steadily increasing. Cruises organized by member companies of the Atlantic Passenger Steamship Conference carried 173,184 passengers in 1965 - an increase of 22 per cent over 1964 and of 35 per cent over 1963. A large number of liners are now being built or converted with a special view to cruises.^{1/} The number of cruise visitors in Israel has increased from 22,037 in 1964 to 36,630 in 1965, an increase of 66.2 per cent.^{2/} The number of cruise visitors in Piraeus has in the same period increased from 83,893 to 129,178 or by 53.9 per cent.^{3/} In Tangiers, the number of cruise passengers has increased from 34,447 in 1964 to 42,416 in 1965 or by 23 per cent, and in Casablanca from 44,699 in 1964 to 60,748 in 1965 or by 36 per cent. In Tunis there was a drop in 1965 but a considerable jump in 1966.

^{1/} Tourism in OECD Member Countries in 1966, page 27.

^{2/} Israel Ministry of Tourism, Annual Report 1965, Appendix II.

^{3/} National Tourist Organization of Greece.

160. The advantage of attracting cruise passengers is that they do not require hotel accommodation but largely use other tourist services and spend on tours, entertainment, drinks and specially shopping. One cannot take a beautiful carpet with him when travelling by plane, but for cruise passengers this is perfectly feasible.

161. It is worth making an effort to attract cruises. The idea should be brought home to cruise organizers that there should not be a single Mediterranean cruise without at least two or three ports of call in North Africa. Short trips could be organized deep inland and even from one port of call by land to the next port. The essential is to acquaint the land arrangement organizers and the cruise operators not only with the particular attractions of each potential port of call but also with facilities (and rates) available for entertainment, sight-seeing and tours for cruise passengers. An informative insert packed in a well-printed folder with striking colour photographs of the main ports of call in North Africa and the inland capitals not far from them would do half the job. Organized publicity (magazine articles, etc.) to reach the cruising public would do the rest. A co-operation of all the Mediterranean African countries in this respect would produce quicker results at lower costs.

C. Accommodation Facilities and Means of Transportation

162. The means of transportation determine to a large extent the forms of tourist traffic, the routes followed by tourists and their requirements in respect of accommodation, food, shopping and entertainment. This should be taken into account when planning locations of new tourist accommodation facilities.

163. The bulk of overseas tourists in the years ahead are likely to come to North Africa by air. If travelling on business, most of them are likely to be interested in the capital city and other large cities; if travelling for pleasure, the bulk of such tourists would be interested in a stay of

a couple of weeks in a coastal resort, or for a shorter stay in a large city. Such resorts and cities might also serve as bases for tours and excursions in the inland country.

164. Owing to inexpensiveness of charter flights, many tourists from overseas will use such flights, but it is likely that IT group fares will also provide quite inexpensive transportation to North African countries in the future. It must also be considered that putting into service huge planes such as the Boeing 747 and the new Lockheed and Ilyushin transporters with 490 to 900 seats will tend to further fare reductions and concentration of tourist travel.

165. Accommodation of large groups of tourists and of numerous individual passengers will require concentrated hotel capacity, both in the large cities and individual coastal resorts. Such concentrated hotel capacity already exists in most of the large cities, and if it is not sufficient, new construction of modern, comfortable hotels would easily remedy the situation. For the public, however, who would like to spend their vacation on the seaside, creation of coastal resorts would be necessary, with sufficient hotel capacity to accommodate large tourist groups as well as numerous individual tourists. It is important that in the immediate future the means available for hotel investment should not be used for hotels in isolated locations along the coast but rather concentrated in larger resorts, preferably not too far from a large city. This would also present many other advantages. Infrastructure and utilities are comparatively less expensive to construct and to operate, landscaping and reafforestation can be more easily carried out and first quality entertainment facilities provided (casinos, movie theatres, night clubs, sports facilities). Also, social life would prove more satisfactory to overseas vacationists.^{1/}

^{1/} See The Economic Development of Morocco, page 141, published for the International Bank for Reconstruction and Development by the John Hopkins Press, Baltimore, 1966.

166. On the other hand, there are overseas tourists who would take motor-coach tours through one or two countries. Such tours include large cities and smaller towns rich in tourist attractions. When investing in foreign tourism, it would be useful to direct construction of new hotels and motels only to the most frequently used stopovers on itineraries that include the most attractive highlights of the country and which can be covered easily during 6 to 12 days, and to publicize such itineraries intensively. However, the bulk of touring is by automobile. Most of the domestic tourists and tourists from neighbouring countries travel in North Africa by automobile. Already a large part of overseas tourists come to Morocco by car, and with the introduction of inexpensive car-ferry services between southern Italy and Tunisia, touring of overseas motorists will spread out over all the Maghreb countries. Now, touring has certainly decentralizing tendencies as it brings clients to small town hotels, roadside inns, motels, camping sites, etc. But automobilists often prefer staying overnight in large cities or full-fledged coastal resorts, and residents from neighbouring countries and domestic tourists often spend their whole vacation in such resorts. In order to provide facilities for such tourists, there should be in coastal resorts motels, bungalow-type hotels, and camping sites in addition to the building type hotels. Some bungalows should be provided with cooking facilities for family travel on vacation and weekends. Providing tourist accommodation in other places than the key points of tourists' itineraries should be left to local initiative. Thus, priority in tourism development plans should be reserved for hotel construction in large cities and development of large enough coastal resorts and for a few other key points of the main tourist itineraries.

167. The pattern of travel described in this section is most likely to develop in the Maghreb countries, while Egypt and Sudan will mainly rely on air traffic for travel to the country and all kinds of modern surface transportation for travel within the country.

CHAPTER IX
TOURIST PROMOTION

Extending the season

168. A careful study of statistics of foreign tourist arrivals or tourist nights in each of the North African countries has revealed that in most countries the actual tourist season is much shorter than the climatic conditions would justify. In some countries, like Morocco and the UAR with two different climatic zones, this is obscured by lack of statistics on tourist nights and arrivals by regions, and the overall statistics for the entire country, although broken down by months, do not give any insight into the actual length of the seasons of each region. A visit to these regions, however, and enquiries on the spot have given sufficient information on the subject. Statistics in other countries have shown that it is perfectly feasible to attract European tourists during an extended period of 8 to 9 months. On the other hand, tourists from the Scandinavian countries, the U.S. tourists, and numerous German tourists travel over considerably longer periods than tourists of some other European countries.

169. In transportation and in hotel business, where fixed costs are comparatively high, the length of the season is of primary importance, and everything that can bring about an extension of the season and thereby a higher hotel occupancy rate and higher load factors should be carefully examined. There have been attempts to expand the tourist season within individual European countries - the so-called staggering of holidays. Such endeavours have met only with a very limited success and it is obvious why: if such an action is undertaken in a country with a moderately cold climate, and people are persuaded to spend their vacation on the North Sea coast in May instead of August, they will most probably find cold and rainy weather, few interesting people in the resorts and even inferior service. It is quite different when people are persuaded to travel in March or April to,

Morocco, Tunisia or Egypt. They will find really sunny and warm weather there, the cities bustling with life, contacts with local people are more easily established, the service in hotels is as good as ever, and the vacation would prove a success. At the same time they have escaped unpleasant weather at home, and the summer weekends can still be enjoyed in their own country. When the North African countries publicize winter, spring and fall vacations, they really offer true value, although at the beginning they will have to offer it at a reduced price. With inducement of lower prices, and efficient promotion, people who do not have school children at home and can travel any time of the year will sooner or later become aware of the real advantages of "off season" travel. But it must be borne in mind that the vacation habits of people are firmly established and it is not easy to change them, though it be to their own benefit. A well-made folder or an advertisement of a resort hotel will not change such habits and even the tourist promotion of one country may not be able to change them. But the joint efforts of all North African countries, helped by other interested Mediterranean countries, is likely to bring about this change.

170. To achieve success a complete set of measures has to be applied simultaneously and with strength. They are the following:

- Substantially lower hotel rates in the slack season, even if they were only to cover the proportional (variable) costs and only a small fraction of fixed costs;
- Considerably lower fares in local tourist transportation, including gasoline coupons at a greater discount than in the season;
- Although substantial reductions have been introduced in some winter season fares from Europe to some African countries, effective from 1967, such reductions are not applied on all routes, and some of them are clearly inadequate. Especially IT group reductions should

be much bigger to offset the seasonal advantages of charter flights which are organized in the season with less risk, and which would provide cheaper packages in the off-season. Such substantial group reductions could also make possible attractive package tours to areas which do not yet have sufficient accommodation capacity for charter business;

-Lower off-season rates on the ferry-boat services and the steamship services between Europe and North Africa.

171. Co-operation of Spain and Italy should be obtained which would consist of introducing gasoline coupons at a larger discount in the off-season. This would also greatly encourage off-season travel in the said two countries.

172. All this should be publicized in vigorous widespread advertising and public relations actions, with the possible participation of all who are interested in achieving such results. Spreading of travel to the southern countries over an extended period would alleviate traffic congestion and shortage of accommodation in the peak season in Europe and reduce the peaks on the railroad, steamship and air services. With tours to Africa offered at accessible prices, many European tourists who would have liked to visit Africa but could not afford to will now be able to do so, and many others will have the opportunity of escaping the rigour of the cold weather at home and spending pleasant holidays in a warm climate. For the developing North African countries this means greater earnings from tourism, which will speed up their economic development and strengthen their ability to purchase industrial products from Europe and other highly developed regions. In addition, a longer season would enable African countries not only to offer low prices in the off-season, but if necessary also to reduce prices in the season. With the same means available, more satisfaction can be derived for the public at less cost in a way which would favourably influence international trade and economic development.

Information for motorists

173. With the introduction of new ferry services over the central part of the Mediterranean Sea, the European tourist public should be acquainted with the new possibilities for travelling by car to Africa and persuaded to avail themselves of these possibilities. All the Maghreb countries would benefit from it. On the other hand, motorists will not visit just one country as most of the tourists do who come by ship or by air; they would like to include several countries in their trip once they have taken their car to Africa. Therefore simple, accurate, up-to-date and complete information should be given them covering all the countries they might be interested in, including information on ferry services, rates, gasoline prices, hotel rates, etc., and a tourist road map of the Maghreb countries. The co-operation of the Maghreb countries would be necessary to provide such informative material and promote touring through the whole of the Maghreb territory.

Co-operation in other fields of travel promotion

174. But experience has shown that combined efforts give also better results in many other ways of advertising and publicity. Advertisements for all the Maghreb countries, stressing the main highlights of each of them, would have a stronger impact on the public and for the same money larger advertising space could be secured in more media, and the ads could be placed more frequently. In this way travel promotion could reach the public directly and attract tourists who prefer to travel independently and usually spend more than members of groups organized by travel agents.

175. A country or a region which has sufficient means to advertise and whose ads are noted by the public and newspapermen would obtain a much better free publicity than a country whose ads pass unnoticed. Favourable

articles on such a region are published both by the papers which have obtained ads and papers which only hope to obtain them. The first will do it to boost the pulling power of the ads placed with them, the latter to show the publicity value of their travel stories and thus attract advertising.

176. Morocco has eight information tourist offices in foreign countries, Algeria has three, Tunisia five and UAR ten. Rent and general office expenses are high and so are manpower costs. The pooling of effort would reduce costs and strengthen the efficiency of tourist offices representing the six North African countries. The means thus saved could be used for augmenting advertising. Why should not the head of the UAR tourist bureau in New York remain an Egyptian but be flanked by one or two assistants from the Maghreb countries, while the bureau would change the name and become the North African Tourist Office. The rent would be shared, and the savings used for advertising, etc. This would make it possible for all the North African countries to have offices in such interesting markets as Copenhagen, The Hague, Brussels, Hamburg, Zurich, in addition to London, Paris, Frankfurt and New York. There is always the possibility of ventilating the costs in an equitable way so that every country will profit from such co-operation and all employees should be trained to supply information on all the North African countries.

177. Some of the North African countries have excellent promotional material as regards contents, choice of photographs, text, but of very poor quality of print and paper. Some other countries have excellent printing facilities but very little knowledge of how to make a good folder, what shall be said in the text, what photographs to choose, how to make an effective layout and even what should really be promoted on foreign markets. A co-operation in this field too would be of great benefit for all concerned.

178. Other regions have well understood the value of joint travel promotion. The European Travel Commission has set an example and performed a historical mission under conditions where such co-operation was necessary. Other regions soon followed. The Organization of Central American States has established a permanent secretariat for tourism (SITCA), which has embarked on a regional programme for marketing and publicity. Joint marketing and publicity arrangements have also been entered into by groups of countries in other parts of Latin America - for example, Colombia, Ecuador, Panama, Peru, Venezuela. In East Asia, a travel conference was convened by Japan in March 1966 attended by tourist associations from the Republic of China, Hong Kong, Republic of Korea, Macao, the Philippines and Thailand, with the object of establishing co-operation in joint tourist publicity and promotion and in improving tourist facilities and services in the East Asian region. It was followed by the constitution of an East Asian Travel Association.^{1/}

179. There are North African countries in which people responsible for tourism have not yet grasped the scope and intensity of the changes in tourism. There are heads of travel promotion departments who still think in terms of attracting local tourists to a resort, oasis, or spa, while in reality the issue is how to attract millions of tourists from one continent to another. Yesterday, owning a car was a luxury, and so was travel to distant countries. Today both are accessible to many and their number will rapidly increase. Today aircrafts carry 80-160 passengers. Tomorrow there will be planes carrying 490 passengers or more. People will be travelling more extensively and further afield. Tankers of 250,000 gross tons are designed to reduce transportation costs. It will be no problem

^{1/} UNCTAD, Review of Continuing Developments in the Field of Invisibles, of 3 March 1967, TD/B/C.3/39/Corr.1, page 17.

to design ferry boats which will easily connect two continents for low cost automobile traffic. Therefore, it is necessary to think big and to muster sufficient strength to attract this rising tide and channel it to the North African region. Co-operation of North African countries is indispensable to that effect--co-operation in travel promotion in the first place, but also co-operation in many other aspects of tourism which will be briefly discussed in the following chapter.

CHAPTER X

OTHER ASPECTS OF CO-OPERATION OF THE NORTH AFRICAN COUNTRIES IN THE FIELD OF TOURISM

Co-operation decided by North African countries

180. In November 1964 the Conference of Ministers of Foreign Affairs of the Maghreb countries, held in Tangiers, entrusted the Permanent Consultative Committee of the Maghreb countries with the task of calling a meeting of their respective official tourist organizations. This meeting took place in October 1965 in Algiers, and decided on the following recommendations:

- That prior to any international conference, the four Maghreb countries get together in order to define a common attitude and decide which country is to represent them and submit a report afterwards on the results and conclusions of the meeting;
- To make the institutions for training of personnel in the hotel industry and tourism accessible to students from other Maghreb countries; to support the request already made to UNDP to finance higher training institutes for the hotel industry in Algiers and for tourism in Tangiers;
- To distribute travel literature of all the Maghreb countries, by their national tourist offices;
- To publish in common the following travel literature:
 - (a) a general folder,
 - (b) a tourist map,
 - (c) a travel guide,
 - (d) a poster;
- To take action in order to have frontier formalities relaxed;
- To create joint organizations grouping various tourist organizations of the member countries;

To encourage the reciprocal tourist traffic between the Maghreb countries;

-To create a Maghreb Committee of Tourism, entrusted with formulating a joint tourist policy, to co-ordinate this policy and survey its implementation.

181. Co-operation within the International Arab Tourist Union has begun still earlier. The Sixth General Assembly of that Union, in December 1966, took a number of important decisions, among them several concerning the national programmes for the Year of International Tourism, the translation of the IUOTO correspondence course into Arabic, approval of the programme of studies to be undertaken by individual Arab countries, further decisions to undertake various tourist publicity projects, to take a firm Arab stand as regards reductions in travel fares to Arab countries made by international aviation companies. The Assembly also recommended the abolition of entry visas between the Arab States as well as the largest number of other States, especially those from which tourists come.

182. In the sub-regional meeting on economic co-operation in North Africa in June 1966, the Commission for Tourism noted with satisfaction the efforts exerted by each of the countries of the North African sub-region in connexion with tourism, and the joint activities undertaken to further co-ordination in this field; suggested that consideration be given to the formation of confederations of the tourist organizations of member countries, endorsed the IUOTO recommendations for the Year of International Tourism, recommended that facilities be extended between countries to grant students and trainees admittance to the vocational training establishments existing or to be opened; expressed the wish that tourist itineraries covering several countries in the sub-region be organized, that travel literature of all the members of the sub-region be distributed in the national tourist offices of member countries, and that the present study be undertaken.

183. These meetings and the recommendations adopted by them are very encouraging on several aspects. First of all, they clearly show that the usefulness of regional co-operation in tourism has been officially recognized. Secondly, they bring together responsible officials in tourism of the member countries and this is a good opportunity to exchange experience and useful information in an informal way and, thirdly, they make possible the solution of common problems by joint action. It is to be hoped that such meetings will take place regularly in the future and that more and more practical problems which require joint action will be put on their agenda. It would help co-operation in such meetings if political considerations were left out entirely and only questions of practical interest for tourist development in the respective region were treated. Once the decisions or recommendations were taken on joint action, it should be considered a moral obligation for each country to implement them, regardless of other (i.e., political) problems which may have arisen between two or more member countries and have nothing to do with tourism. The favourable results which such co-operation would bring about for tourism in each participating country would gradually help to dispel reserve and mistrust which may still be present in other fields and extend efficient co-operation to such other fields. This may, to a large extent, help to solve political differences as well which might still exist between various members of the sub-region.

184. On the other hand, while the need for co-operation in tourism is officially recognized, and efforts are undertaken by the official tourist bodies of member countries to implement the adopted recommendations, this co-operation should not be limited only to the concrete actions decided upon, and to the official agencies, but co-operation in tourism should be generally encouraged between all private or government agencies interested in it.

185. There are some aspects of co-operation which could usefully take place between all the member countries of the sub-region, there are others which would give better results if limited only to the Maghreb countries or to the Middle Eastern countries, and there is also bilateral co-operation mostly between neighbouring countries. These various aspects of co-operation do not exclude each other, on the contrary, they all contribute to the development of tourism in the entire sub-region.

Research

186. The value of research has been stressed by the International Arab Tourist Union, and the contributions of individual countries in this respect are certainly of great utility. It would be useful to extend such research to some rather delicate fields and to keep the findings confidential, only for use of the countries which have participated in it. This could be the case of a comparative study of (i) construction costs and (ii) operating costs of hotels of a similar type in each of the countries of the sub-region. Such a study would reveal what concrete measures are to be undertaken by individual countries in order to make their hotel industry more competitive. A similar research could also be undertaken regarding the investment incentives granted by individual countries; how do they work, and whether they are insufficient or, perhaps, exaggerated, so that the same results could be achieved with a smaller participation of budgetary funds. Since most of the countries concerned have hotels operated by government agencies or by mixed companies, reliable data could be obtained in this domain and exchanged to their mutual benefit.

187. There are also studies, especially market surveys which cannot be efficiently undertaken by countries of tourist destination. The possibility of requesting the co-operation of the tourist-emitting countries has already been mentioned, namely, that they, in their surveys on the vacation behaviour of their residents, include information that would

greatly help the developing countries where such residents might travel. Some market surveys necessary for directing advertising and marketing would have to be entrusted to special research bureaus, and such studies are rather expensive. They could be conducted in such a way as to benefit all the countries of the sub-region which would participate in their costs.

188. Also useful are studies on the value added, on the multiplier effect and other economic incidence of foreign tourism. The multiplier effect of foreign currency earnings from tourism on business volume of other economic branches was first presented by Mr. Clement (in the Future of Tourism in the Pacific and Far East, pages 18-31, published by the U.S. Department of Commerce in 1961). It has been amply utilized for presenting the economic advantages of tourism and the multiplier of 3.2 has become notorious although it might be grossly inaccurate for some countries. On the other hand, it has almost created the impression that tourism had some miraculous virtue which other branches of the economy have not. It is obvious, however, that the multiplier effect can equally be attributed to other export branches and even to branches producing for the home market, where the productive use of savings creates new products, new jobs and revenues. But there is a great practical value in the multiplier theory applied to tourism. Since tourism is creating increased business and revenues in connecting economic branches, new tax receipts will derive therefrom for the government. Besides, increased business activity and revenues will require more imported goods subject to customs duties. Therefore tax and customs revenues for the government may augment even if new hotels and similar establishments are tax exempted and do not pay customs duties on imported equipment. Tax and customs exemptions of foreign tourism establishments by encouraging new investment are conducive to an increase in the global tax revenue of the country. New figures about such economic results of tourism based on concrete conditions

in individual North African countries would certainly help tourist organizations in these countries to present their case effectively to their respective governments and such study would be of great interest for all the countries in the region.

189. Whatever the value of the market surveys and other studies on a sample basis, a good and reasonably complete system of tourist statistics is indispensable for any country which intends to develop tourism. Otherwise there is serious danger that vital conclusions for development of tourism be drawn on the basis of incomplete information and even erroneous judgment, and this might do considerable harm to the economy of a country and the development of its tourism. Even such countries as Morocco and Algeria, which have great tourist potential, until recently did not have statistics on hotel arrivals and tourist nights, on countries of registration of foreign cars entering the country, and other statistics. On the other hand there are countries such as the UAR and Tunisia which have a well-developed system of tourist statistics; especially Tunisia, which has some of the most complete tourism statistics with data well checked, rapidly processed, and judiciously presented. It would be very useful for other countries to learn from the Tunisian example and to introduce a similar system with the help of Tunisia. It would be still better if all the North African countries agreed to adopt the same system of statistics based on the Tunisian or the UAR systems which are basically the same, to bring in some minor perfections in the light of the recent recommendations of the U.N. Statistical Commission and UNCTAD and to have a modern and reasonably complete system of tourism statistics.

Uniform regulation

190. It has been already mentioned that mobile tourism covering several countries requires up-to-date and uniform information on facilities in each of the countries of a tourist region. This has been also officially

recognized, and joint informative material will be published by the Maghreb countries. But there is need for a further step. Uniform conditions in travel facilities should correspond to uniform information. If one country has five-star, four-star, etc. hotel categories, and some other first, second, etc. hotel categories for which different criteria are applied, prospective travellers have no way of comparing the amenities offered and the rates charged. It would be quite different if a modern and uniform hotel classification were adopted by all countries of the sub-region, with some tolerances in the B sub-categories, for older palace-like hotels in some countries which would not meet the strict requirements of the new classification.

191. With the development of popular tourism and especially touring by automobile, such uniform classification would be even more necessary for resorts of bungalow-type, camping sites and other supplementary accommodation facilities.

192. Some of the Maghreb countries have a good regulation of hotel and restaurant activities, including requirements of posting of menus at restaurant doors, of the room rates and hotel regulations in the hotel rooms, etc., which could be adopted by all the North African countries, since they have a reassuring effect on foreign tourists and are conducive to square dealing.

Regional tourism

193. Much progress has been made by officially encouraging tourism between North African member countries. Tourist statistics of Middle Eastern countries have shown that regional tourism, mainly between Arab countries, provides the bulk of their international tourism, similarly to the European countries which we have observed. In the North African countries tourism

from Arab countries grows faster than tourism from Europe.^{1/} It is therefore a sound policy to encourage regional exchange of tourists, although a strict reciprocity in this respect would be rather harmful. Currency allowances for such trips should be granted rather generously within the reasonable possibilities of each individual country. No insistence should yet be placed on equality of such allowances and this should rather be set as an aim for the future.

Frontier formalities

194. It is different with visa requirements for tourists from neighbouring countries. It is a mere supposition that visa requirements in countries with a yearly influx of hundreds to thousands of tourists is an efficient guaranty of the safety of the country, and this supposition belongs to the past and not to modern times. It is therefore highly commendable that the Sixth General Assembly of the International Arab Tourist Union has recommended the abolition of visas not only for citizens of the other Arab countries but also for citizens of the largest number of other countries.

195. There are also other frontier formalities which should be relaxed, and first of all customs formalities and currency controls. Some harmless smuggling goes with the tourist traffic. When an elderly lady, in order to make a gift to her friend, brings over the frontier two bottles of perfume in her luggage instead of the one bottle which is allowed, she has had the thrill of her life in addition to the usual excitements of travel to foreign countries; or a heavy smoker brings in the five cartons of cigarettes he is accustomed to, or even when a tourist sells his tent

1/ But in most of the Maghreb countries, visitors from the nearest European countries on the other side of the Mediterranean belong to regional tourism. The only difference from the tourism from Arab countries is the lack of land communications. Introduction, however, of inexpensive short-range ferry services will provide possibilities for inexpensive travel by automobile.

to his camp site neighbour who was so enthusiastic about it - all this is smuggling although it will hardly upset the economy of a country. But strict customs controls and molesting of tourists for such trifles would certainly harm the country by discouraging tourists. Strict currency controls also. If the foreign currency earnings as recorded by the central bank show an increase commensurate with the increase of tourist nights and the daily spending of tourists seems reasonable it is time to simplify currency regulations and relax currency controls. The favourable impression on tourists of such improvements will encourage foreign tourism and the increase of foreign currency earnings will more than offset the loss of currency due to some professional smugglers who have escaped control.

196. It is important to emphasize those old truths, since the rapid development of tourism with the arrival of large groups by chartered craft, or large ferry boats, or simply the files of automobiles on land border crossings, will make it necessary to skip formalities and let people in; delays in performing thorough customs formalities as one can still witness in some North African countries, would annoy tourists who in Europe are not even aware that they have crossed a frontier. Therefore, to simplify and relax frontier formalities is a measure both to encourage regional and overseas international tourism. Experts have been recently engaged in simplifying some archaic frontier and other administrative regulations in the countries which have no great experience in this field as they are only at the beginning of tourism development. Therefore it is to be expected that a liberalization of frontier formalities will take place in all the North African countries.

Co-operation in travel business

197. Simplifying of formalities including those concerning entry by car and motorcoach will also boost excursions from one country to another as well as tours organized by travel agencies. Tunisian travel agencies

already offer tours including both Tunisia and Algeria. Libyan travel agencies could organize motorcoach tours to Djerba in Tunisia, and excursions could be organized for vacationists in Djerba island to Sabratha, Leptis Magna and Tripoli in Libya. The same could be done between Morocco and Algeria, to give only a few examples. It has been recommended that tours be organized by travel agencies including several North African countries. There was even discussion of organizing a Maghreb travel bureau to that effect. It could be observed in this connexion that the free initiative of the existing travel bureaux and co-operation between them could bring about such desired results provided no administrative obstacles are put in their way. But if this does not materialize, a tour operator bureau, doing business only with travel bureaux, both in the Maghreb countries and abroad, but not with the public, could organize and sell such tours. It should be a joint venture of those Maghreb travel bureaux who are interested in developing this sort of business. It could certainly do great service in promoting and marketing tours through the Maghreb countries and in facilitating the organization of such tours for European tour operators. But it would be different if such a tour operator would set about to open branch offices in the main European markets and attempt to compete with the wholesalers or retailers in the respective markets. Such a step would not be advisable at present, when only a wholehearted support of European and American wholesalers and tour operators can bring about rapid development of overseas tourism to the North African countries.

198. It is quite different with the co-operation of North African countries in setting up and running joint North African or Maghreb tourist information offices in the USA and Western European countries which have been mentioned before. Such joint offices will save costs, strengthen the impact of travel promotion, and they are no competitors to the tour operators and retailers on the respect markets but quite the contrary, their most reliable help.

199. Professional training has been mentioned before in connexion with the recommendations of the North African or Maghreb conferences on co-operation. It has been recommended that training facilities should be made available to students from other member countries. These recommendations have been implemented by some countries. Tunisia, for instance, has offered professional training under very generous terms to students of Algeria and another Maghreb country, but only Algeria has availed herself of this opportunity to send thirty students to be trained in Tunisian hotel industry schools. It is to be hoped that this practice will continue and be enlarged in the future, especially with the increase of the number of such schools and training centres, both in Tunisia and Morocco.

200. When the institute (school) for higher professional training in hotel industry and tourism materializes with UNDP assistance, a large gap will be filled in and the way paved to faster development of the hotel industry and tourism in North Africa. There is actually a shortage of people adequately trained for executive and managerial posts in hotel business and tourism in general. Training in higher training institutions in Europe has not always given the expected results, as students were thus enabled to accept well-paid jobs in European hotels and some availed themselves of this opportunity. A hotel training institution in North African countries would not imply that students study and live under conditions different from those in their native country and the links with their respective countries would remain unbroken, while the highest professional skills in the field would be made available to them.

201. Some of the North African countries have renowned universities and other institutions of higher education in other fields and in exchange for accepting their young people to the higher training institutes for the hotel industry, they could offer similar facilities in other fields to students originating from the country in which the hotel institute is located.

International conventions

202. Of special interest to tourism are international and sometimes national conventions of foreign organizations. Large North African cities with sufficient hotel accommodation and facilities for large gatherings are in a favourable position to attract such conventions, owing to their comparatively small distance from the main industrial areas of Europe and a substantially different climate. Algiers, Tunis, Tangiers could easily play a similar role in respect of the West European and international conventions as Miami plays in respect of the conventions of U.S. organizations. Joint action by all North African or Maghreb countries would be very useful, as their representatives in various international organizations could adopt a common stand in respect of the invitations of one individual North African country and support it, as well as influence other delegates to that effect.

203. There is a convention which could be of tremendous interest for the development of tourism in African countries. It is the Annual Convention of the American Society of Travel Agents, ASTA, to be held in October 1969 and 1971. Africa is practically a new continent for the U.S. travel bureaus and the public, and it is good business policy for travel bureaus to offer to the public new and attractive travel. In connexion with the ASTA Convention, pre- and post-convention tours are organized by the host country and by other countries and offered to the travel agents at a nominal fee of from \$7.50 to \$10 a day. Such tours open new horizons for travel agents and many of them will later offer tours including these regions in their new tour programmes which they distribute to clients in ten to several hundred thousand copies. There are over 2,000 people who attend ASTA conventions, including wives. Most of them are owners or top executives of travel bureaus. They all require very comfortable hotel accommodation, rooms with private bath included. Cairo and Tunis could already play host to such a gathering, and with new hotel construction to be completed before October 1971 other North African cities might also

throw their hats into the ring. There are also other cities in Africa which may be able to play host to the next ASTA Convention held outside the USA. It might be Addis Ababa or Nairobi or a West African city provided it has sufficient conference rooms and hotel and transportation facilities.

204. It would be useful, therefore, for the African countries which are interested in playing host to the ASTA Convention in 1971 or in offering pre- or post-convention tours, to contact each other or the secretariat of the ECA so that the city in which the African countries would like the 1971 ASTA Convention to be held can be fixed in advance and when the host country extends its invitation at the ASTA Convention to be held in Tokyo in October 1969 this invitation can be seconded by all the African countries represented at the Convention and by all ASTA members in Africa. The great promotional value of this Convention and the interest other regions in the world have in attracting it must not be overlooked, and co-ordinated action is necessary to attract the 1971 Convention to Africa.

CONCLUSION

205. The data on which this study has been based are neither complete nor uniform for all the countries surveyed, but they were sufficient to reveal the main trends in international tourism as far as they are of interest for the North African countries. However, more quantitative precision in estimating demand could be achieved only on the basis of detailed market research, the modalities of which were mentioned before.

206. Another factor lacking precision is the possibility of the structural lowering of air fares in the future, due to a reduction of operating costs as a result of technological progress. The Boeing 747 and similar gigantic planes to be put into service by 1969 and 1970, in addition to lowering of fares on scheduled services, may also have considerable indirect influence on lowering the prices of charter flights. On the other hand, giant planes could also be used for transporting automobiles and passengers overseas to start their automobile tours far from their home countries.

207. More precision could be obtained from the North African countries in respect of their tourism development plans. Such plans were not available in all the member countries, but it is very likely that they will be elaborated in the future, which will help to a more accurate estimate of the future tourist offer of the North African countries.

208. No indication has been given in this report about the offer of competing countries. Data, as far as they were available, are given in the OECD yearly publication "Tourism in the Member Countries." It can be seen from the published figures that not only in Africa, but also in other continents much is being done to develop the offer of tourist services. In the traditional tourist countries, there are numerous investments in new hotels and even more in supplementary accommodation facilities. Certainly domestic tourism and short and medium range international tourism are on the rise, and new investments aim at satisfying this rising demand.

But this intensive investment trend is going to change the very aspect of the main tourist areas in Europe which will not be quite to the taste of their traditional visitors, so that they will look for new horizons overseas. There is no wonder that the tide of big tourism which first flooded Spain, then Yugoslavia, Greece and Portugal has now reached Turkey and already there are important bridgeheads on the southern shores of the Mediterranean. It is obvious in which direction big tourism is moving and that North Africa has splendid possibilities to reap full benefit from it.

209. This report contains recommendations for a whole set of co-ordinated measures and joint action to be undertaken by the North African countries. The aim of this report has been to indicate only such co-ordinated measures and action. Their full impact, however, can only be achieved if these measures are supported by sound tourism development policies in each of the member countries. Some of them have already formulated such policies and achieved remarkable results. In some other countries, the first steps have already been taken in the right direction and there are indications they will be continued more vigorously in the future and produce the desired results. Therefore, conditions are ripe for joint action by North African countries in the field of tourism which will facilitate the efforts of individual countries, speed up their development, and enable them to derive full benefit from the tremendous increase of international tourism in the world.

ANNEX I
GENERAL RECOMMENDATIONS

Research and statistics

In most of the North African countries large-scale tourism is only at its incipient stage. Such countries need information on the best possibilities for financing new investments, what are the most suitable types, categories, sizes and locations of new accommodation plant to be built, what new transport facilities are necessary, which are the most efficient ways of marketing and travel promotion on foreign markets, etc.

The effective co-ordination of various economic activities participating in the travel business and the formulation of a rational and effective tourism policy including transport, accommodation, entertainment, etc. require serious research based on a modern system of tourist, hotel and transport statistics and on extensive surveys, both within the countries concerned and on foreign travel markets. Such research is even more necessary if a realistic tourism development plan is to be elaborated.

Some North African countries have undertaken thorough studies which have cleared the ground for a successful development of tourism. In some other countries, studies were undertaken which in the absence of reliable statistical data could not give sufficient quantitative precision, but only reveal general trends.

While the costs of statistics have to be borne separately by each country concerned, many surveys and studies could benefit all the North African countries and their costs, which are far from being negligible, should be shared among them on an equitable basis. Some of them could be undertaken by the highly developed countries of Europe and North America which are the main suppliers of overseas tourists, and the findings of such studies would be of great help to the developing countries which receive tourists. Recommendations on this subject are given in the following text.

(1) In enquiries and surveys undertaken by various OECD member countries about the travelling habits of their residents, the questionnaires used should also include questions which will make such surveys instructive and useful for the developing countries as well. They should provide information as to how far their residents travel, which countries they visit, what transportation they use, what accommodation facilities they require, how long do they stay, how much they spend, their age, occupation and size of income, what has induced them to travel, who has organized their trip, etc.

It would also be useful if the organizers of such surveys established co-operation with the tourist recipient countries overseas or the ECA, in order to include such particular questions which will supply overseas developing countries with valuable information on tourism trends (paras. 110 and 187).

(2) It is also recommended that the North African countries undertake appropriate travel market research commissioned to individual research bureaus for the benefit and at the costs of all the North African countries. Participation in the costs should be pro rata of overnight stays of visitors from the researched markets in each of the participating North African countries (paras. 110 and 187).

(3) A comparative study should be undertaken by all the North African countries of the (a) construction costs and (b) operating costs of hotels of a similar type in each of the countries of the sub-region. Such a study would reveal what concrete measures ought to be undertaken by individual countries in order to make their hotel industry competitive and it should be kept confidential and made available only to countries which have participated in it (para. 186).

(4) A similar research could also be undertaken regarding investment incentives granted by individual countries -- how do they work and whether they are insufficient or possibly exaggerated, so that the same results could be achieved with smaller participation of budgetary funds (para. 186).

(5) It is recommended that all the North African countries agree on adopting a uniform system of tourism statistics, based on the UAR and Tunisian systems which are organized on similar lines, to bring in perfections in the light of the recent UNCTAD and U.N. Statistical Commission studies undertaken in this field and to introduce more detailed transportation statistics including the following. the frontier check statistics should make a distinction not only between passengers arriving by air, sea, land, but also within each of these categories and in particular between air passengers arriving (a) by scheduled planes, (b) by chartered planes and (c) by private or sports aircraft. In land transportation distinction should be made between railroad, bus and private automobile. For private automobiles the country of registration should be recorded so as to obtain insight into the distances actually travelled by automobile (para. 129).

Transport

The highly elastic demand in the tourist business makes it necessary to exert every possible effort to reduce the prices of the North African tourist offer on the main travel markets. Here transportation costs play a decisive role. At present, progress in air transport technology has made possible fast and comfortable travel over the Mediterranean. It remains for this air travel to be made sufficiently inexpensive to overcome the handicap of longer distance and the separation by sea from the main travel markets.

As witnessed by the lowering of airfares in other regions, such substantial fare reductions could also be achieved in air transport connecting North Africa with the main travel markets, provided joint action is taken by all the countries concerned, after studies as to what extent such measures can be commercially applied.

Modern ferry boat services have spread all over the European seas on routes often considerably longer than the shortest crossing between

Italy and North Africa. Conditions are already ripe to connect Europe and Africa, not only across Gibraltar where ferry services have already proved their value, but also across the middle section of the Mediterranean. Modern road construction in Europe and long-distance touring by automobile have made sufficient progress to make visits to North Africa by automobile practicable.

In the following text some indication is given about steps recommended in this respect.

(6) The Europe-Middle East special group air rates and the Scandinavian-Middle East IT group air rates should be given consideration as to their possible extension between all European and the North African countries, including the Maghreb countries and the Sudan. The fact that in IATA terms Algeria, Tunisia and Morocco are considered as European countries should not prevent them from obtaining the same favourable IT group fares as those obtained by Egypt and other Middle Eastern countries (para. 142).

(7) It should also be considered if in the slack season the minimum number in the group should be reduced to 15 (as in the case of the transatlantic IT group rates) and the rates further reduced. Adequate safeguards should remove the danger of losing regular passengers, so that such a measure would only create new traffic which otherwise would not come into being.

It would be useful for tourism development in North Africa if the official tourist organizations of individual North African countries made recommendations to their respective governments that studies should be undertaken by the national air companies in order to submit proposals to this effect at the next IATA tariff conference. Such a step should be prepared at a prior meeting of the interested North African official tourist organizations, sponsored by the Permanent Consultative Committee of the Maghreb (para. 147).

(8) Regardless of the economic limitations in the use of charter flights for tourist purposes, charter flights are extremely important for the development of international tourism, and they have developed mass tourism by air within Europe and contributed to such development between North America and Europe. Therefore, every encouragement should be given to charter flights even if other countries adopt a restrictive attitude in this respect (paras. 142-145).

(9) In a highly competitive field such as that of tourism, reduction of costs is of prime importance, and tourism should not be impeded by the desire of individual countries to have their own air companies which are too small to stand international competition and have to be kept alive by restrictive transportation policies and Government subsidies. From the tourism point of view it is advisable to merge the small national companies into a large sub-regional company as recommended by the African Air Transport Conference held in November 1964 in Addis Ababa (para. 148).

(10) In order to encourage touring from Europe to North Africa, it is recommended that a feasibility study be undertaken about introducing a ferry boat service between Sicily and Tunisia on the shortest possible crossing. This crossing should be operated by a large modern ferry boat with cafeteria facilities, and a rather limited number of berths with lowest possible car freight and passenger fares (para. 153).

It should be considered if the ferry boat between Sicily and Tunisia should be owned and controlled by the Tunisian Government or operated by the Maghreb Shipping Company and controlled by the interested Maghreb countries (para. 155).

(11) Intensive and wide publicity should be given about the new service both by the joint efforts of the Maghreb countries, and by individual Maghreb countries, in co-operation with European automobile and touring clubs, oil companies, manufacturers of automobiles, caravans and camping equipment (para. 154 - see also recommendations on publicity).

(12) It is also recommended that gasoline coupons be introduced by all the Maghreb countries and by Spain for selling gasoline to foreign tourists at reduced prices. The price reduction should be from 30 to 45 per cent on the actual gasoline retail prices of the respective countries and it should be more considerable in the slack season than in the main season. While such coupons could be sold by the banks within the countries concerned, in foreign countries they should be sold by the automobile and touring clubs which should be granted a substantial commission on such sales. In addition they could also be sold by national or North African tourist offices in foreign countries (paras. 156-158).

(13) Cruise operators and shore arrangement organizers should be acquainted not only with the particular attractions of each potential port of call but also with facilities (and rates) for entertainment, sightseeing tours for cruise passengers and possibilities for shopping. An informative insert packed in a well-printed folder with striking colour photographs of the main ports of call in North Africa, and organized publicity (magazine articles) to reach the cruising public would be an efficient means to attain these objectives (paras. 153-161).

Investment in accommodation facilities

(14) The pattern of tourist travel most likely to develop between the main tourist markets and the Maghreb countries will require that in the immediate future means available for hotel investments are not scattered on hotels in isolated locations along the coast or elsewhere, but rather concentrated in larger well-equipped resorts not too far from a large city. In addition, modern hotel establishments should be built in cities which have a strong tourist appeal.

In order to provide facilities for touring families or resident families on vacation or weekends, coastal resorts should also have bungalow-type hotels, with kitchenettes in rental units, motels and camping sites in addition to the traditional hotel type (paras. 162-167).

Information, publicity and advertising

In the tourist business where demand is particularly sensitive to external influence, and where international competition is almost unlimited due to the perfection and cheapening of transport, advertising and publicity are powerful tools in attracting mass volume of tourist traffic. This is true even for the well-known traditional tourist countries. For new countries which not so long ago were hardly ever thought of as a tourist destination, and whose tourist attractions, amenities and transport facilities are virtually unknown not only to the public at large, but also to most of the travel agents and tour operators, tourist information, advertising and publicity are essential for the successful development of tourist travel.

The particular objectives to be attained are, among others, as follows:

- to impress the public and the travel agents with the rich and varied assortment of natural and cultural tourist attractions of the North African countries;
- to inform them about the new transportation facilities, and the reduction of transportation costs due to charter flights, special air fares, introduction of new ferry services, discounts in the winter season and the possibilities of travel by automobile;
- to spread knowledge about the rapidly expanding new hotels, coastal resorts, possibilities for entertainment, tours and excursions;
- to inform the public about the favourable climatic conditions of the region, and to persuade potential tourists of the multiple advantages of travel in the fall, winter and spring.

Advertising and publicity have their full impact only if carried out on a wide scale and with sufficient intensity so as to reach the masses of potential tourists and make them actually decide to visit North Africa.

Such widespread and intensive advertising is very expensive and the costs involved are justified only if the resulting volume of traffic is large enough to support them. Most of the North African countries, however, do not yet have the hotel capacity which is needed to absorb the large volume of tourist traffic necessary to support a really effective advertising and publicity campaign on the main travel markets. In the whirlpool of international competition, weak and modest promotional campaigns fail to be noticed by the public and still less are able to influence it. Co-operation of the North African countries can change this radically. The volume and intensity of advertising would increase manifold and such a combined effort would not fail to impress the public with the new travel possibilities offered by the North African countries. This is all the more likely as joint means and experience could help secure the co-operation of top experts in the field.

In the following text recommendations are given about some specific aspects of promotional action which would be particularly successful if undertaken through the joint effort of all the North African countries.

(15) When the North African countries publicize winter, spring and fall vacations they offer true value, although at the beginning they will have to offer it at a reduced price. However, as the vacation habits of people are rather firmly established, a strong promotion campaign is necessary in order to attract tourists outside the customary season. It is necessary therefore to re-educate the travelling public in view of the new advantages offered by cheap air travel. A joint effort by all the North African countries is required to change the established habits, and this effort should be supported by other interested Mediterranean countries. The principal measures to be applied are as follows:

- substantially lower hotel rates in the slack season, even if they were only to cover the proportional costs and only a small fraction of fixed costs;

- considerably lower prices in local tourist transportation, including gasoline coupons at a greater discount than in the season;
- although substantial reductions have been introduced in the winter season fares from Europe to some African countries, effective from 1967, such reductions are not applied to all routes and some of them are clearly inadequate. Especially IT group reductions should be much bigger to offset the seasonal advantages of charter flights which are organized in the season with less risks, making possible cheaper packages in the season than in the off-season. Such substantial group reductions could also make possible attractive package tours to areas which do not yet have sufficient accommodation for charter business;
- lower off-season rates on the ferry boat services and the steamship services between Europe and North Africa.

The co-operation of Spain and Italy should be obtained. This would consist in their introduction of gasoline coupons at a larger discount in the off-season. It would also greatly encourage off-season travel in the said two countries.

All this should be publicized in vigorous widespread advertising and public relations activities, with the possible participation of all who are interested in achieving such results (paras. 168-172).

(16) Tour operators and other travel agents on the main tourist markets as well as potential tourists have to be supplied with complete, accurate and up-to-date information on tourist attractions and tourist facilities, rates and schedules as well as on administrative formalities concerning travel. Printed information material has to be supplied in time to foreign travel agents, that is, when they are planning their next year's programmes (for summer programmes this is from May to September the preceding year - according to countries) (para. 138).

(17) Tour operators and retailers should be visited by qualified and well-informed tourist representatives of the North African countries before they start preparing their next year's programmes (para. 138).

(18) Other public relations activities have to precede or accompany calls on foreign travel agents such as invitations of tour operators to visit the North African countries in co-operation with air carriers, invitations to editors and travel writers of magazines and daily papers, including press photographers, etc. Paid advertisements should be placed in magazines and daily papers carefully selected for their influence on the travelling public and free publicity secured (paras. 139, 174, 175).

(19) In carrying out local reservations and organizing local tours and other arrangements, accuracy and promptness in answering by hotels and local travel agents is very important as well as the granting of attractive commissions or discounts to foreign tour operators. Also hotel accommodation should be secured of the same quality as had been promised (para. 140).

(20) It is recommended that joint action be undertaken by all North African countries to attract international conventions of various world or European organizations (para. 202).

(21) A special effort should be made to attract the 1971 annual Convention of the American Society of Travel Agents to one African country. It would be useful if the interested countries were to contact each other or the ECA in order to make the best selection of the host country which would extend its invitation at the ASTA Convention in October 1969 in Tokyo and be supported by all other African countries.

Other African countries in connexion with the 1971 Convention should offer special study tours for travel agents, under the customary ASTA terms and in this way make a decisive step in promoting tourism to Africa on the U.S. and Canadian markets (paras. 203 and 204).

(22) Simple, accurate, up-to-date and complete information on all the Maghreb countries should also be supplied to motorists including information on ferry services, rates, gasoline prices, hotel rates, camping rates, etc., with a tourist road map of the Maghreb countries. Such publicity material can best be secured through the co-operation of the Maghreb countries as well as other joint publicity for touring North Africa (para. 173).

(23) Marketing and travel promotion on foreign markets require qualified, well-trained people and considerable financial means. Co-operation among North African countries can save costs, and by greater efficiency widen the scope and strengthen the impact of marketing and promotional action on foreign markets, and it is therefore recommended (paras. 141, 174-178 and Annex III, Chapter IV).

(24) Therefore consideration should be given to the opening of joint tourist information offices on markets which do not justify separate national tourist offices, and also on such markets where strong co-ordinated promotion action is particularly necessary.

(25) Co-operation in editing and printing joint travel folders and mutual exchange of experience in this field among the North African countries would be to their mutual benefit (para. 177).

(26) The recommendations on joint tourism-promoting activities adopted by the official tourist organizations of the Maghreb countries in October 1965 in Algiers, and the recommendations of the Sixth General Assembly of the International Arab Tourist Union should be implemented as soon as possible, and meetings of the tourist organizations of North African countries should take place regularly in the future (paras. 180-183).

It would help co-operation if the questions treated at such meetings were only those of practical interest for the tourist development of

North Africa, and once the decisions were taken on joint action it should be considered a moral obligation for each country to implement them (para. 183).

(27) Co-operation in tourism should not be limited only to the concrete action decided at official meetings, but it should be generally encouraged between all private or government agencies interested in it (para. 184).

Government regulations and administrative formalities

(28) It is recommended that all the North African countries introduce modern uniform hotel classification criteria. (However, some degree of tolerance should be admitted for B sub-categories, to be applied to older palace-like hotels in some countries which would not meet the strict requirements of the new classification, but which offer other advantages.) (para. 190)

(29) With the development of touring by automobile, uniform classification would also be necessary for bungalow-type hotels, camping sites and other supplementary accommodation facilities (para. 191).

(30) Experience should be exchanged between the North African countries on the legal and administrative regulations of hotel, restaurant, and travel agencies (para. 192).

(31) Mutual tourism between the Arab countries and other regional tourism should be encouraged. Currency allowances for trips to neighbouring countries should be granted rather generously while staying within the limits of what is reasonably possible in each country. Equality of such allowances in all the North African countries should not be insisted upon, although such an equality could be set as an aim for a more distant future (para. 193).

(32) It is highly commendable that the Sixth General Assembly of the International Arab Tourist Union has recommended the abolition of visas not

only for citizens of Arab countries but also for citizens of the largest number of other countries. The implementation of this recommendation would be highly beneficial to tourism development in all the North African countries (para. 194).

(33) Currency controls and their application should be reconsidered from time to time. If the foreign currency earnings from tourism as recorded by the central bank show an increase commensurate with the increase of recorded tourist nights, and the daily spending of tourists appears to be reasonable, it is time to relax currency regulations and simplify currency controls (para. 195).

(34) The rapid development of tourism with arrivals of large groups by chartered craft or large ferry boats or simply the files of automobiles on land border crossings will inevitably require relaxation of formalities so that people can be let in with only the scantiest control. It is recommended that simplification of frontier formalities and acceleration of procedure be introduced without delay and experience acquired in time in order to facilitate mass tourist traffic in the future (para. 196).

Professional training

(35) It is recommended that the institute for higher professional training in hotel industry and tourism be materialized within the UNDP. Such an institute should train students for executive and managerial jobs in the hotel industry and tourism, as well as the teaching staff in secondary schools for hotel industry and other centres for professional training in hotel industry and tourism (paras. 199 and 200).

ANNEX II

INCIDENTAL SUGGESTIONS CONCERNING TOURISM IN INDIVIDUAL COUNTRIES

I. MOROCCO

(a) Intensive reforestation should precede or at least be simultaneously carried out with tourist developments of Moroccan Mediterranean coast (para. 13). This also applies to other Mediterranean coastal areas. (Reforestation is foreseen in the development plans but neglected or postponed in practice.)

(b) In assessing the climatic advantages and disadvantages of a particular area, the frequency, direction and velocity of winds and what is carried with them has to be taken into consideration in addition to the monthly averages of minimum and maximum temperatures, relative humidity of the air, monthly days or hours of sunshine, etc. (para. 14).

(c) The water currents and how they affect safety of beaches should be taken into consideration when planning tourist development of a beach area (para. 14).

(d) The mountains (in Morocco) might present interest for local tourism (winter sports and summer vacations of Moroccan residents). For touring overseas visitors they enhance the rich scenic variety and add to the attractiveness of the country, but it should not be expected that non-residents would come to Morocco for a mountain vacation. Therefore, priority should be given to the development of coastal areas and increasing hotel capacity in the imperial cities (paras. 15 and 16).

(e) The statistics on tourist arrivals and tourist nights at hotels and other tourist accommodation facilities should be sufficiently analytical so as to give information on the rate of occupancy of hotels of various types, categories, geographical locations, on the respective seasons and patterns of travel of foreign tourists and in this way serve as a guideline for investments and tourist policy (paras. 24 and 25). (see also general recommendation (5), Annex I.)

(f) The official recommendation to apply the low price-high occupancy policy formulated by the Moroccan Minister of Tourism in January 1966 should be implemented by hotel managements. Hotel rates fixed by hotel managements should be published in official printed tourist information literature and distributed to foreign travel bureaus as early as June of the year preceding the year when the rates will apply. Hotels should be bound by the rates thus published. While it is customary to give attractive discounts to foreign tour operators, such discounts should be kept within reasonable limits. The practice of publishing high hotel rates in tourist information literature and then granting unusually high discounts to tour operators has the effect of scaring away tourists who travel independently. Equally discouraging to tourists is the lack of published hotel rates (paras. 33-36).

II. ALGERIA

(a) The monthly averages of the daily highest and lowest temperatures for a few selected places on the Mediterranean coast and inland should be carried in the statistical yearbooks and these figures should be used in travel literature (para. 39).

(b) The Algerian Tourist Agency (ATA), owned by the Government, organizes tours and excursions within Algeria and offers them to foreign tour operators and tourists, thus engaging in business which was generally neglected by private travel agencies but which is very useful in attracting foreign tourists to Algeria. In order to make the operations of this agency possible on a large scale, it should obtain legal status and adequate funds. Also it should for its activities abroad obtain promotional support by the Government bodies entrusted with travel promotion (para. 43).

(c) As in Morocco, hotel statistics should be collected, data processed and presented under several analytical aspects. (See suggestion I(e) and general recommendation (5), Annex I).

(d) It is recommended that the Government accepts the tourism development plan as originally conceived by the Ministry of Tourism (para. 48).

(e) Hotel construction should be financed out of the Algerian development fund, the Organization of Industrial Co-operation (Franco-Algerian) and the net revenue of the Office National Algérien du Tourisme (paras. 49-51).

(f) The Ministry of Tourism representing the Algerian Government as the (minority) shareholder in the Société Nord-Africaine d'Hôtellerie should request an inquiry into the poor maintenance and lack of commercial initiative of the hotels belonging to that company, which have led to the inadequate use of its hotels for foreign tourism. This inquiry should be entrusted to an objective top hotel expert with wide knowledge of hotel chain operation and of international tourism who should make appropriate recommendations (para. 46).

(g) It is recommended (i) to withdraw from the direction by ONAT such small establishments which have a purely local character such as coffee houses, small restaurants, small hotels and villas which do not present any interest for international tourism and which could be best controlled by municipalities or leased by them, thus leaving to ONAT only establishments of importance for tourism; (ii) to earmark for other utilization, or to sell hotels which cannot operate profitably when there are no favourable prospects that this situation might change in the near future; (iii) to group hotels of the same type and category under separate direction of the ONAT endowed with sufficient autonomy, and make them responsible for operating profitably (para. 46).

(h) It would reassure investors if the investment code were to be amended, so that new investments in hotel establishments under the provisions of the code and approved by the Government agencies concerned were guaranteed exemption from nationalization for good, or at least during a period of 20 years or longer (paras. 54 and 55).

III. TUNISIA

(a) It is recommended that sufficient budgetary funds be appropriated for an effective tourist promotion on the main foreign markets which would reach the travelling public and emphasize the advantages of travel to Tunisia in fall, winter or spring (para. 72).

(b) It is recommended that a modern large capacity ferryboat be put into service between Massala and Kelibia or between other equally distant ports, a low tariff policy applied and efficiently promoted in co-ordination with all the organizations (and countries) interested in it (paras. 72 and 153). (See also general recommendation (10)).

IV. LIBYA

(a) The monthly averages of the highest and lowest daily temperatures should be published in Libyan statistics and made use of in travel literature (para. 74).

(b) Hotel statistics should be more analytically presented (para. 77).

(c) Investments in Libyan tourism should not be scattered all over the country but rather concentrated in hotels in the large coastal cities and into development of one or two larger coastal resorts with several hotels, some of them of the bungalow type, a casino and other entertainment facilities. Such resorts would attract vacationists resident in Libya and their families as well as weekenders and excursionists from the nearby cities, but soon they would also start attracting foreign tourists as well (paras. 79-82).

V. UNITED ARAB REPUBLIC

If a favourable attitude is adopted in the UAR in respect of private foreign capital investments in the hotel industry, appropriate publicity should be given to the laws regulating such investments including various

guarantees, facilities and incentives to foreign investors. Also, appropriate information should be supplied on construction costs and hotel-operating costs for hotel categories and locations most likely to attract foreign investors (para. 92).

VI. SUDAN

(a) A systematic modernization programme for Government guest houses and the establishment of a comfortable large tourist camp in the Dinder National Park is recommended, parallel with suitable publicity on the most important potential markets and a good marketing organization (para. 96).

(b) It is recommended that a regular hydrofoil service between Kosti (or Khartoum) and Juba be introduced, making tourist visits to the villages on the Nile banks possible on days of tribal festivities and any other time (para. 96).

(c) A dynamic price policy of Khartoum hotels is recommended in order to attract tourist groups organized by foreign tour operators. As it would be difficult for the time being to lower the published hotel rates willingly paid by travellers on business trips, but unacceptable for tourist groups - substantial discounts granted to charter flights operators and other tour operators would be justifiable in this particular case (para. 101).

(d) Simplification of frontier formalities is indispensable if foreign tourism is to be developed in the Sudan on a large scale (para. 102).

ANNEX III

PROJECTION OF TOURISM IN NORTH AFRICA
FROM 1965 TO 1980

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ANNEX III

A. INTRODUCTION

The projection of tourism until 1980 has been undertaken in order to furnish material for a study of industrial development of North Africa. It is obvious that projection into such a long period of time cannot be considered as a forecast of what is actually going to happen. Even for the next few years it is not possible to make such a forecast. In countries where official plans of tourism development were proposed, we based our projection on their figures, but then some plans were not finally approved by the government and some, although approved, did not materialize 100 per cent or were surpassed in their implementation. Therefore, the aim of this projection is simply to draw the attention at the order of magnitude of the various components which should be present in order to produce the projected results. However, the main assumptions of the projection are based on a realistic interpretation of the trends in tourist demand on the most important travel markets and the economic possibilities of the North African countries to create an adequate offer of tourist facilities to cope with this demand. Both the demand for foreign travel in the world and the productive potential of the North African countries would permit the projected development should the respective governments decide to implement vigorous tourism development programmes.

B. HOTEL CAPACITY AND VOLUME OF FOREIGN TOURISM

It has been shown in Chapter VII that the tourist demand for overseas travel is strong and steadily growing and that this trend is based on the solid foundation of economic growth and the rising need of the population of highly developed countries for a change of environment and relaxation during annual vacation. The extent to which this growing demand will materialize in actual volume of tourist travel to North Africa depends

practically on the tourist offer, the key element of which is the availability of accommodation facilities and the competitiveness of prices at which they are offered.^{1/}

Experience has shown that with the actual construction and operating costs, hotels can offer competitive prices and still operate with profit. It is true that in some of the North African countries this has been achieved for new hotels by appropriate incentives and even government subsidies.^{2/} It can be expected, however, that with appropriate promotion, cheapening of transport and a dynamic price policy both in regard to transportation and hotel rates, the season in the North African countries will be extended and the hotel occupancy rates increased. This would make possible distribution of the capital costs over a larger volume of sales. On the other hand, diminishing of transportation costs will keep African packages attractive even if hotel prices were to increase somewhat during the high season. Both will make hotel business more profitable so that government subsidies may be reduced in the future.

The requirements and the effects of tourism development in this projection have been evaluated on the assumption that new hotel construction will develop along the lines projected in this section. As information on development plans was available only in some countries, the actual development is most likely to differ more or less from this projection and in some countries to surpass its estimates.

^{1/} Another key element is availability and competitive costs of transport to North Africa, which has been discussed in Chapter VIII.

^{2/} For more details see Chapters I-III.

The lack of statistical data in some countries made it necessary to use statistical data and information obtained by surveys made in other countries and assess the extent to which they could be applied to other North African countries.

In view of the fact that tourism development in most of the North African countries is of recent date and that essential conditions have changed not so long ago, past trends are of little avail to estimate future development. This is even more so as progress in transportation has not yet made its full impact on the reduction of the costs of tourist travel, but is likely to do so in the near future.

Morocco

In our forecast of future hotel accommodation presented in Table 1 we took the planned increase of hotel capacity, according to the three-year plan 1965-67 which has been in progress. According to this plan, during the three years, 19,200 new beds were scheduled to be added to the existing hotel capacity or 6,400 beds annually on the average. This is a rather ambitious programme which can be fulfilled only with far-reaching economic incentives at the expense of the Government budget. Such incentive may be economically justified in order to get things started and to prove the viability and profitability of new hotels in Morocco. In the long run such a heavy burden on public finance may be eased even if this were to imply a more moderate growth of tourist investment, but such investment which will lean less heavily on Government subsidies. Therefore, we envisage only an annual increase of 4,000 beds in the capacity of hotel and coastal resorts from 1969 to 1975. In the following years the best locations would already have been occupied and new development would require increased cost of infrastructure which is likely to slow down development. On the other hand, reduction of air transportation cost will greatly increase competition of other African regions.

TABLE 1
Hotel capacity required (in hotel beds)

	1965	1966	1967	1968	1969	1970	1975	1980
<u>Morocco</u>								
Annual increase		5,917	3,283	4,000	4,000	4,000	4,000	3,000
Total	13,800	19,717	33,000	37,000	41,000	45,000	65,000	80,000
<u>Algeria</u>								
Annual increase	-	-	1,000	2,000	7,000	5,000	5,000	5,000
Total	8,000	8,000	9,000	11,000	18,000	23,000	48,000	73,000
<u>Tunisia</u>								
Annual increase	-	7,965	7,898	6,899	6,622	7,000	5,000	4,000
Total	9,616	17,581	24,479	31,378	38,000	45,000	70,000	90,000
<u>Libya</u>								
Annual increase	-	8	200	300	500	700	1,000	1,500
Total	4,492	4,500	4,700	500	5,500	6,200	11,200	18,700
<u>UAR</u>								
Annual increase		375	-	-	1,000	1,000	6,000	7,000
Total	22,625	23,000	23,000	23,000	24,000	25,000	55,000	90,000
<u>Sudan</u>								
Annual increase	-	-	10	400	30	434	267	460
Total	1,290	1,290	1,300	1,700	1,730	2,364	3,700	6,000

This forecast is based on enterprise in which the Government and parastatal agencies are directly or indirectly involved. It is possible, however, that under favourable conditions private initiative may accelerate the scheduled development. With the end of war expenses and reduced defence spending in some countries, more capital might become available for investments in tourism and at the same time a more rapid rise in the living standard may increase travel demand to such an extent that it would necessarily quicken new investments far beyond the scheduled volume.

In Table 2 a projection is given both of increase of hotel capacity and the number of tourist nights in Morocco from 1965 to 1980.

TABLE 2
Evaluation of foreign tourists nights in Morocco

Year	Tourist hotel beds	Occu-pancy rate	Total of hotel nights	Foreign tourist hotel nights	Foreign tourist nights in supplementary accommodation	Total foreign tourist nights	Aver. length of stay
				%	%		
1965	13,800	61.4	3,051,980	86	2,624,703	3,408,705	9
1966	19,717	60	3,512,978	90	3,161,997	3,952,497	9.3
1967	33,000	55	5,000,000	94	4,700,000	5,640,000	9.6
1968	37,000	52	6,489,600	95	6,165,120	7,213,120	9.8
1969	41,000	52	7,238,400	95	6,876,480	7,901,080	10
1970	45,000	52	7,987,200	95	7,587,840	8,622,518	10
1975	65,000	52	11,731,200	95	11,144,640	12,764,340	10
1980	80,000	52	14,648,400	95	13,916,000	15,813,600	10

It is considered that foreign tourists stayed in 1965 in Morocco nine days on the average and that the number of foreign tourists nights was 3,408,705.

Since these are not statistics on hotel arrivals and nights, the number of tourists who stayed at hotels and of those who used supplementary accommodation facilities had to be estimated on the ground of data supplied by surveys. Table 3 shows the percentage of foreign tourists who stayed at hotels and of foreign tourists who used other accommodation. In 1966, 74 per cent of foreign tourists stayed at hotels and tourist resorts, compared to 77.72 per cent in 1962. The percentage of tourists who stayed in trailers or camped increased from 3.7 per cent in 1962 to 11 per cent in 1966. On the other hand, the proportion of tourists who stayed with

parents and friends dropped from 14.2 per cent to 13 per cent and the proportion of tourists who stayed in rented flats or villas dropped from 4.4 per cent to 1.8 per cent. It is expected that the number of tourist nights in camps and trailers will further increase, while the number of nights spent at parents or friends as well as in rented apartments and villas will lose comparatively in importance.

TABLE 3

Accommodation used by summer tourists in Morocco

	1962	1966
Hotel	77.7%	74%
With parents and friends	14.2%	13%
Rented houses, apts., etc.	4.4%	2%
Camping and caravanning	3.7%	11%
Total	100%	100%

Source: BNDS Survey 1962; Enquête statistique sur le Tourisme d'été 1966.

Both the surveys which provided the figures in Table 3 were carried out in the summer and this accounts for such a high percentage (26 per cent) of foreign tourists using supplementary accommodation. If the whole year is taken this percentage would certainly be considerably lower. On the other hand, tourists staying with parents or friends and those who rent an apartment or a villa usually stay considerably longer than hotel guests. We can assume that for the whole year the number of tourist nights in supplementary accommodation was 20 per cent of the total number of foreign tourist nights.

Estimation in Table 2 gives the figure of 2,624,700 nights of foreign tourists in hotels and coastal resorts (villages de vacances). If we take

it that foreign nationals and Moroccan citizens living in Morocco accounted for 14 per cent of all nights spent in tourist hotels we can figure out that the occupancy rate in Moroccan hotels had been 61 per cent in 1965.^{1/}

With new hotel construction and development of foreign tourism the percentage of local clients is likely to diminish. On the other hand, most of the new hotels being resort hotels and not city hotels which cater both for vacationists and businessmen, the average hotel occupancy rate is likely to drop. Both were taken into account when forecasting future volume of tourism in Morocco, and therefore we estimated the average occupancy rate to be of 55 per cent in 1967 and 52 per cent from 1968 on, while the percentage of Moroccan residents has been estimated to drop from 14 per cent to 5 per cent.^{2/}

1/ Taken as theoretical maximum capacity the number of beds at the end of the previous year multiplied by 360, plus the number of beds added in the course of the year multiplied by 150.

2/ In forecasts made by some experts in a more limited field a higher occupancy rate has been envisaged, but this has not been based on accurate hotel statistics. The very high occupancy rates for some Egyptian hotels published in the official statistics still do not mean that the average occupancy rates in various hotel categories are equally high, and only accurate hotel statistics would give the right answer. In countries where such statistics exist and which have a climate similar to the North African countries, the average occupancy rates are considerably lower. They were in Lebanon in 1966 58.4 per cent in the hotels in Beirut, and only of 31.3 per cent in the resort hotels in the coast. In Israel the average occupancy rate for all hotels in 1965 was 51.2 per cent. In Italy the highest occupancy rate in 1965 had been achieved in the "de luxe" hotels with 148 days of full occupancy which is a rate of only 41 per cent if 360 days are taken as the period for calculating maximum capacity.

Algeria

In Table 4 an estimate is given of possible tourism development in Algeria. The forecast for the first three years 1967-69 has been based on the plan of tourism development worked out by the Ministry of Tourism, but not yet approved by the Government. This plan schedules construction of new hotel capacity of 1,000 beds in 1967, 2,000 beds in 1968 and of 7,000 beds in 1969. As in Morocco, the plan is based on extended financing out of government-controlled funds and on heavy subsidies out of the state budget. Such economic incentives are justified in order to get things started, but as soon as hotel business becomes profitable they are likely to be reduced even if this entails a slower pace of growth. On the other hand, the wealth of Algeria's natural resources and the overall economic development based on them will make possible a more rapid increase in hotel capacity than in the neighbour countries. Algeria has extended coastal areas easily accessible where the costs of infrastructure would be comparatively small and which are suited for tourism development, so that an average annual increase in hotel capacity of 5,000 beds a year will be feasible once things get started.

The average hotel occupancy rate of 52 per cent is already high enough as was explained in the paragraph on Morocco. With increase of hotel capacity and development of international tourism the proportion of residents nights in hotel occupancy is likely to drop from 35 per cent in 1965 to 5 per cent in 1980. In absolute numbers this would be an increase from 472,000 nights in 1965 to 656,000 nights in 1980. If the increase is larger this would favourably affect the hotel occupancy rate.

The number of foreign tourist nights in supplementary accommodation is likely to increase rather insignificantly until 1970. With the introduction of a ferry service between Sicily and Tunisia, Algeria is likely

to attract a certain volume of touring by automobile originating from Europe, and spending nights in camps and trailers might increase considerably though not as fast as the total number of foreign tourist nights.

TABLE 4

Evaluation of foreign tourists' nights in Algeria

Year	Tourist hotel beds	Occupancy rate	Total hotel nights	Foreign tourists hotel nights	Foreign tourists nights in supplementary accommodation	Total foreign tourists nights	Aver. length of stay
				%	%		days
1965	8,000	47	1,346,970	65	974,656	20 218,664	1,093,320 10
1966	8,000	50	1,440,000	65	936,000	30 234,000	1,170,000 10
1967	9,000	50	1,515,000	67	1,015,050	19 238,000	1,253,050 10
1968	11,000	52	1,840,800	70	1,288,560	16 242,000	1,530,560 10
1969	18,000	52	2,605,200	80	2,084,160	11 250,000	2,334,160 10
1970	23,000	52	3,759,600	85	3,195,660	10 355,000	3,550,660 10
1975	48,000	52	8,439,600	93	7,849,000	8 682,980	8,531,980 10
1980	73,000	52	13,170,000	95	12,464,000	6 797,778	13,261,778

Tunisia

In Table 5 evaluation is given of the future development of foreign tourism in Tunisia. Augmentation of hotel capacity until 1968 is taken on the basis of data about new construction which were available in February 1967. Since 1967 has been a better year than expected, construction of new hotels will probably be encouraged. Therefore we envisaged 6,672 new beds to be planned for 1969 and 7,000 for 1970. From 1971 to 1975 a slowing down of new construction has been estimated at 5,000 new beds a year. This is to a certain extent on account of a possible reduction of Government subsidies (which were 3 per cent on the capital loaned). On the

other hand, tourism development will require more expensive investments in infrastructure as less favourable sites are developed. In the period 1975 to 1980, favourable location for new accommodation facilities will be even less abundant and infrastructure costs will necessarily rise. Therefore only the construction of 3,000 hotel beds a year has been envisaged in that period.

TABLE 5

Evaluation of foreign tourists nights in Tunisia

Year	Tourist hotel beds	Occupancy rate	Total hotel nights	Foreign tourists hotel nights	Foreign tourists nights in supplementary accommodation	Total foreign tourists nights	Aver. length of stay days
				%	%		
1965	9,616	50	1,320,000	86	1,129,416	n.a.	6.8*
1966	17,581	40.5	1,886,880	86	1,636,881	n.a.	9
1967	24,479	50	3,681,480	92	3,386,962	14 542,000	10
1968	31,378	55	5,416,000	95	5,145,000	10 571,000	10
1969	38,000	55	6,760,000	96	6,489,600	8 705,000	10
1970	45,000	55	8,100,000	96	7,776,000	8 843,500	10
1975	70,000	55	13,282,500	96	12,751,000	8 1,386,000	10
1980	90,000	54	17,000,000	96	16,320,000	8 1,774,000	10

* Actually the average length of stay could be longer if the unrecorded nights in supplementary accommodation are considered as they have been in the following years.

After a better year than expected on account of the political events in 1967, a boom in African tourism can be expected which can be continued in further years due to the introduction of supersonic air buses on the main tourist runs and of the development of automobile travel from Europe by inexpensive ferry boats from southern Italy. A good promotion and marketing could

boost hotel occupation rates up to 55 per cent. From 1975 on the occupancy rate might drop with the development of new hotel plant on the northern shores which allow only a shorter season than the coastal resorts facing the south.

The percentage of Tunisian residents in tourist hotels is likely to drop from 19 per cent in 1965 to 4 per cent in 1980, although the absolute figures are going to rise owing to overall economic development and increased living standard.

The number of foreign tourist nights in supplementary tourist accommodation is perhaps an underestimate, since a successful development of regional tourism and touring by automobile might boost camping, caravanning and stays in rented apartments, bungalows, etc. There is no way, however, to give quantitative precision in this respect and the figures in Table 5 are based on a rather conservative estimate.

Libya (see Table 6)

The low hotel occupation rate in Libya is due to a large percentage of beds in categories which are not suited for the public attracted to Libya by the oil boom. With construction of modern comfortable hotels and development of tourism, the average occupation rate of hotels is likely to increase considerably to reach the hotel occupation rate in developed tourist countries with a similar climate and tourist attractions (Lebanon and Tunisia).

TABLE 6

Evaluation of foreign tourists nights in Libya

Year	Tourist hotel beds	Occu-pancy rate	Total hotel nights	Foreign tourists hotel nights	Foreign tourists nights in supplementary accommodation	Total foreign tourists nights	Aver. length of stay days
1965	4,492	32	457,750*	70	366,700	8.4 33,800*	400,000
1966	4,500	39	628,600	70	440,000	9 43,500	483,500
1967	4,700	40	660,000	75	499,000	5.7 30,000	525,000
1968	5,000	46	799,000	75	599,250	7 45,000	644,250
1969	5,500	50	937,500	80	750,000	6 48,000	798,000
1970	6,200	52	1,084,200	85	921,570	5 48,500	970,070 8
1975	11,200	42	1,987,440	90	1,788,700	5 94,000	1,882,700 9
1980	18,700	52	3,342,000	95	3,175,000	5 167,000	3,342,000 10

Estimate

United Arab Republic (see Table 7)

The Middle East crisis has certainly caused a considerable diminution in the volume of foreign tourism in 1967 and it will most likely slow down the progress of foreign tourism in the next couple of years. It is only in 1969 that new hotel construction is likely to start again, first at a slower pace to increase considerably from 1971 on. By that time the UAR might have not only recovered from the war, but also the Aswan irrigation system will be completed, making possible other irrigation work on a large scale which will create favourable conditions for development of new coastal resorts on the Mediterranean where ample fresh water supply is a precondition of development. On the other hand, air buses and increased charter business will make possible inexpensive air travel from Europe to Egypt. It is, therefore, from 1970 on that a large-scale tourism deve-

lopment programme could be expected with a yearly construction of 6,000 new hotel beds until 1975 and 7,000 new hotel beds in the period 1975-1980.

TABLE 7
Evaluation of foreign tourists nights in the UAR

Year	Tourist hotel beds	Occu-pancy rate	Tourist hotel nights	Foreign tourist hotel nights	Foreign tourists nights in supplementary accommodation	Total foreign tourist nights	Aver. length of stay
				%	%		days
1965	22,625	80	6,384,200	90	5,745,780	44.8 4,654,951	10,400,731 19
1966	23,000	80	6,561,000	90	5,904,900	40 3,936,206	9,841,100 18
1967	23,000	-					
1968	23,000	70	5,796,000	92	5,332,300	40 3,555,000	8,887,300 18
1969	24,000	70	5,900,000	92	5,428,000	40 3,619,000	9,047,000 18
1970	25,000	70	6,153,000	92	5,660,760	40 3,733,300	9,394,000 18
1975	55,000	60	11,250,000	95	10,687,500	30 4,580,000	15,267,500 14
1980	90,000	60	18,558,000	95	17,630,100	25 5,299,030	22,919,130 14

The unusual high hotel occupancy rate of 80 per cent in 1965 is based on the figures on hotel occupancy in a certain number of hotels published in official statistics. Since no average rates of occupancy are published we had to base the average rate of occupancy on these high figures. It is obvious, however, that such a high occupancy rate is impossible to attain in coastal resorts and tourist towns in the Upper Nile Valley, and that new hotel construction in these areas will cause a lowering of the average occupancy rates to a rate similar to that of other tourist countries in the Middle East.

Sudan (see Table 8)

Owing to a strong potential demand, the volume of foreign travel in the Mediterranean North African countries will depend largely on the hotel capacity available, provided hotel rates are competitive and marketing is efficient and supported by vigorous travel promotion. Therefore we took as base of our forecast of the future volume of tourist traffic the hotel capacity which can be reasonably expected to be created in the period considered.

TABLE 8

Evaluation of foreign tourist nights in Sudan

Year	Tourist hotel beds	Occu-pancy rate	Tourist hotel nights	Foreign tourist hotel nights	Foreign tourist nights in supplementary accommodation	Total foreign tourist nights	Yearly increase
				%	%		
1964	1,790	35	161,443	90	145,350	15 25,650	171,000 12%
1965	1,290	40	185,714	91	169,000	13.2 26,000	195,000 14%
1966	1,290	46	213,000	92	196,000	11.8 26,230	222,230 14%
1967	1,300	52	244,500	93	227,000	10.4 26,335	253,335 14%
1968	1,700	52	275,000	93	257,000	9.4 26,737	283,737 12%
1969	1,730	51	314,000	94	295,000	8.3 26,860	321,860 12%
1970	2,364	50	359,000	95	340,000	7.3 26,922	366,922 14%
1975	3,700	50	647,000	96	618,000	5 28,598	646,588 12%
1980	6,000	50	1,053,460	96	1,011,000	3 30,000	1,041,000 12%

The situation of the Sudan is less favourable and it was necessary to make a forecast of the possible development of tourist demand in order to project the corresponding development of hotel capacity.

Earlier forecasts made by experts who have studied the possibilities of development of tourism in the Sudan had been taken into consideration,^{1/} but they had to be modified as they appeared over-optimistic. When assessing the attraction of wildlife, including hunting and the attractions of tribal customs, the actual volume of tourist traffic in East Africa has to be taken into consideration. This volume, however, is still rather limited. It is true that progress in air transport, which makes possible inexpensive inclusive tours, has only begun to show its favourable influence on development of international tourism in Africa, and that new formulae of inexpensive photo safari combined with sightseeing and a stay at the seaside may become popular with the travel agents and the public. Also, new less-expensive tours for American tourists covering several countries and, applying the new IT group rates, have yet to be launched and made popular with the American public, and Sudan could certainly benefit from such new patterns of overseas tourism. Yet the market for such tours is by far more limited than the market for the coastal packages and some caution is appropriate, even though the chances are good that this projection be surpassed by actual development.

C. ECONOMIC CONSEQUENCES OF FOREIGN TOURISM

Foreign currency earnings are usually first mentioned in this connexion. Table 9 shows what these earnings would be in individual North African countries if the projected development materialized.

There are important foreign currency disbursements to be deducted. In respect of hotels these are the foreign currency payments for imported installations, equipment and furnishings of new hotels. It is estimated

^{1/} Tourist Development Plan in the Republic of Sudan, by S. Streeter, 1966.

TABLE 9

Foreign tourist nights (in 1000) and gross foreign currency earnings (in \$1000)

	1965	1966	1967	1968	1969	1970	1975	1980
MOROCCO N C	3,409 47,720	3,952 55,335	5,640 79,000	7,213 100,000	7,901 110,000	8,623 120,000	12,764 178,000	15,814 221,400
ALGERIA N C	1,093 15,300	1,170 17,860	1,253 18,005	1,531 21,400	2,334 32,680	3,551 50,000	8,532 120,000	13,262 186,000
TUNISIA N C	1,129 ^{a/} 18,118	1,637 ^{a/} 21,190	3,929 ^{b/} 54,914	5,716 ^{b/} 82,320	7,195 ^{b/} 103,800	8,620 ^{b/} 124,400	14,137 ^{b/} 204,400	18,094 ^{b/} 261,000
LIBYA N C	400 7,200	484 8,700	525 9,450	644 11,600	798 13,566	970 15,100	1,883 26,358	3,342 45,790
UAR N C	10,401 110,700	9,841 110,000	5,000 55,000	8,887 98,000	9,047 108,500	9,394 113,000	15,268 214,000	22,919 311,000
SUDAN N C	195 3,900	222 4,444	250 5,066	284 5,675	322 6,437	367 7,338	647 12,930	1,041 20,820
	16,627 202,938	17,306 217,529	16,600 221,435	24,275 318,995	27,606 374,983	31,525 429,838	53,231 755,688	74,472 1,057,010

N = Nights
C = Currency

- ^{a/} Only tourist nights in hotels and resorts.
^{b/} Estimated total foreign tourists nights including supplementary tourist accommodation at friends' or parents' at composites, in caravans, etc.

that in North African countries the value of imported items for a modern, comfortable tourist hotel amounts from 15 to 35 per cent of the total construction costs.

Other items to be deducted from gross foreign currency earnings are on account of imports of material necessary to operate hotels. About 25 per cent of drinks, food and cutlery purchases is imported material, which is about 5 per cent of the hotel turnover or about 3 per cent if foreign currency expenses are considered.

The transferred revenue from foreign capital invested in tourist plant depends on the share of foreign capital in hotel investments and should be discussed in the paragraph about financing.

Other imported equipment and material such as buses, automobiles, motor boats, gasoline, etc. require comparatively higher disbursements of foreign currency for their purchases and maintenance.

On the other hand, foreign currency spent on hiring foreign entertainers for local shows and the material imported to be worked on by local artisans and even for imported goods and gift items are considerably smaller than the foreign currency earnings from sales to foreign tourists buying such services or items. If, however, local residents attend such shows in large numbers or buy such articles in quantity, foreign currency disbursement should be partially attributed to expenses in order to provide a higher standard of living for the local population. The same applies to foreign newspapers and magazines, post cards, etc.

The money spent by tourists does not stop moving after the tourist has spent it. Instead, it circulates through the economy. In other words, the money cashed by the hotel is spent on material (food, drinks, etc.) required by the hotel, on salaries and wages, repairs and maintenance, utilities, returns to investors, taxes, etc. The firms which supply food and other

material to hotels use the money received to pay wages, raw material, transportation, utilities, taxes, etc. and so it goes on and on. It is similar with other goods and services purchased by foreign tourists.

The increased volume of business and increased personal incomes and consumption, not only in hotels and other establishments catering directly to foreign tourists, but also in the supplying branches of the economy, creates also new tax revenues for the government. This fact is particularly important for two reasons: first, in cases where tax exemption for new tourist plan is granted by government, there will still be tax revenues due to larger volume of business in the supplier branches and increased personal incomes. Second, the amounts which the government tourist offices spend for tourism promotion can be directly justified to the finance ministers on account of higher tax receipts deriving therefrom.

The effect of tourism on increased employment is threefold: (i) the construction and furnishing of new hotels requires considerable manpower. The more local building material and artisan products are used, the more new jobs will be created by these construction activities. To avoid disruptions, however, hotel construction should be evenly spread over extended periods; (ii) the number of new jobs created in the hotel industry itself will be one new job for each 2-1/2 to 3 new hotel beds. Other tourist services, excursions, entertainment, sports, local transportation, hair-dressers, beauty parlours, will create other numerous jobs, and so will handicraft and sale of other souvenirs; (iii) the multiplier effect will create new business in supplier branches and new incomes deriving from new jobs, the spending of which will create other jobs, etc.

Cost of new investments

To achieve these results, appropriate investments in the tourist industry have to be undertaken. In Table 1 indication has been given of the hotel capacity necessary to achieve the projected growth in the volume of tourism.

It is supposed that the hotel plants to be constructed in North Africa will be of the types and categories that correspond to the requirements of the well-to-do public of Western Europe and North America who have sufficient means for overseas travel. With this in view, 50 per cent of the new hotel capacity is assumed to be in the first-class or four-star category with all rooms with private bath or shower and toilet, air conditioning and central heating, open-air swimming pools with facilities for heating the water. Five per cent is assumed to be "de luxe" hotels, not the sumptuous palaces of yesteryears, but modern, functional hotels, although more expensively furnished than the first-class hotels. "De luxe" hotels in resorts should also have large social rooms which would attract the public staying in other hotels for entertainment purposes and social gatherings.

Tourist-class hotels estimated at 35 per cent of total hotel capacity will be similar to first-class hotels, although built and furnished less expensively; they would provide all modern amenities including swimming pool. However, air conditioning and central heating would be optional. It is supposed that the first-class and de luxe hotels would operate all the year round, and by offering low rates in the slack season would attract the public of tourist-class hotels, which would operate only during a season of seven to eight months according to location. The "villages de vacances" and inexpensive chalet-type hotels will represent 10 per cent of hotel capacity. It is obvious that this distribution by hotel categories may change from country to country so that more hotels will be built in categories for which most tourists have shown preference.

The distribution adopted in this projection is just a most likely average for all the North African countries and it serves only to estimate roughly the capital requirements of the hotel industry.

Only incomplete information was available about hotel construction costs in some countries and none in others, so that the assumption of hotel construction costs in Table 10 has to be worked out, with due consideration of differences in the geographic location and overall development of the respective economies. Should the actual construction costs in individual countries differ from the assumed costs, it would be easy to make necessary corrections.^{1/}

TABLE 10
Estimated hotel construction costs in dollars per
bed in North African countries in 1965

Country	De Luxe 5%	First 50%	Tourist 35%	Villages de vacances or safari camps 10%	Average costs
Morocco	6,200	4,500	3,500	1,100	3,895
Algeria	6,200	4,500	3,500	1,100	3,895
Tunisia	6,000	4,350	3,400	1,250	3,790
Libya	7,000	5,000	4,000	1,400	4,390
UAR	6,000	4,350	3,400	1,250	3,790
Sudan	10,000	7,500	6,000	2,000	6,550

^{1/} Such, for instance, the hotel construction costs per bed of the most recently built hotel in Khartoum were considerably higher than costs in Table 10. It should be considered, however, that holiday tourists mostly demand two-bed rooms so that new hotels could have mostly such rooms and this will considerably reduce costs per bed. On the other hand exemption of import duties for hotel equipment would also considerably reduce costs, and the figures in Table 10 are based on these two assumptions.

The average hotel construction costs are the lowest in Tunisia and the UAR, with \$3,790 per bed, and the highest in the Sudan, \$6,550. Libya also has high construction costs owing to the oil boom and the housing programme, but since financial means are available and it is favourably situated on the sea it would not be much of a problem to bring in foreign construction firms and attract workers from the neighbour countries so as to meet the growing demand, and the construction costs are likely to drop in the future almost to the level of its neighbour countries.

The costs of infrastructure vary widely from country to country and from plan to plan. Since the infrastructure necessary for tourism development is also used by other branches of the economy, the costs of tourist infrastructure amount to what has been attributed to tourism in the plans of economic development. We estimate that infrastructure cost to be attributed exclusively to tourist development will be 10 per cent of the construction costs of tourist accommodation facilities. The respective amounts for individual countries are shown in Table 11.

It is supposed that the dollar prices and costs will remain stable. This, however, is most unlikely, and a yearly diminishing of the purchasing power of the dollar and of other national currencies has to be considered. Under normal conditions this yearly depreciation is likely to be of 2 to 3 per cent. Consequently, hotel rates and hotel earnings will increase while the financial obligations will remain stable, thus alleviating the financial burden on new hotels and increasing their profitability.

It has already been mentioned that about 18 to 35 per cent of the construction costs of accommodation facilities is spent for imported material and equipment, according to country and type of hotel.

We can assume on the average for all North African countries that for the time being 25 per cent of the total hotel construction costs will have to be spent in foreign currency, and that this percentage will drop in the future owing to the development of local industries.

TABLE 11
Capital required annually for hotel investments
and tourist infrastructure
(in \$1,000)

		1967	1968	1969	1970	1975	1980
Morocco	H	12,787	15,580	15,580	15,580	15,580	11,685
	I	1,279	1,558	1,558	1,558	1,558	1,168
Algeria	H	3,895	7,790	27,265	19,475	19,475	19,475
	I	389	779	2,726	1,948	1,948	1,948
Tunisia	H	29,933	26,147	25,097	26,530	18,950	15,175
	I	2,993	2,615	2,510	2,653	1,895	1,518
Libya	H	879	1,317	2,195	3,073	3,790*	5,685*
	I	88	132	219	307	379	568
UAR	H	-	-	3,790	3,790	22,740	26,530
	I			379	379	2,274	2,653
Sudan	H	65	2,620	195	2,842	1,749	3,023
	I		260	19	284	175	302

H = Costs of hotel construction.

I = Costs of tourist infrastructure

* It is supposed that from 1975 on the hotel construction costs will drop to the Tunisian level.

Other facilities

With the development of tourism as projected in this study, in addition to hotel accommodation and infrastructure, other facilities have to be augmented for the benefit of the visiting public. These are the supplementary accommodation facilities such as camping sites, private apartments, villas, furnished rooms, etc. Such investments do not require large capital

and could be easily financed out of private savings, as experience has shown, even in socialist countries. Therefore we did not estimate such additional accommodation capacity, nor their capital requirements.

But also other facilities have to be created or enlarged, such as facilities for entertainment, sports, excursions, tours, local transportation, shopping, etc. Like supplementary accommodation facilities, they do not present particular difficulties concerning their financing and they will rapidly follow or develop hand-in-hand with the hotel plant, provided this plant is concentrated in well-planned tourist resorts and in cities.

There is, however, transportation which is an equally important factor of the tourist trade as the hotel industry and requires that public funds be earmarked for its development.

If the number of foreign tourists to be expected in 1970 is 950,000 in Morocco, 350,000 in Algeria and 860,000 in Tunisia, etc., and if it is assumed that two-thirds of them will be arriving by air, this will create some problem. In 1980, with 1.5 million foreign tourists in Morocco, 1.3 million in Algeria, 1.8 million in Tunisia, etc., the problems would be further aggravated.

If we assume, for example, that in Tunisia two-thirds of the tourists will arrive by plane in 1970 with 100 passengers in the average in one plane, there will be 8,600 plane arrivals a year and as many departures, which means 24 planes to land and 24 planes to take off in a day. In reality, the plane arrivals and departures will heavily concentrate in some months and on some days so that the main airport should be equipped to handle 60 to 100 planeloads of arriving passengers in a day, in addition to a similar number of departing passengers. It is obvious that the airports of the North African countries except Cairo would have to be enlarged and equipped in such a way that processing of large numbers of passengers

is done quickly and smoothly. An adequate number of checking points have to be available, and also large waiting halls, with sufficient armchairs, checking-in counters and other facilities.

It is also essential that the frontier formalities be simplified as much as possible, and the waste of time to passengers and personnel reduced to a minimum.

If automobile touring from Europe is to be encouraged, investments should be made in a large, modern ferry boat operating between Sicily and Tunisia. At the same time, the main highway connecting Tunis via Constantine, Algiers and Oran with Tangier should be widened where necessary, the curves smoothed and the intersections on the level replaced by over or underpasses with suitable ramps (access roads).

For tourists arriving by plane and staying in coastal resorts or in cities, "rent-a-car" services should be made available at reasonable rates, and also motorcoach tours and excursions organized. This will require considerable imports of cars and buses. It is not possible, however, to give quantitative estimates of these requirements, but they should be borne in mind when assessing the foreign currency earnings and expenditures due to increased tourism in the North African countries.

D. PROFESSIONAL TRAINING

The newly built hotels will require trained personnel to operate them. In hotels of good tourist category the number of employees will roughly correspond to one third of the number of hotel beds, provided they are well trained for their job. In Sudan, however, because of a more demanding tourist public and the necessity to provide more expensive accommodation and superior service, this ratio would be 1 to 2-1/2 on the average. The personnel required for repair, maintenance and gardening are not included in the figures in this chapter, as training for them would usually be provided in other professional schools not necessarily connected with hotel training.

Requirements concerning professional training of workers and employees in the newly built hotels are indicated in Table 12. About 3 per cent of the total number of new jobs are executive jobs requiring a good general education and thorough professional training. This means that candidates for them should have professional training in hotel administration at the college (university) level, after completing secondary school. Six per cent of the total number of jobs require general knowledge of hotel business in addition to specialized knowledge in a particular field of hotel activity such as restaurant and cuisine or reception, administration and rooms. Training for those jobs could be provided in junior colleges for three years, after 10 years of general education, and it would enable graduates to head various services within a large hotel (assistant manager, staff manager, head receptionist, head control clerk, head bill office clerk, "maître d'hôtel," head housekeeper, "chef de cuisine," etc.) or to run restaurants, smaller hotels, etc. About 52 per cent of staff members should be trained in professional schools or training centres after eight years of general education. Training for employees of the reception and administration as well as training for cooks should last two years. For waiters and other restaurant and bar employees, training of one year should be sufficient, and in case of rapidly growing demand for such staff it could be reduced to six months. The training for chambermaids and other room personnel should not exceed six months.

In addition to the staff trained in schools and training centres, about 39 per cent of the workers would be employed without previous training.

Table 12 indicates the number of new jobs to be created annually in individual North African countries from 1971 on, should the increase of hotel capacity materialize as projected in Table 1. In order to properly staff the newly built hotels in North Africa from 1971 on, about 4,300 candidates trained for jobs in the hotel industry should be available

each year. To provide such candidates, 6,700 students should attend hotel industry schools, some from 1968 (see Table 13). Seven hundred of them should be trained at the college level. About four hundred and sixty of them would be from the French-speaking Maghreb countries. It is therefore of great importance that an institute for hotel studies be created in North Africa with the aid of UNDP.

TABLE 12
Additional personnel required yearly for new
hotels in North Africa from 1970 on

Qualification of employees	%	Morocco	Algeria	Tunisia	Libya	UAR	Sudan	North Africa
TOTAL	100	1,330	1,660	1,660	333	2,000	100	7,083
<u>College level</u> (3 years)	3	40	50	50	10	60	3	213
<u>Junior college</u> (3 years)	6	80	100	100	20	120	6	426
<u>Professional schools & training courses</u>								
Reception and admin- istration (2 yrs.)	9	120	150	150	30	180	9	639
Cuisine (2 years)	7	93	116	116	23	140	7	495
Restaurant, bar (1 year)	18	240	300	300	60	360	18	1,278
Rooms	18	240	300	300	60	360	18	1,278
<u>Unskilled workers trained on the job</u>	39	517	644	644	130	780	39	2,754

TABLE 13

Number of students to be trained on various levels

Qualifications	Morocco	Algeria	Tunisia	Libya	UAR	Sudan	Total North Africa
College (3 years)	132	165	165	33	199	10	703
Junior college (3 years)	264	330	330	66	396	20	1,406
<u>Professional schools & training courses</u>							
Reception and hotel administration (2 years)	264	330	330	66	396	20	1,406
Cuisine (2 years)	205	255	255	51	308	15	1,089
Restaurant & bar (1 year)	264	330	330	66	396	20	1,406
Rooms (1/2 year)	132	165	165	33	198	10	703
TOTAL	1,261	1,575	1,575	315	1,892	95	6,713

Training at the junior college level for future heads of various hotel activities could be provided in junior hotel colleges or similar schools. The number of students in Morocco, Algeria, Tunisia and UAR would justify establishing one or several such schools in each of the said countries, as Morocco has already done, while Libya and Sudan could train their students in Egyptian and Tunisian schools.

Professional schools and training centres for other hotel workers could be organized in each of the North African countries, as has been done in Morocco, Tunisia and Algeria. Experience acquired in these countries would help to choose the best forms of training, their length, the size of schools and possibly the separation of boys and girls at schools and training centres.

In Table 14 a rough estimate is given of the teaching staff required except on the college level. It is based on the assumption that the classes will have at the beginning 33 students each, and that each teacher in junior colleges will hold lectures and exercises totalling 25 hours a week, and in other schools 26 hours. For all North Africa except for senior colleges, 257 teachers would be necessary, 90 for general education and 167 for disciplines specific for hotel business. Among the first group about 75 should have college training and only about 60 in the second, while graduates of junior colleges could provide most of the remaining staff. Some of the staff members could also be engaged on a part-time basis.

Training facilities for other staff to be employed in tourism, such as travel agency personnel, personnel of tourist information offices, officials in the Government tourist administration or other tourist organization could be provided by the Institute for Studies in Tourism at Tangier if this project is implemented.

It is also possible to provide courses on various tourist activities in schools for business administration at college level or in secondary trade schools.

E. TRAVEL PROMOTION

In the tourist business where demand is particularly sensitive to external influence and where international competition is strongly felt, advertising and publicity are indispensable tools for attracting more tourist traffic. New countries which not so long ago were hardly ever thought of as tourist destinations and where tourist attractions, amenities and transport facilities are virtually unknown to the public, must spend comparatively more on advertising than already established tourist countries well known to the public and travel agents. Publicity is even more

TABLE 14
Number of teaching staff in hotel schools
(except at the college level)

	MOROCCO			ALGERIA			TUNISIA			LIBYA			UAR			SUDAN			NORTH AFRICA		
	T	G	Te	T	G	Te	T	G	Te	T	G	Te	T	G	Te	T	G	Te	T	G	Te
Junior College	8	3	5	11	4	7	11	4	7				13	5	8				43	16	27
<u>Prof. school</u>																					
Reception & administration	12	4	8	16	6	10	16	6	10	4	2	2	17	6	11	1	1	1	66	24	42
Cuisine	9	3	6	12	4	8	12	4	8	3	1	2	15	5	10	1	1	1	52	17	35
Restaurant and Bar	12	4	8	16	6	10	16	6	10	4	2	2	17	6	11	1	1	1	66	24	42
Rooms	6	2	4	7	2	5	7	2	5	1		1	9	3	6	-			30	9	21
TOTAL	47	16	31	62	22	40	62	22	40	12	5	7	71	25	46	3		3	257	90	167

T - Total
G - General disciplines
Te - Technical disciplines

necessary if such new countries have adopted vigorous development programmes of tourist facilities like the ones projected in this study. It is therefore necessary to undertake a continued and vigorous travel promotion campaign which will include the main travel markets and make the public and the travel agencies genuinely interested in tourist attractions and facilities in North Africa.

Some of the North African countries have already or will soon have sufficient tourist accommodation capacity which could support a reasonably effective publicity campaign on several travel markets, and their national tourist offices have already requested considerable means for travel promotion abroad. The tourist administration of only three Maghreb countries (Morocco, Algeria, Tunisia) have requested for travel promotion in 1966 \$2,300,000. This, however, does not include the costs of national tourist offices abroad. In Table 15 a survey is given of the North African national information tourist offices in foreign countries. Four North African countries have 23 tourist offices, although some of them might be general information offices which are less suited for travel promotion. At least 70 well-trained employees are required to staff these offices, and their global operative costs will rise at least to 1 million. If we add the costs of travel promotion of the UAR, Libya and Sudan, we shall come close to the global figure of 5.5 million and still the travel promotion of the North African countries is little felt on the markets. Tourist experts speaking about this promotion have little praise for it. Including North Africa in her judgement of the quality of African travel promotion, a tourist expert has stated that not counting a few exceptions, travel promotion in Africa is "insufficient, fragmentary, ill-conceived, ill-directed, badly presented and badly distributed."^{1/}

^{1/} Etude sur les perspectives de développement du tourisme en Afrique,
par Alette Havet, 1965, p. 5.

TABLE 15
North African tourist information offices abroad

	Morocco	Algeria	Tunisia	Libya	UAR	Sudan
U.K.	x		x			
France	x	x	x			
F. R. Germany	x	x			x	
Switzerland	x				x	
Sweden	x	x	x		x	
Italy	x				x	
Spain					x	
Denmark						
Belgium	x					
USA	x		x		x	
Lebanon			x		x	

Total - 23 offices

These experts made a few exceptions from this general evaluation, among them a North African country, and there might be others to which this exception may apply. But there is no wonder that under such conditions the government tourist offices do not always obtain sufficient funds for effective travel promotion. As regards promotional activities on foreign markets, it is obvious that the diplomatic representatives, the general (political) information offices, and the foreign trade representatives are hardly suited for the "aggressive" travel promotion and highly professional approach of tour operators, air carriers, and other organizers of travel that is necessary to make the markets interested in the North African countries. Such travel promotion including supplying information to the public and co-operation with travel agents in organizing and marketing

of package tours to North Africa, requires well-trained professional staff, acquainted in detail with the tourist attractions and facilities of the countries represented and familiar with business practice in the travel trade. They must also have a thorough knowledge of the mass media which they can use in their advertising and publicity campaign. Only professionally staffed and well-equipped tourist information offices can do this job, and initiate and support efficiently the offer of tours to North Africa which the tour operators have put in their programmes. Such tourist offices able to carry out a widespread and vigorous tourist promotion could best be achieved by the joint efforts of all the North African countries. Both the advanced tourist countries and those who have only started to develop large-scale tourism will greatly benefit from combining their efforts and promoting a widespread knowledge of their respective countries by joint promotional activity financed by all the member countries of the North African sub-region. Such a joint publicity campaign concentrated in one organization would entirely reshape the existing markets. The North African countries most frequently ignored when it comes to vacation or package tours planning would catch the imagination of the public and create a strong demand for travel to North Africa. The advantages of the climate would be brought to the fore and make potential tourists shift their demand to travel in the less-crowded months. Tour operators and the public will learn about the new comfortable hotels, possibilities for entertainment, sports, excursions, tours and shopping. Both the tour operators and the scheduled and non-scheduled air companies would quickly become aware of the excellent possibilities to increase business and to use their staff and equipment more evenly throughout the year by promoting travel to North Africa, and their promotion will increase manifold the interest of the public for travel to North Africa. Those who may have witnessed in their countries dabbling in tourist propaganda with insufficient means and inadequately trained staff

would be delighted by the tremendous impact of a well-organized and vigorous travel promotion based on modern techniques and using expertly the right media and methods which sufficient financial means will make available.

In order to begin with such a vigorous promotion in 1970, preparations should be carried out in 1969 with the creation or transformation of the existing national tourist offices into 10 North African tourist offices, two in the USA and one in each of the following European countries: U.K., Germany, France, Sweden, Switzerland, Netherlands, Belgium and Italy. The running of these offices would cost \$700,000; joint printed material on all the North African countries \$400,000; other publicity (study tours, travel films, etc.) \$100,000; the running of the secretariat of the organization (the head office) \$200,000; and for advertising in the foreign press and other media \$600,000 -- or altogether \$2,000,000.

The activity of the joint organization should be supported by the printed material, films, hospitality extended to travel agents, travel editors of the mass media, TV producers, etc. by individual member countries and by their own activities. The tourist organizations of member countries in addition to preparing such material would carry out study tours on their respective territories and prepare other joint actions of the secretariat. The additional cost to be borne independently by individual member countries would amount to another \$1,000,000 for all the member countries together. Altogether, \$3,000,000 would be spent on travel promotion by the whole North African sub-region. This would be less than one per cent of the foreign currency earnings from tourism in 1970 and it is much less than the sum of the amounts actually requested by individual North African national tourist organizations for travel promotion in 1967. While this one per cent of the foreign currency earnings would be necessary to get things started, with the increase of the volume of tourism the amount for travel promotion would not increase proportionately and by 1980 the

percentage of travel promotion costs would drop to 1/2 per cent of the foreign currency earnings. It is understood that the proposed volume of promotion is calculated on the basis of the increase of hotel capacity projected in Table 1. If this increase in capacity does not materialize until 1970, the volume of advertising could be reduced accordingly and the North African tourist offices set up in fewer countries than scheduled.

The respective share of each country can be fixed easily on the basis of foreign tourist nights in the last year for which such figures are available. Until such statistics are introduced in all member countries, figures on foreign tourist arrivals in the country would do.

In Table 16 a projection is given of such joint travel promotion costs distributed on member countries. The joint publicity is supposed to start as soon as possible and the whole set-up should already be established during 1969 in order to develop its full activity in 1970.

The staff of the national tourist offices abroad should certainly be taken over by the newly-created North African tourist offices, respectively their head office. They have already acquired valuable experience in promoting tourist travel to their respective countries. They should, however, be given an opportunity to tour the other North African countries to get thoroughly acquainted with their tourist attractions and facilities. They would thus become able to give accurate information on all the North African countries and encouraged to promote travel to them regardless of which country they come from. In larger North African offices abroad, there would be several employees originating from various North African countries so that there will be a complete coverage even for most detailed information.

The organization for tourist promotion of North African countries should be directly controlled by a board composed of the directors of the national tourist offices or the tourist administrations which are

now responsible for travel promotion in their respective countries. Their co-operation would be not only of great value for directing efficient and vigorous travel promotion, but also of immense utility as a place of periodical exchange of information and experience, and of planning other joint actions in the development of tourism.

TABLE 16
Financial means necessary for travel promotion
of North Africa in U.S. \$

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	Variable part	With the fixed participation	Variable part	With the fixed participation
Morocco	600,000	605,500	439,000	444,500
Algeria	127,500	133,000	370,000	375,500
Tunisia	430,000	435,500	397,000	402,500
Libya	53,500	59,000	93,000	98,500
UAR	730,000	735,500	639,000	644,500
Sudan	26,000	31,500	29,000	34,500
TOTAL	1,967,000	2,000,000	1,967,000	2,000,000

In 1970 distribution of the membership fees would be on the basis of the 1968 tourist nights from the markets where joint publicity is to be carried on, plus a fixed estimate of \$5,500 for each country. For simplicity the distribution of the membership fees in 1980 has been calculated on the basis of tourist nights projected for that year while actually it should be done on the basis of nights in 1978.

F. CONCLUSION

The projection in this study has been made to indicate what could be attained in tourist development under normal conditions. It is obvious that preparations for war or the aftermath of war could considerably slow

down development in areas hit by such conditions. Even prolonged political tension in the area might discourage travel especially if it has created excitement on the main travel markets. On the other hand, it has been mentioned already that the end of war spending and reduction of defense expenditure might most favorably stimulate international travel by both raising the living standards and by making more international capital available for tourist investments and that the projected growth in this study might be far surpassed by actual development.

Transport has hardly been mentioned in this Annex, and on this subject reference is made to Chapter VIII.

Other activities such as local transportation, entertainment, handicraft, personnel services, should certainly augment and improve with the growth of tourism. There is no need, however, to make quantitative estimates of their development.

Great progress has already been achieved in North African countries concerning liberalization of travel formalities. It is supposed that the same will take place in a couple of countries left behind in this development and that in all the North African countries visa requirements will be abolished for tourist travel. Currency restrictions are more difficult to discard, but experience of other countries in a similar situation has shown that they should be relaxed and even completely abolished as soon as the balance of payments is no more endangered. In some countries this might be thanks to tourism development, but in all countries such a step would encourage further tourism development.

The economic advantages of foreign tourism will bring about conditions favourable to a free exchange of people and ideas and in this way not only help economic advancement but also contribute to a better understanding of the problems and needs of the developing North African countries.