

Can a Red Zone Country Give a Green Light to Tourism in Sinai?

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In early July 2020, Egypt opened its borders in an effort to renew international tourism and stimulate its economy, initially in three governorates, including South Sinai. Egypt is not excluding the entry of tourists from red zone countries, but the Taba border crossing is still closed on the Israeli side. Moreover, the travel warning issued by Israel's Counter-Terrorism Bureau, which noted that "the severe threat of carrying out terrorist attacks against tourists in the Sinai Peninsula continues," has been joined by health concerns in light of the Covid-19 pandemic. Israel and Egypt have a mutual interest in cooperation in the realm of tourism, but implementation will require increased coordination between the two countries in order to develop responses to the current security and medical challenges.

According to data provided by the Egyptian government, the number of victims of the Covid-19 virus in Egypt in early August 2020 reached close to 100,000 infected and 5,000 dead. The Sinai Peninsula has not remained immune to the virus, although it has suffered relatively lightly in comparison to elsewhere in the country. In the northern Sinai, the first Covid-19 infection was discovered only at the end of April, and the first death was recorded in June, when the number of those known to be infected amounted to a few hundred. In the South Sinai Governorate, where the tourism sites are located, some 7,000 cases of Covid-19 were identified, but the rate of contagion was halted, and no cases were recorded among tourists visiting the area.

At the same time, the economic fallout of the pandemic has not spared Egypt in general or the Sinai Peninsula in particular. In late 2016, Egypt announced economic reforms under the auspices of the International Monetary Fund (IMF), which resulted in an increase in growth to 5.6 percent in 2019, a drop in unemployment to under 8 percent, and a reduction in the national debt. The Covid-19 pandemic disrupted this positive trend, and the forecasts for next year are fairly bleak. According to *The Economist*, the Egyptian economy will grow by only 0.5 percent this year, and the unemployment rate will climb to 12 percent.

The pandemic's impact on tourism in Egypt – which constitutes the country's third most important source of income and which managed to revive in recent years – has been even more dramatic. Before the pandemic, tourism accounted for 11.8 percent of the Egyptian

GDP, 19.3 percent of foreign currency income, and 10 percent of all jobs. In 2019, Egypt was visited by 13 million tourists, and the year 2020 was expected to witness a new record: 16 million incoming tourists and \$13 billion in income. However, according to the estimates of the Egyptian government, the damage to tourism will result in the loss of approximately \$1 billion per month, and the failure to resume tourism will result in a direct threat to the employment of 1.4 million Egyptians. The major drop in tourism joins the anticipated reduction in the transfer of funds by the 2.5 million Egyptians working in the Gulf states, whose income has been hurt by the pandemic and the decline in oil prices. Predictions in Egypt forecast an increase in the poverty rate, from 32.5 to 44.4 percent – and for growth in extreme poverty.

Despite the troubling data, the Egyptian government enjoys the trust of the IMF, which in May and July approved loans to Egypt totaling \$8 billion, with the aim of preserving the achievements of the reforms of recent years. The loans are also intended to enable Egypt to continue the development projects underway in the Sinai Peninsula, among other locations, albeit at a slower pace than previously, and to provide many jobs. The result is positive on two counts: development of the region for the local population, and discouragement of the unemployed from engaging in terrorist activity.

An Attempt to Renew Tourism

With the onset of the Covid-19 pandemic, Egypt suspended tourism, including tourism to the popular resort destinations in southern Sinai. Cairo hoped to take advantage of the hiatus caused by the crisis to upgrade the tourist attractions, and virtual tours of antiquity sites were launched on social media. In parallel to the online marketing for the future, financial grants and relief packages were offered to hotels and tourist industry employees to make it easier for them to survive the dry spell.

In mid-May, as the economic crisis intensified, and despite the increase then recorded in the rates of contagion, Egypt decided to reopen the tourism sector. The Egyptian Ministry of Health announced a program to return to normal, which included a first stage of resuming domestic tourism. During a visit to Sharm el-Sheikh, Egyptian Minister of Antiquities and Tourism Khaled al-Anani clarified that foreign tourism would be resumed only after the infection curve was flattened and after it was proven that hotels could meet the health standard that had been set by the ministry.

In early July, Cairo launched an attempt to resume international tourism in three coastal governorates – South Sinai, the Red Sea, and Matrouh – on the assumption that they are safer from a health perspective than Egypt's crowded cities. Within this framework, it implemented and enforced cautionary regulations for hotels, including a maximum

occupancy rate of 50 percent, the prohibition of buffets, and a cap on the number of children permitted in each room.

The challenge currently facing Egypt is to persuade tourists to visit and to encourage countries around the world to lift bureaucratic restrictions. Egypt announced a monetary incentive in the form of an exemption from visa fees. In addition, the Egyptian Ministry of Tourism launched an online campaign that thus far has been only partially successful. In July, dozens of flights from Eastern Europe landed in Egypt, while most EU member states still place Egypt on the list of red zone countries. Occupancy in many hotels has remained low and non-profitable, and Egypt is pinning its hopes on the resumption of tourism from Western Europe in September and October.

In the Shadow of the Terrorism Challenge

Egypt's efforts to renew tourism in the southern Sinai, which has enjoyed security stability in recent years, have been overshadowed by the ongoing terrorist activity in northern Sinai, which has escalated in recent months. In February 2018, Egypt began a large-scale campaign against the Islamic State-affiliated Sinai Province, killing senior and junior members. However, the organization continues terrorist and guerilla attacks against the Egyptian military and police forces and against members of the Bedouin tribes that oppose it and cooperate with the Egyptian security forces. On July 21, the organization carried out an integrated attack on an Egyptian army base in the Bir al-Abd region of northern Sinai, and raided four villages located to the west; distributed explosive devices; and raised Islamic State flags. In response to this unusual activity, the Egyptian army focused its efforts on air raids and surrounded the area with roadblocks, but nonetheless had difficulty in rebuffing the attackers.

Despite the ongoing terrorism, the Egyptian regime maintains that there has been significant improvement in comparison to the situation that prevailed between 2015 and 2017: the frequency of attacks has dropped, the damage they cause has decreased, and the terrorists have been surrounded in demarcated pockets in the northern and central Sinai Peninsula. At the same time, the regime is still far from defeating the Sinai Province and unifying all the local tribes for effective action against it. Moreover, the current circumstances – rising unemployment, slower development projects due to reduced investments and difficulties of financial liquidity, and diversion of the attention and resources of the Egyptian army from contending with the security situation in Sinai to urgent arenas at home and abroad, most notably Libya and Ethiopia – may play into the hands of the Sinai Province.

The dramatic decline in tourism in southern Sinai has also hurt the economic and security situation in northern Sinai, where some of the population earn a living from the tourism

sector. Although the South Sinai Governorate has not experienced an attack in almost five years, since the downing of the Russian civilian aircraft in October 2015, the activity of terrorist elements in northern Sinai may present a mounting challenge to the effective circles of defense that Egypt created around the southern tourist sites.

Southern Sinai has become a popular destination for tourists from Israel in recent years, with many Israelis preferring to ignore the travel warnings of the Counter-Terrorism Bureau that "the severe threat of carrying out terrorist attacks against tourists in the Sinai Peninsula continues." In 2019, the Taba border crossing saw more than half a million Israelis, reflecting a 30 percent increase from 2018. The border crossing was closed in early March and its reopening continues to be delayed, despite the pressures of those who are interested in traveling to Sinai this summer and during the upcoming holidays.

Israeli tourists in Sinai have not experienced a terrorists attack since the attack in Taba and Ras al-Shaytan in 2004, which killed 34 tourists, including 12 Israelis. Nonetheless, future threats are highly possible. Over Passover in 2017, the Taba border crossing was closed due to concrete warnings, and last January a spokesman of the Islamic State instructed followers in the Sinai Province (and the Hauran region of Syria) to attack Jews. This might translate into an increased effort to carry out attacks along the Israeli border or to attack Israeli tourists in southern Sinai.

Recommendations

The global crisis caused by the Covid-19 pandemic presents Israel and Egypt with a unique opportunity to advance common interests in the realm of tourism. At a time when international aviation connections are shrinking, the importance of nearby areas and ties between neighboring countries with a common border has increased. In this spirit, Israeli Minister of Tourism Asaf Zamir stated that he "views regional collaborative efforts in the field of tourism that advance Israel's economy, foreign relations, and relevant diplomatic agreements as extremely important – while subject to Israeli foreign policy and the relevant travel warnings."

Zamir's words reflect Israel's and Egypt's common interest in the realm of tourism, in addition to the difficulty of translating it into practical policy due to health and security concerns. Nonetheless, a variety of channels of action could help promote the issue. Regarding public health, the two countries could operate a coordinated and transparent mechanism to monitor the spread of the pandemic from both sides of the border, conduct rapid Covid-19 tests to those at the Taba border crossing (as is common practice at borders between some other countries), and develop a "purple standard" for protecting the health of tourists at resort sites in southern Sinai. In the security realm, they can leverage the productive military coordination they have maintained in recent years to examine whether

it is possible to exempt southern Sinai from the Israeli travel warning, and if so, under what conditions. The relevant criteria in this context include availability of quality intelligence; the lack of concrete warnings; confirmation of good security arrangements along the tourist coastal strip; and effective cooperation between the regime and the local tribes.

Practical measures in these directions may increase the trust between Israel and Egypt, improve their relations, and gradually develop into additional bilateral regional collaborative efforts in the realm of tourism, such as the creation of vacation packages in Sinai and Eilat for tourists from abroad. Improving the dialogue on the issue of tourism will help the countries advance mutual interests during the Covid-19 crisis, and hopefully in its aftermath.