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IDEATION CENTER INSIGHT

Destination Middle East

Boosting the region's position in global tourism

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The Ideation Center

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EXECUTIVE SUMMARY

Tourism represents a significant long-term economic opportunity for the Gulf Cooperation Council (GCC)[1] countries and Egypt, one that will be available years after the current economic turmoil. These countries understand its potential and have focused in recent years on enhancing their offerings with the aim of becoming global tourism destinations.

The performance of the GCC countries and Egypt has often not matched their ambition. With the exception of the United Arab Emirates (UAE), which attracts large numbers of visitors, these countries do not receive as many tourists as they could. These numbers were further reduced by the COVID-19 pandemic. However, the scale of the long-term opportunity remains unaltered.

To develop the sector, governments need to embark on a five-stage tourism journey. First, they should define their vision for tourism in their country. Second, they should introduce effective governance structures. Third, they need to identify the travelers that are most likely to be attracted to their offerings, segmented by source markets and sociodemographic profiles. Fourth, they must prepare the destination by burnishing the appeal of their tourism products and experiences, and ensuring that destinations are ready to welcome tourists. Fifth, they need to ensure tourists will visit the country, which involves marketing and promotion campaigns aimed at target travelers in source markets, platforms that convert prospective tourists' interest into bookings, and transport connections to the destination. All of this needs to take advantage of the digital technologies that are involved in all stages of tourism, for providers and travelers alike.

Once the stages are completed, the country should review and renew them regularly to reinforce its position in the global tourism market. By developing tourism systematically, these countries have the opportunity to build thriving global tourism destinations in the Middle East that contribute to their economies and create jobs.

A COMPELLING OPPORTUNITY FOR THE REGION

The GCC and Egypt understand tourism's potential for economic diversification, growth, and job creation and have sought to become part of the recent global expansion in the sector. These governments' vision of building major tourism destinations in the Middle East is as compelling as ever.

In recent years, the GCC and Egypt have focused on enhancing their tourism infrastructure and offerings, and marketing their destinations far and wide. However, performance has often not matched ambition. Tourist arrivals were still relatively low for most of these countries in 2019, ranging between 0.1 and 0.7 travelers per head, with the exceptions of Bahrain and the UAE at 7.4 and 2.5, respectively.[2] By comparison, Spain and Singapore attracted 1.8 and 3.3 travelers per head, respectively.[3] There has also been little growth in tourist arrivals in the region between 2014 and 2019, with decreases in some countries.[4]

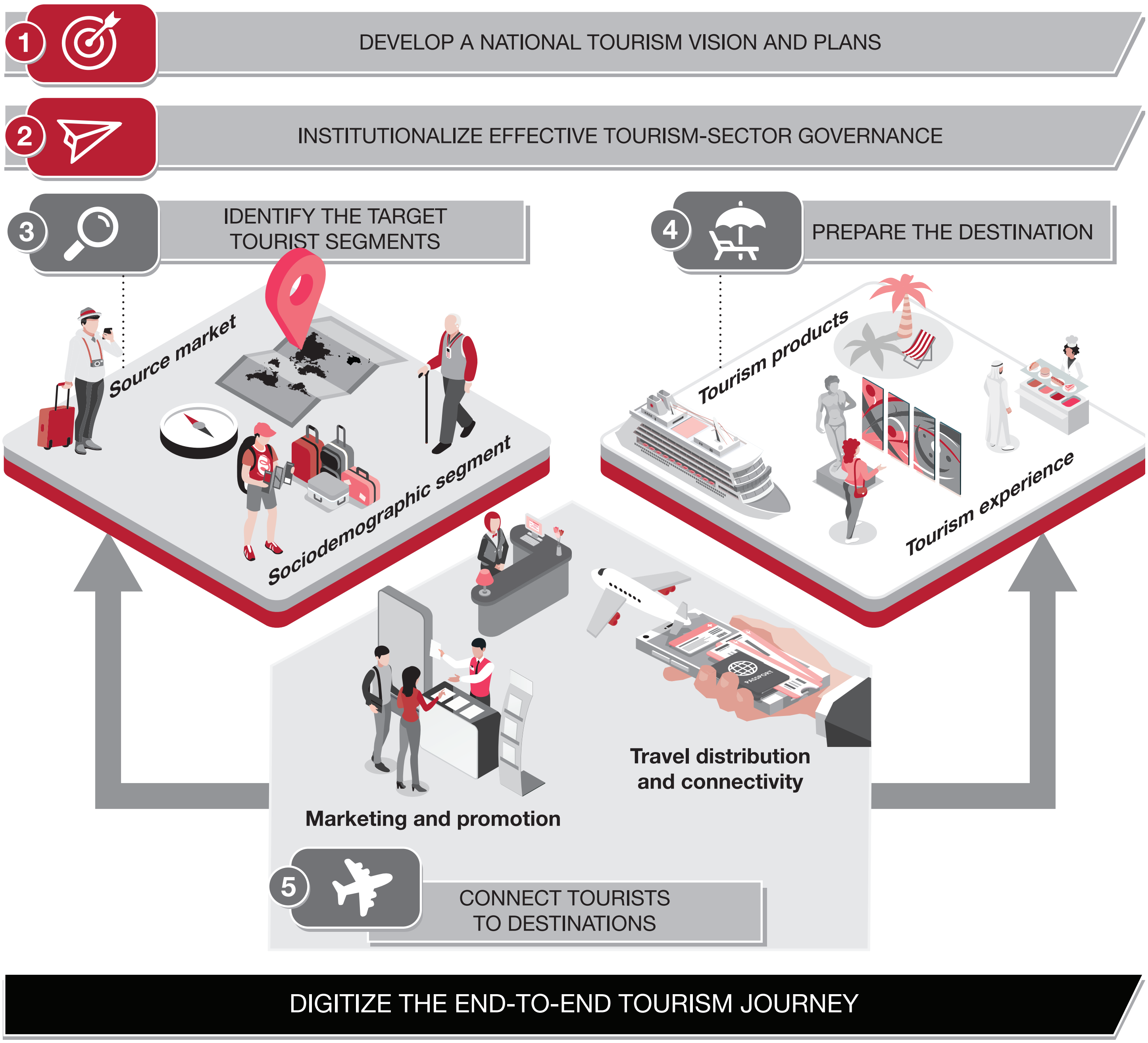
The COVID-19 pandemic has disrupted the travel and tourism sector and brought much of it to a temporary halt. Strategy& is forecasting that those countries with an established tourism sector could have to wait at least three to five years for tourism to regain the level of demand it enjoyed in 2019. Nonetheless, historically tourism has proven to be among the most resilient sectors. Indeed, in recent years tourism has been a success story, contributing 10.3 percent to global GDP in 2019.[5] The sector was expected to grow by nearly 50 percent in the coming decades, principally due to more frequent travel among the middle class and the youth population, along with the emergence of new destinations.[6] As such, GCC and Egypt should not be distracted from the long-term tourism opportunity.

STARTING THE TOURISM JOURNEY

The GCC countries and Egypt need to adopt a systematic and coherent approach, a tourism journey that will develop the sector over the long term (*see Exhibit 1*). What the tourism journey does is create a structure within which the government and stakeholders, in the public and private sectors, can act and coordinate. At the end of the journey, the government will need to review and renew its approach, to continuously reinvent and innovate to prevent its offerings from becoming stale. Reinforcing the relationship between travelers and the country is critical, as the strength of a tourism destination comes from its reputation and repeat visitors.

EXHIBIT 1

The tourism journey consists of five stages



Source: Strategy&

1. DEVELOP A NATIONAL TOURISM VISION AND PLANS

The first stage of the tourism journey is for the government to define its national tourism vision and plans. To design a consistent strategy and secure collective commitment, all stakeholders, public and private, need to understand and support this vision.

The vision will incorporate target outcomes, such as the anticipated number of tourists, tourism's contribution to GDP and job creation, and the country's desired image as a tourist destination. Already countries across the region have set objectives. Saudi Arabia's Vision 2030, for example, aims to make the country an appealing destination for regional and international travelers. It plans to offer multiple integrated tourism products and experiences, such as religious; heritage; entertainment; urban; and meetings, incentives, conferences, and exhibitions (MICE). Saudi Arabia wants to increase the number of domestic and international tourists to 100 million a year by 2030 and boost the sector's contribution to 10 percent of GDP, up from 3 percent in 2018.[7]

Other countries have a niche approach. For example, Bahrain aims to become an elite international and regional family destination.

2. INSTITUTIONALIZE EFFECTIVE TOURISM-SECTOR GOVERNANCE

The second stage is to ensure that there is effective governance that aligns the aspirations and roles of all public and private stakeholders, thereby ensuring successful implementation of the vision and plans.

The tourism sector involves numerous organizations as it encompasses a variety of subsectors. These include the government, through the ministry of tourism and tourism boards; travel players such as airlines and transport companies; accommodation players, which is mainly hotels, conferences, and events entities; attractions and destinations, such as mega-parks and museums; and tourism-services-related entities, such as tour operators and travel agencies. In some cases, international organizations are also involved. In Saudi Arabia, for instance, the government has established multiple dedicated entities to lead each subsector involved: the ministry of tourism, the ministry of culture, the General Entertainment Authority, the General Sports Authority, and the Saudi Exhibition and Convention Bureau. The Saudi Commission for Tourism and National Heritage also recently signed a long-term strategic partnership with the World Travel and Tourism Council.[8]

Sector governance is complex. Typically, the ministry of tourism chairs a council or committee, with the role of coordinating efforts between the different subsectors and entities to ensure they are all working toward a common goal and to oversee the implementation of the various plans.

"The second stage is to ensure that there is effective governance that aligns the aspirations and roles of all public and private stakeholders, thereby ensuring successful implementation of the vision and plans.

3. IDENTIFY THE TARGET TOURIST SEGMENTS

In the third stage, the government must determine which tourists constitute its main target segments. These are the travelers most likely to be attracted to the country's offerings.

The government should segment these tourists according to their markets of origin and their sociodemographic profiles. Data analytics and data sharing between tourism-sector stakeholders, particularly when exploiting predictive and behavioral analysis, can support governments in making informed decisions about which tourists to attract. Artificial Intelligence (AI), machine learning, and geolocation can be used to identify target travelers and predict their preferences.

Select source markets

Governments should prioritize the source markets that can make the most significant economic contribution. Travelers from these source markets should be able to travel to their destinations with relative ease and be a natural fit for the region.

Potential market size and propensity to travel
The most attractive source markets possess a mixture of a large number of outbound travelers, rising long-term outbound tourism, and high average spending levels per head. In recent years, the global source markets with the highest number of outbound travelers to the GCC and Egypt have included China, France, Germany, Russia, the U.K., and the United States. China was one of the fastest growing source markets with high average expenditure at the destination of around $1,700 per trip per traveler.[9]

Convenience and proximity
Most international travelers prefer destinations that are relatively accessible or convenient. Geographic proximity is an important factor. For the GCC and Egypt that means prioritizing source markets in Africa, Europe, and South East Asia.

One of the effects of the pandemic has been to encourage travelers to seek destinations closer to home, including those accessible by car. This means domestic and short-haul travel is an important opportunity, an offering that will endure with customer loyalty. Travel bubbles, also known as travel bridges or corona corridors, are essential to any such international travel at present. These are exclusive arrangements between countries that follow similar procedures to suppress infection rates. They allow people to travel within a specified zone without the need for quarantine.

Natural fit

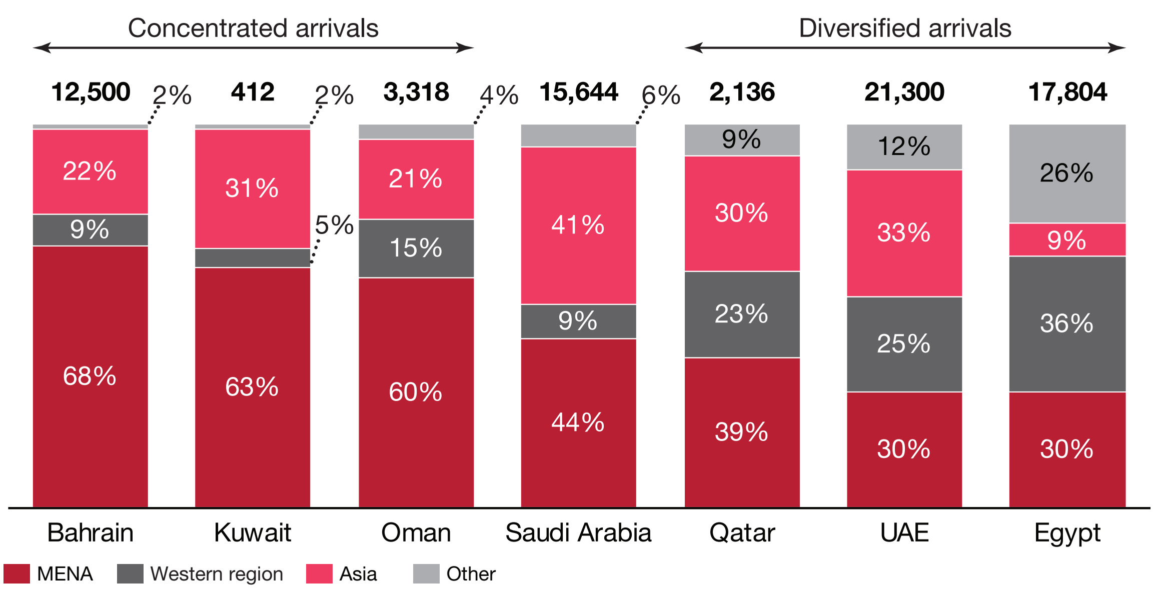
For some travelers, language and cultural fit also facilitate tourism. These travelers are more likely to visit countries in which they can communicate easily through a shared language and where they feel at home with the country's moral, religious, and social norms. Familiarity with a country encourages visitors and provides a stable stream of travelers.

The GCC and Egypt have two kinds of visitor profiles: concentrated and diversified. The UAE and Egypt have diversified profiles, hosting visitors from a diverse range of countries, a demonstration of their widespread appeal. Egypt has the largest share of Europeans, but received a low percentage of Asians in comparison with GCC countries (*see Exhibit 2*). In recent years, new source markets have emerged, in particular from Asia. Visitors from China and India have been growing at a rate of more than 25 and 10 percent per year, respectively, since 2013.[10]

EXHIBIT 2

The largest tourism markets tend to have the most diverse visitors

Visitors by country of origin (in thousands of trips, 2019)

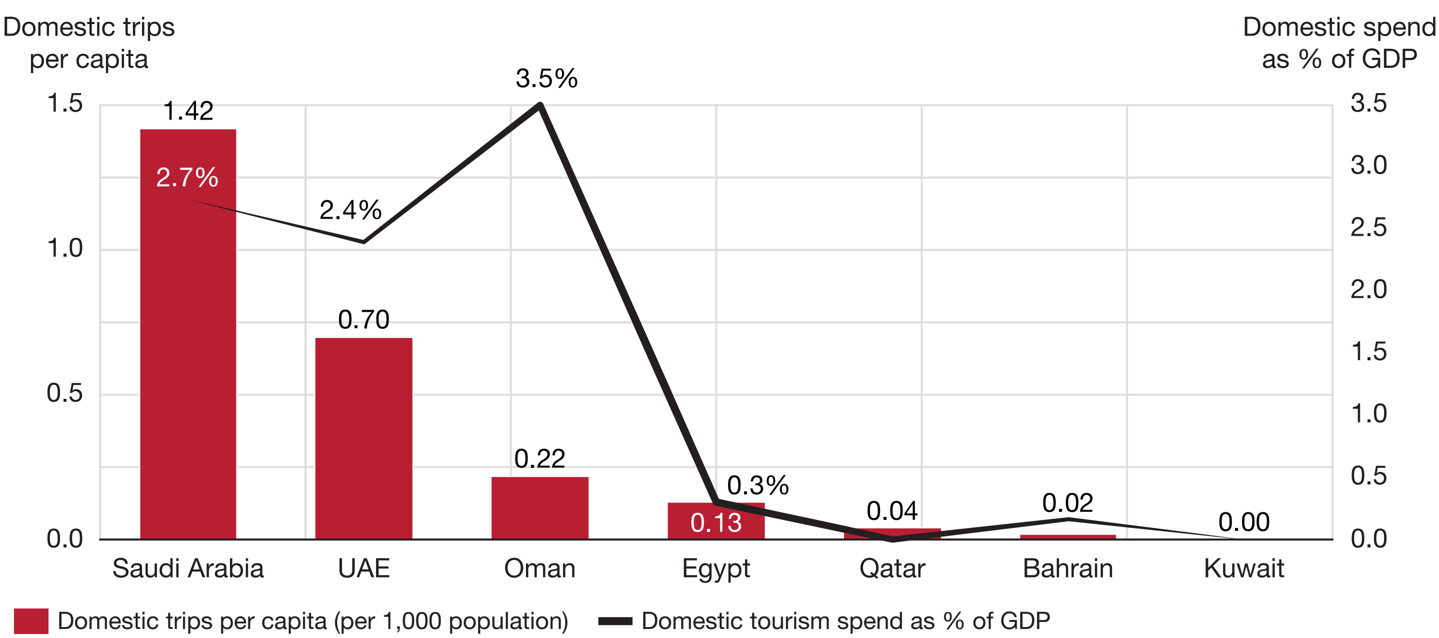


Note: Percentages may not sum due to rounding.
Source: Euromonitor; Bahrain Tourism & Exhibitions Authority; Visit Qatar statistics 2019; national statistics databases; Shawn Baldwin/Bloomberg, "Egypt's tourism sector sees 'remarkable growth,' tourism receipts to increase to 29.7 bn by 2024," Egypt Independent, January 31, 2020 (https://tinyurl.com/yxcd5jup); Strategy& analysis

Of course, the most natural fit is domestic tourists. They are particularly important at present as they can help the recovery. Domestic tourism represented 71.3 percent of total travel and tourism spending globally in 2019.[11] The GCC and Egypt have not, however, drawn sufficiently upon this segment. The number of domestic trips per head amounted to only 1.4 per head in Saudi Arabia, 0.22 in Oman, and 0.1 in Egypt, compared to 3.4 in China, Spain, and the United States (*see Exhibit 3*). Omanis tend to have an unusually high level of spending when traveling domestically.

EXHIBIT 3

The region has potential for domestic tourism
(2018 data)



Source: Euromonitor; World Bank; Strategy& analysis

Some countries, such as Malaysia, are using domestic tourism to test offerings before mass international travel resumes. Malaysia is focusing on two domestic tourism categories: safe and green. Tourism Malaysia has launched campaigns such as #TravelLater to encourage its citizens to stay home and visit domestic destinations to promote economic recovery. As a result of these efforts, the country's domestic tourism sector is expected to grow by 30 percent in the coming year.[12]

Identify sociodemographic segmentation of tourists

The government must also define the profiles of the target segments, identifying those most likely to be drawn to the country's tourism offerings. The GCC and Egypt should evaluate nine segments that align with budget and desired experiences (*see Exhibit 4*).

EXHIBIT 4

Tourist segments reveal distinct profiles according to travel experiences and spending patterns

Sociodemographic segmentation of tourists

Conventional ↔ Explorers	Segment	Demographic profile	What they seek	Preferred offerings
Conventional	Full-care seniors	Older travelers, at least 65 years of age	Relaxation	Organized nature and cultural experiences
	Budget-conscious comfort seekers	Middle- to low-income travelers	Comfort	Organized activities; international brands
	Family fun travelers	Mainly affluent middle-class families	Entertainment	All-inclusive resorts
	Comfort and well-being seekers	Well-off families and couples	Well-being	Sun and beach or urban destinations
	Business tourists	Middle- to high-income business professionals	Convenience and entertainment	Luxurious short urban trips
	Sports and entertainment enthusiasts	Young travelers on a budget	Unique experiences	Exotic and less conventional destinations
	Nature lovers	Responsible travelers	Ecotourism	Outdoor activities and sports in exotic destinations
	Authentic discoverers	Active travelers	Authentic experiences	Natural reserves and outdoor activities, in isolated destinations
Explorers	Wealthy world travelers	High-income travelers	Discovery	Customized and personalized programs

Source: Strategy&

4. PREPARE THE DESTINATION

The fourth stage is for governments to prepare the destination itself. This means enhancing the appeal of tourism products and experiences, and ensuring that the destination can welcome tourists.

Enhance the appeal of tourism products

The government should ensure that its tourism products are consistent with the preferences of target tourist segments. Depending on its target market, a country's tourism products can focus on such intrinsic attributes as culture and heritage, "sun and beach," or nature. There is also the potential for offerings that are not intrinsic but that can be built. These include urban tourism, which can mean shopping, MICE, and entertainment activities, such as theme parks, concerts, and events.

Most countries should focus on a limited number of offerings. Currently, the UAE emphasizes human-built offerings, while Egypt, Oman, and Saudi Arabia concentrate on intrinsic offerings (*see Exhibit 5*).

EXHIBIT 5

A proportional comparison between offerings across different tourism categories
(based on quantity and popularity of supply)

United Arab Emirates

The UAE has cruises, MICE, sports and entertainment, and urban offerings, but with some sun and beach, and modern arts.

Egypt

Egypt has heritage and culture, along with some sun and beach offerings.

Saudi Arabia

Saudi Arabia has mostly religious tourism, with plans to expand into heritage and culture, MICE, urban, and nature.

Qatar

Qatar has some MICE and modern arts offerings.

Oman

Oman has nature, and some heritage and culture, and sports and entertainment offerings.

Bahrain

Bahrain has some sports and entertainment, and urban offerings.

Kuwait

Kuwait has some urban offerings.

Note: Saudi Arabia's targets are based on its ambitious plans and ongoing mega-projects. Analysis does not account for education and healthcare tourism, as they are minor or non-existent in most countries.
Source: National tourism websites; TripAdvisor; Lonely Planet; Google maps; Google travel; The Culture Trip; Time Out; Cruise mapper: Royal Caribbean (https://www.cruisemapper.com/cruise-lines/Royal-Caribbean-1); Strategy& analysis

Burnishing the appeal of tourism products also means responding to travelers' growing desire for holistic experiences that can enhance them physically or spiritually, or that contribute to the environment (*see "The rise of sustainable tourism"*). There is rising demand, for example, for easily accessible, immersive, and participatory cultural and wellness trips. Hybrid forms of tourism integrate wellness into hotels and transportation, with airports offering yoga rooms, in-transit fitness clubs, and green spaces. Similarly, culture is changing to become more experiential and interactive. Nuit Blanche is an annual, all-night free festival adopted in a number of cities such as Helsinki, Melbourne, and Paris. It transforms a city center into art galleries with installations, performances, and free access to cultural facilities.

The rise of sustainable tourism

Another category to grow in the last decade is sustainable, also known as "responsible," tourism. This form of travel seeks to reduce carbon footprint, preserve natural heritage, and conserve resources such as energy, food, and water. Responsible tourists select destinations for their sustainable and ethical practices. They buy local produce, live authentic cultural experiences, and prefer walking or biking. Some volunteer to conserve the environment by cleaning the area they have stayed in and consuming responsibly. There has already been a rise in demand for hiking, walking tours, cycling vacations, road trips, fishing, sea resorts, health farms, and visits to slightly isolated nature villages.

These tourists spend 50 percent more than regular travelers, take more time for their journeys, and invest in the local market.[13] Typically sustainable tourism occurs in an authentic destination, with the support of the local community. Sustainable destinations seek tourists who travel by short flights, if they fly at all, to reduce the carbon footprint; and arrive off season to balance demand across the year.

Sustainable tourism has grown in response to worries about the environmental impact of mass travel. These concerns are relevant to such Middle East destinations as Egypt, with its long-established tourism sector. Egypt has identified sustainable offerings in its national tourism vision and plans. Agro-tourism is becoming increasingly popular in Saudi Arabia, where the government has been collaborating with the agricultural sector to offer holidays on farms.

Ensure the readiness of the destination

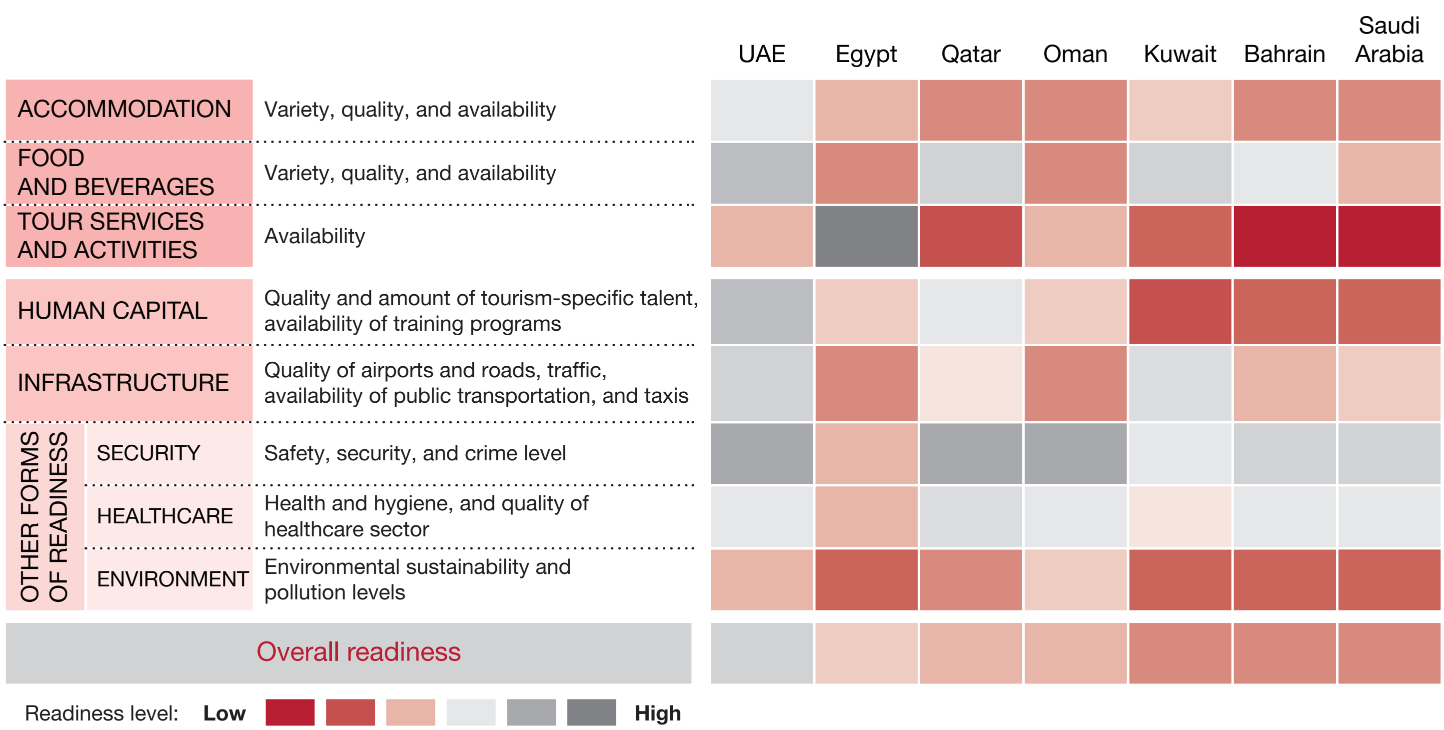
The government needs to ensure its destinations can receive its target tourists and provide them the experiences they seek. The GCC and Egypt can do this through two exercises: assessing their state of readiness, and bearing in mind the specific needs of target traveler segments. The government can use the results of these exercises to prioritize its efforts and to coordinate with public and private stakeholders.

Assess readiness

There are eight main areas of readiness. The GCC and Egypt are at very different levels of readiness in terms of accommodation, food and beverages, tours, and the other elements that make a destination ready (*see Exhibit 6*).

EXHIBIT 6

The GCC and Egypt need to assess their state of tourism readiness based on quantity and quality of supply



Source: World Travel & Tourism Council, "Global Talent Trends and Issues for the Travel & Tourism Sector" (2014); World Travel & Tourism Council and the World Economic Forum, "Travel and Tourism competitiveness index," 2017 and 2019 editions; World Travel & Tourism Council Data Gateway (https://tool.wttc.org/); national visions and plans; Abu Dhabi Tourism & Culture Authority; Booking.com; TripAdvisor; Viator; Numbeo; Dubai Statistics Center; Visit Qatar; Statista; CEIC Data; Strategy& analysis

Accommodation, and food and beverages Some countries need to intensify their efforts in these two aspects of readiness. For example, hotels and restaurants in Saudi Arabia and Oman still have room for improvement. In particular, Oman lacks high-quality hotels and restaurants despite its focus on luxury tourism. Egypt also needs to improve the overall quality of these facilities.

Tour services and activities Tours and activities help visitors discover destinations, and are vital for heritage and cultural offerings. Egypt, an established heritage and cultural destination, offers 1.54 tours/activities per 1,000 travelers. The UAE similarly offers a large number of activities when compared to other leading urban destinations such as Singapore. By contrast, Bahrain and Saudi Arabia have only limited offerings of fewer than 0.02 tours per 1,000 inbound travelers.[14]

Human capital Qualified multilingual guides and personnel improve the traveler experience. Qatar and the UAE have highly qualified staff with globally recognized, tourism-specific certifications and accreditations. For example, the UAE offers the International Air Transport Association diploma.[15] Qatar has partnered with Stenden University in the Netherlands to train and license tour guides.[16] Other countries, however, have been struggling to recruit quality staff consistently, although moves are afoot to improve skills.

Infrastructure Public transportation, taxis, ride-sharing platforms, and an efficient road network allow convenient access to different destinations within a country. Across the region, especially in Egypt and Kuwait, there is a lack of ground transportation, and road quality needs to improve, in particular to relieve congestion. Public transportation beyond taxis is in short supply, while taxi availability in Oman is insufficient.

Security, healthcare, and the environment The GCC countries are notable for their security. They are improving their healthcare, which is often free to visitors who require emergency treatment. Some GCC countries and Egypt need to improve their environmental practices, in particular to reduce urban pollution.

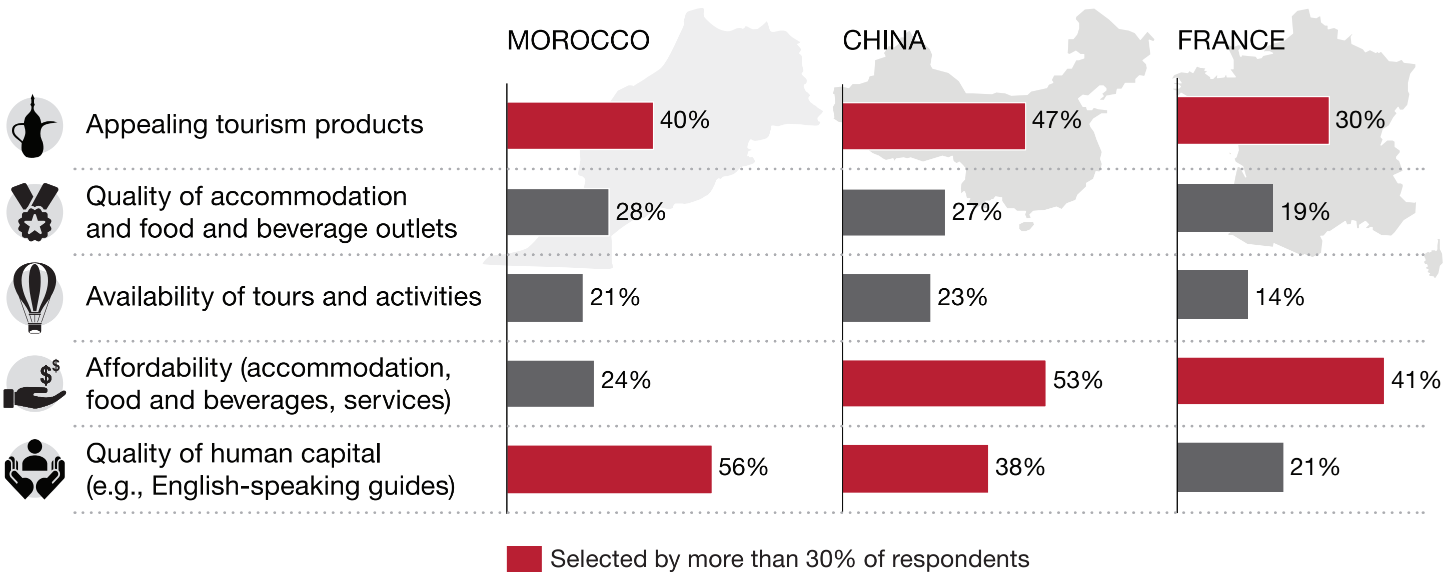
Pay attention to the needs of target tourists

The second aspect of readiness is paying attention to the specific needs and preferences of target tourists. Travelers from different source markets, or segments, value some aspects of readiness more than others. For instance, in a 2019 survey, Chinese and French respondents placed a premium on the affordability of accommodation and food offerings.[17] They were particularly sensitive to security when selecting their destination. By contrast, more than half of Moroccans said they prize the quality of human capital and the ability to communicate easily (*see Exhibit 7*).

EXHIBIT 7

Factors that increase travelers' willingness to visit the GCC and Egypt

(percentage of survey respondents in each country)



Note: Strategy& carried out a survey of 1,000 people in China, Morocco, and France asking which of these factors would increase their willingness to visit the Gulf Cooperation Council countries and Egypt.

Source: Strategy& survey

> The second aspect of readiness is paying attention to the specific needs and preferences of target tourists. Travelers from different source markets, or segments, value some aspects of readiness more than others.

5. CONNECT THE TOURISTS

The fifth stage is to complete the tourism journey by bringing tourists to the country. Successful tourism visions result in bookings and repeat visitors. Too often tourism strategies around the world miss this vital stage.

The elements of this final stage of the journey are: marketing and promotion campaigns aimed at target travelers in source markets, platforms that convert this interest into bookings, and transport connections to the destination.

Targeted marketing and promotion

Carefully targeted marketing and promotion should raise awareness and interest in the destination among sought-after travelers, and increase the likelihood that this interest results in bookings. Countries should aim for specific segments using a mixture of traditional media, sponsorship, and such digital channels as social networks and online travel agents (OTAs). A country could showcase some of its most attractive tourism products on television channels in source markets or event sponsorships and global trade fairs. More important, it needs to focus on digital platforms as they are fast gaining in popularity.

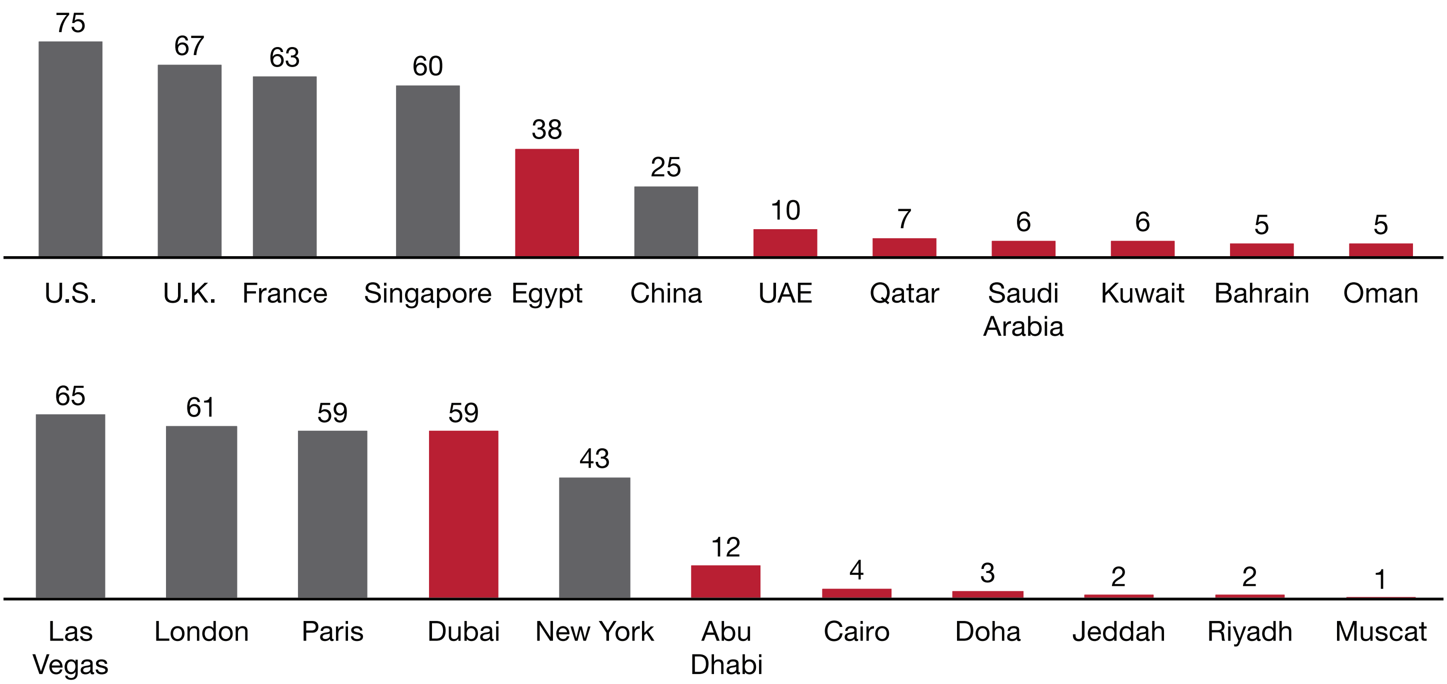
Such targeted marketing and promotion is vital for Egypt and most GCC countries and cities, apart from Dubai, as they do not show up in travelers' searches for holidays (*see Exhibit 8*). The goal must be to make themselves synonymous with the kind of tourism experiences their target segments want.

EXHIBIT 8

Varying levels of interest in country and city destinations

Average frequency of searching for the destination over the previous year, maximum 100, as of October 31, 2019

Level of interest in country destinations



Note: Computes a score out of 100 based on the frequency of searching for the destination on Google, under its travel category. According to Google, "Numbers represent search interest relative to the highest point on the chart for the given region and time. A value of 100 is the peak popularity for the term. A value of 50 means that the term is half as popular. A score of 0 means there was not enough data for this term."

Source: Google trends

Digital experiences are critical to communicating that the GCC and Egypt are the places to which target tourists should travel. Some countries use apps that allow people to explore a country's offerings and activities, for example the TAGTHAi app (meaning "Greetings") launched by the government of Thailand.[18] Virtual reality can also perform this role, capturing the imagination and, at present, keeping travel dreams alive. The German town of Herrenberg has developed a digital twin for potential travelers to visit virtually. Another form of engagement and promotion is reviews on digital platforms. Indonesia partnered with TripAdvisor to provide training to owners of tourism businesses so that they could manage and boost ratings and reviews. The result was that review scores improved and previously neglected sites became more popular.[19]

Some countries are transforming their national tourism websites into one-stop shops, allowing users to explore offerings and book holidays. These are all the more powerful when they provide the personalized recommendations that travelers now expect. For instance, Singapore's website features an interactive trip-building tool that helps users to identify their preferred travel style. It then offers bookable itineraries based on which activities and experiences they select. The site advises people interested in culinary tourism to try certain restaurants or cooks, such as the pastry chef Janice Wong,[20] while recommending specific eco-tourism guides to those seeking adventure.[21] Countries' websites can also use virtual concierge services and chatbots to recommend and book personalized offerings and activities at the destination.

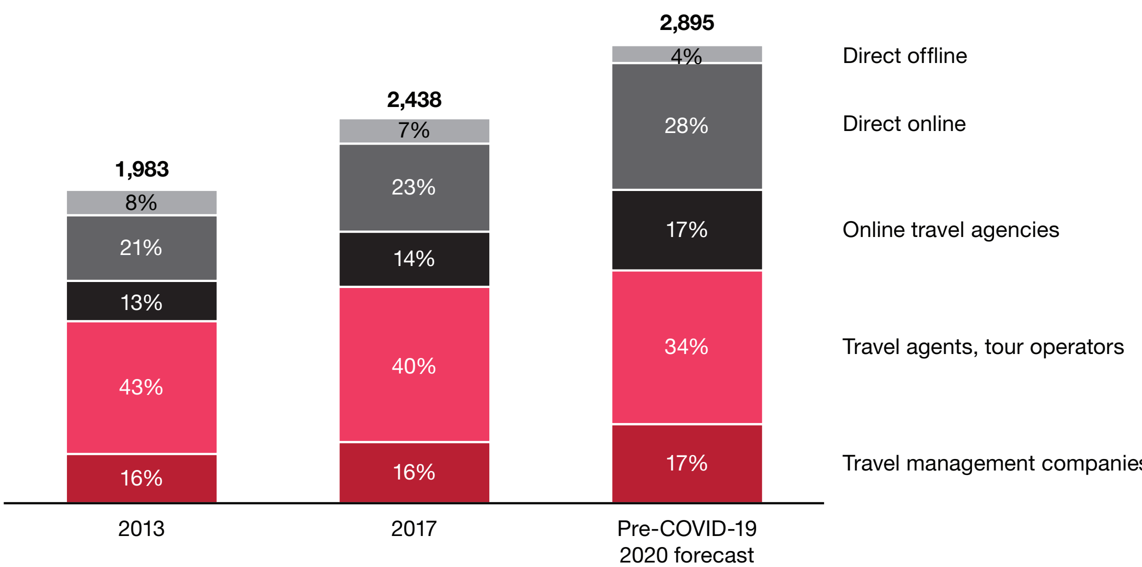
Improve distribution channels

Distributors in source markets help to promote destinations and push tourists to visit a specific country or city. To do this, the GCC and Egypt need to create partnerships and invest in their distribution channels. They should identify the right time to make acquisitions, such as during the COVID-19 pandemic given the low prices caused by the travel recession. Traditional travel agencies were still the largest distribution channel (*see Exhibit 9*). Such traditional channels, with their high levels of customer service and frequent customer contact, remain a preference for higher-paying or older visitors. Although online distribution channels were already growing, the pandemic has accelerated adoption in a short time, disrupting the traditional channels (*see "Responding to crisis"*).

EXHIBIT 9

Despite the growth of online channels, traditional channels remain dominant

Global travel distribution market total value (US$ billion)



Note: Percentages may not sum due to rounding.
Source: eDreams Odigeo, "Investor presentation," April 2019; Phocuswright European Travel Overview Thirteenth Edition, December 2017

Responding to crisis

Governments might suddenly find themselves facing a crisis, one that unexpectedly disrupts the sector, as has occurred during the COVID-19 pandemic. In these instances, governments need to be agile and adapt their strategies and plans to respond to the immediate challenges. Case in point, governments need to develop recovery plans for the tourism sector in light of the pandemic, covering the emerging challenges of health and safety, innovation, and financial assistance.

Health and safety are critical to restore travelers' confidence and ensure their well-being. Until a vaccine is widely available, tourism destinations need high sanitation standards and protocols, including social distancing. They should strengthen their healthcare capacity and deploy touchless travel and tourism experiences. Governments should also adapt their marketing campaigns to communicate health and safety measures to cautious travelers. Emirates Airlines has launched the campaign "Dubai is Open" to inform people that it welcomes business and leisure visitors, while instituting health and safety measures.

Governments should also integrate innovative approaches to cope with the numerous restrictions and disruptions. The World Travel Organization has launched the "Healing Solutions" initiative that gathers ideas from entrepreneurs on how best to mitigate the pandemic's impact on tourism.[22] Already, hotels have adopted novel approaches to limit contact, including digital check-ins and virtual concierge services. All hospitality facilities have introduced advanced cleaning and sanitation processes.[23]

Governments need to offer financial assistance to stabilize the industry. Dedicated investments can relieve pressure on small businesses, increase their liquidity, and enhance employment opportunities.

Governments can also take advantage of the crisis to reassess their positioning and offerings in the global market. The GCC and Egypt should use the hiatus caused by the COVID-19 pandemic to institute short-term changes, strengthen the tourism sector, catch up with more developed markets, and continue the tourism journey. The GCC countries and Egypt can use this time to rethink their national tourism strategies and aspirations, while adapting their plans to a new environment that involves stricter regulations and changing consumer preferences. They can reevaluate their customer base and offerings. This is particularly useful for late entrants to mass tourism, such as Saudi Arabia, which can modernize their offerings, and test them in the domestic and regional market so that they are ready for international travelers once the sector recovers.

There are three key distribution channels that provide an opportunity for governments, whether directly or through their tourism entities, to strike partnerships or make acquisitions:

- **Travel agents in key target markets** Tourism entities can partner with or acquire travel agents, operators, or airlines in target markets. An example is Tourism Australia, which collaborates with more than 160 travel companies in its target markets, including wholesale, retail, and online travel agencies. Emirates Group has acquired complete, or partial, stakes in travel agencies, including online outlets, in target markets (such as Travel Republic in Europe and Gold Medal Travel Group in the U.K.), and destination management companies (such as Destination Asia).

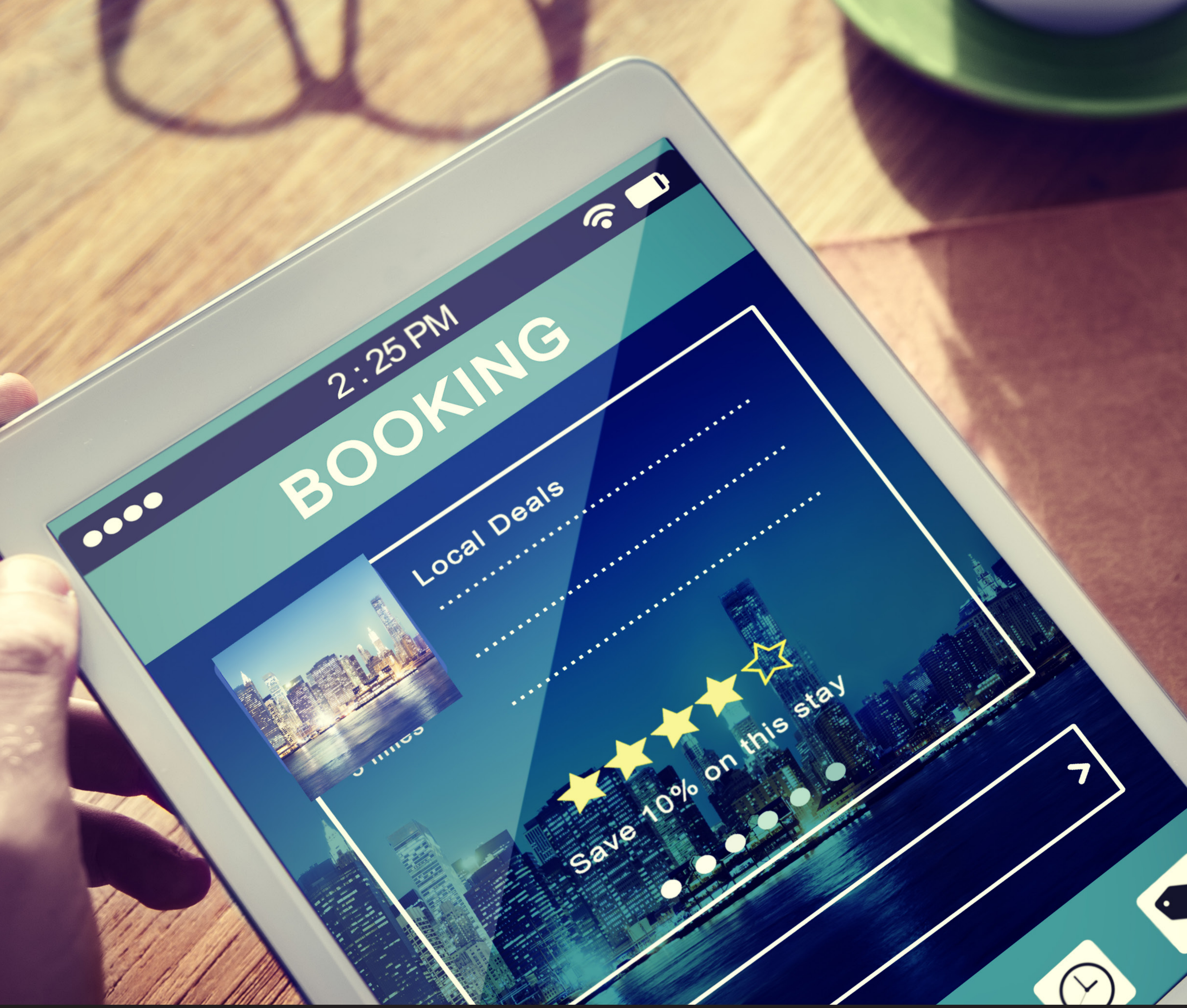
- **Online distributors** Tourism entities can expand their distribution reach on online platforms, mainly through partnering with online travel agencies. For example, both Singapore and Hawaii in the U.S. have partnered with Expedia to develop microsites for streamlined and innovative booking experiences.

- **Domestic destination management companies (DMCs)** Governments need to expand their DMCs so that they can compete globally. In the short term, DMCs will need to ensure coordination between the various local players to promote local tourism to domestic tourists. An example is Dubai, which has consolidated all inventory onto such platforms as Arabian Adventures and CitySightseeing Dubai.

Strengthen transport connections

Visitors need easy and affordable travel connections. Despite the short-term disruption to global travel from the pandemic, the GCC countries and Egypt possess the long-term advantage of being at a global crossroads — and from efforts in some of these countries to develop aviation and aerospace industries. In 2019, Dubai International was the fourth busiest airport in the world in terms of passenger numbers.[24]

Along with international connections, countries need to ensure there is convenient domestic travel to major tourism sites. For example, visitors should be able to easily reach remote attractions, such as Salalah in Oman or Al Ula in Saudi Arabia, which includes a UNESCO World Heritage site.



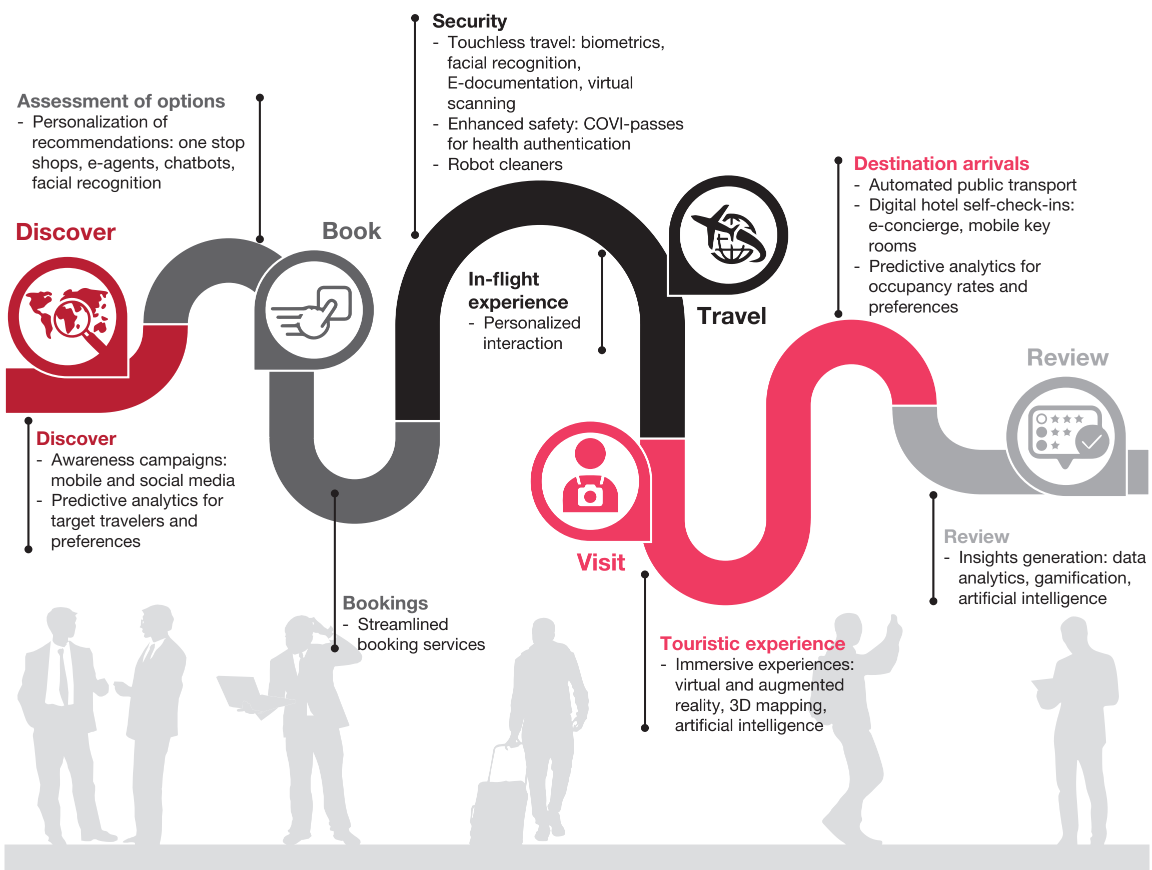
> Digital is an absolute requirement that governments must incorporate at every stage of their tourism journey.

DIGITIZE THE END-TO-END TOURISM JOURNEY

As governments follow this systematic approach, they need to be conscious that their target tourists also have a parallel journey, one suffused with digital experiences. Digital is an absolute requirement that governments must incorporate at every stage of their tourism journey. The pandemic has reinforced the critical role of digital technologies, such as by allowing for touchless, and so safer, travel (*see Exhibit 10*).

EXHIBIT 10

Technology is reshaping travelers' experiences



Source: "Multi-National Travel Trends - A Global Look at the Motivations and Behaviors of Travelers," Expedia Group media solutions (https://tinyurl.com/yyojg5x7); "Understanding the journey of the connected consumer in leisure travel," Facebook (https://tinyurl.com/y3qx3ebf)

CONCLUSION

Tourism is an integral part of the economy in the GCC countries and Egypt. All these countries need to act now to create a systematic tourism journey that will position them to take advantage of the recovery in global tourism. As they build their sectors in response to the target journey, they will develop renowned tourism destinations that will contribute to sustainable growth and jobs.

ENDNOTES

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