

## Investigating Business Tourism Development in New Port Said City

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### المخلص

تنمو سياحة الأعمال وتتضج بمعدل سريع ، وهذا القطاع جاذب للإيرادات سواء المباشرة والغير مباشرة إلى الوجهات المضيفة ، كما انه يخلق فرص عمل جيدة ، ويولد النقد الأجنبي. و سياحه الاعمال لها العديد من العناصر المتعلقة بها ، مثل مراكز المعارض والمؤتمرات ، والفنادق ، والمطارات ، والبيئة التنظيمية ، والإجراءات الحكومية ، وتنمية القدرات البشرية ، وتسويقها. ويهدف هذا البحث إلى التعرف على تطور سياحة الأعمال في مدينة بورسعيد الجديدة ، وفقا للفرص المحتملة في المنطقة. تعتمد منهجية هذا البحث على مقابلات شبه منظمه تم إجراؤها مع تسعة خبراء في مجال السياحة ومسؤولين بمحافظة بورسعيد، ومجلس مدينة بورفؤاد، وهيئة المجتمعات العمرانية الجديدة، وشركات السياحة والفنادق، وأستاذ بكلية السياحة والفنادق جامعة قناة السويس. وقد اوضحت النتائج، ان دراسه مدينة بورسعيد الجديدة يمكن أن تكون وجهة رئيسية لسياحة الأعمال وكذلك الاستثمارات الدولية في مصر.

1 - باحثة ماجستير - كلية السياحة والفنادق - جامعة حلوان

**Abstract**

Business tourism is growing and maturing at a rapid rate, It is recognized as a sector that draws direct and indirect revenue to host destinations, creates employment opportunities, and generates foreign exchange. It has many elements related to it, including exhibition and conference centers, hotels, airports, organizational environment, government procedures, human capacity development, and marketing. This research aims to investigate the development of business tourism in New Port Said City, according to potential opportunities in the region. The methodology of this research is based on semi-structured interviews conducted with nine experts in the tourism field and officials at the Port Said Governorate, Port Fouad City Council, the New Urban Communities Authority, tourism companies, hotels, and a professor in the faculty of tourism and hotels at Suez Canal University. According to the findings, the study of New Port Said City proved that it could be a main destination for business tourism as well as international investments in Egypt.

**Key words :**

Business Tourism – New Port Said City – Investments & Projects – Potential Opportunities.

## 1. Introduction

Business tourism is a highly productive sector of the tourism industry that's expected to grow at a fast pace in the next decade. Countries that can offer a variety of attractive locations can market themselves as destinations that cater to and fulfill tourist travelers' multiple desires. The challenge is to meet the needs of business travelers while keeping up with the competitive trends (Wright & Zascersinska, 2022). According to Dorothy Riddle, consultant at International Trade Center (ITC), the key is to develop effective marketing strategies and solutions that meet the varying needs of business travelers (Tourism, 2020).

Business tourism is a sector that involves both leisure activities and business travel. While leisure tourists are more cost-sensitive, business travelers are more inclined to spend their money on luxuries. So, it is expected to become one of the fastest-growing segments in the travel industry in the next decade. It's a market that can be accessed by both individual business travelers and the meetings and convention market (Sobaih et al, 2021).

The Suez Canal Axis Area Project is a megaproject in Egypt, The project aims to increase the role of the Suez Canal region in international trading and to develop the three canal cities (Lutmar & Rubinovitz, 2023). New Port Said City is one of these cities and is expected to have a direct impact on the

growth of business tourism through its new projects and as a tourist port that receives ships and tourist groups (Allam, et al, 2022). Furthermore, it is projected that the new projects will attract foreign investments in highly estimated World companies. Investors are also expected to be attracted in many fields, especially the business tourism sector ( Kwasi, et al, 2022).

## 2. Literature Review

### Business Tourism

Business tourism is a development activity that undoubtedly moves the wheel of scientific research and enriches society's institutions with everything new in various fields, and it is an economic resource that is made possible by welcoming this type of tourism to contribute to providing many job opportunities and sources of income from abroad. Business tourism has many types such as conferences, meetings, forums, bazaars, incentives, and exhibitions (Rwigema & Celestin, 2020).

Business tourism provides a different category of tourists and investors, owners and managers of international companies, and most of them spend their time, but most of their lives, traveling from one country to another, and they can glimpse into the expert's eye the level of service they receive in a country, and Hotels are also aware of this fact and raise The level of all services in line with this type of customer, and this is reflected positively on the entire tourism sector ( Polat

& Arslan, 2019). Indicators highlight the importance of this sector, as many countries link their tourism strategies with the strategies of developing the exhibition and conference sector as a part of business tourism in them. Note that tourism trips for the purpose of attending exhibitions and conferences represent more than 15% of the total tourism in the world with more than (135) million tourist trips, according to the reports of the World Tourism Organization ( Lekgau & Tichaawa, 2021, p.p 38).

### **The economic impacts of business tourism**

Many countries are interested in attracting business tourism due to the high level of spending by conference guests. These guests often represent major international companies, businessmen, senior officials, and politicians from around the world. Additionally, business tourism promotes a better understanding of a country's achievements (Volodina & Kuznetsov, 2020).

Numerous regional and international conferences, forums, symposia, and meetings are held through various initiatives aimed at attracting a wider audience. Tourism is an industry that not only entertains and educates but also brings benefits to tourists, the country, and the economy (Almeida & Belezas, 2022).

Foreign capital influx is a significant contributor to comprehensive development plans, and business tourism plays a crucial role in attracting such capital ( Ben Jebli, et al, 2019). This influx can be in the form of foreign investments

in the tourism sector, tourism revenues obtained by the state through entry visas, and other sources such as payments to hotels and daily spending of tourists ( Matthew, et al, 2021). The resulting economic impact of business tourism is reflected in increasing tourism revenues in foreign exchange. In recent years, it has become the primary source of tourism income ( Nur Nobi & Majumder, 2019 ). Countries that seek to enhance their business tourism industry should strive to incorporate modern and advanced technologies in all their tourism facilities and services. This can be achieved through foreign investments that utilize national capabilities in this field ( Vysotsky et al 2019).

### **The economic impact of business tourism in Egypt**

Business tourism is a significant economic sector that generates a vast number of job opportunities. The development of tourism and related projects can result in a surge in employment opportunities, leading to higher economic prosperity, as well as social and political stability. This expansion in the establishment of tourism projects has other benefits that can contribute to the growth of Egypt (Nyurenberger, et al, 2019 ).

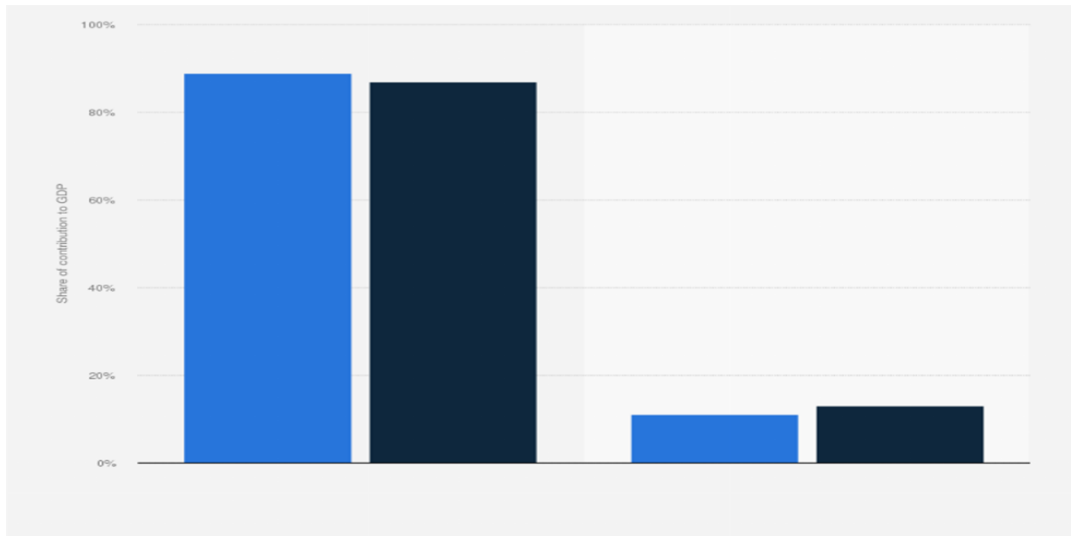


Fig 1: Contribution of business tourism in Egypt  
( Source: statista, 2020 )

Contribution of business tourism in Egypt GPA (in blue) and all types of tourism (in black ) in 2012 and 2019

### **New Port Said city as a business tourist destination**

New Port Said City is the first smart city, it is considered the first million-strong city in the East of Port Said and the border of the Northern Sinai sector. It is also a smart city monitored with the latest surveillance methods and the latest emergency systems. (Mostafa & Beshir, 2023).



Fig 2: Potential design of the new Port Said city

( Source: Geriesh, 2019 )

The plan indicated that "the new million city" in East Port Said" would provide at least 185,000 permanent job opportunities. It is also planned for the city to be a global tourist city to compete with its counterparts in the region. The new city also includes international hotels, and artificial islands, in addition to a fashion city, and a university ( Al-Sayed & Gado, 2023). Investments in that city are divided as follows: 17 billion pounds to invest in mineral resources. 5 billion pounds in tourism investments to provide 37,000 job opportunities. \$ 130 million to implement the industrial zone east of Al-Tafra'a and the seawater desalination plant to feed East Port Said City, Which clarifies the expected volume movement of business tourism in this city ( Soffer, 2023, pp. 181-198).



## **Planning criteria for developing New Port Said as a business tourism destination**

One of the main goals of New Port-Said's business tourism development is to use its resources to support and accelerate development in the surrounding areas (Saleh & Abd El Kawy, 2021). Another objective is to establish business tourism as an eco-friendly economic activity in the New Port-Said region ( Badami, et al, 2019).

1. Establishing tourist recreation and entertainment zones along the seashores to serve the Port Said region.
2. Setting up a high-level commercial center for the free zone productions in addition to different commercials.
3. Activities should be encouraged such as hotels, higher education, universities, office buildings, etc.
4. Facilitating the Connection of east Port Said to the rest of the region by connecting Port Said, Port Fouad, and East of Port Said to the tunnel, which is under construction. It will give an indication of proposed land uses, roads, pedestrians, and open spaces.
5. This master plan is selected from 3 other different land-use alternatives to the growth of business tourism in the region.

## **Scheme of East Port Said as a tourist city**

That city was planned to become a global tourist city, as the city consists of 6 urban sectors, 12 residential neighborhoods, the area of the city is 19 thousand acres on the coast of East Port Said. Besides, this city contains the largest industrial city also logistical areas that includes the largest area of fish

farms It contains more than 4000 social housing units, and 4340 units were implemented in the new Port Said housing units within the social housing project (Al-Sayed & Gado, 2023, p.p 25:45).

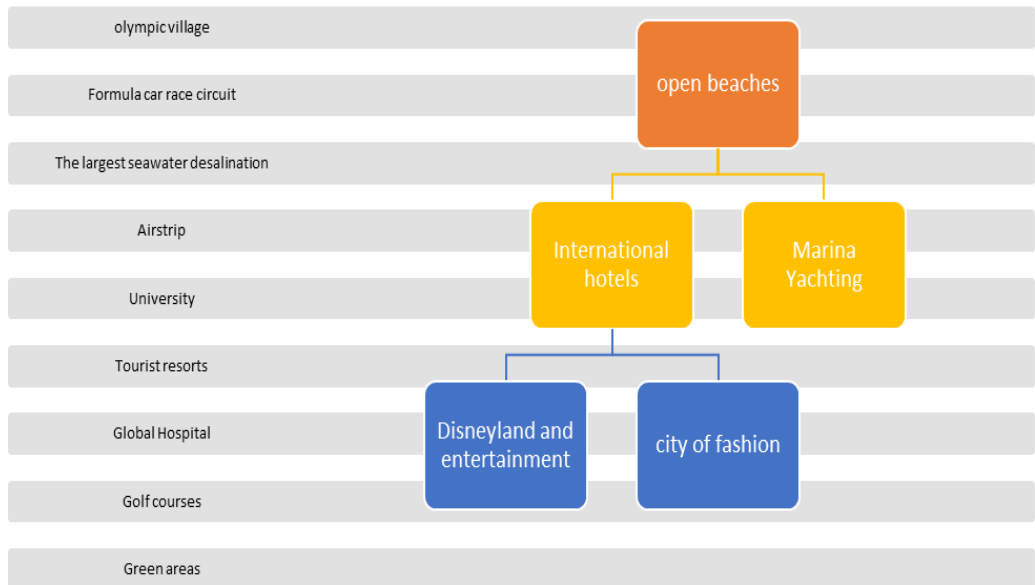


Fig 3: Available services in New Port Said  
( Source: Al-Sayed & Gado, 2023 )

The city will be a link between the western region and the eastern region by linking it to a network of roads, railways, and tunnels. The city will have national, economic, and tourism projects (Mihalic, et al, 2021).

## Methodology

The research focuses on investigating the development of business tourism in New Port Said City, according to potential opportunities in the region. The research used data collected from semi-structured interviews.

## Research Instrument

The research methodology for data collection is based on semi-structured interviews, a commonly used technique in qualitative research. These interviews were chosen as they allow researchers to explore various questions related to business tourism in New Port Said in detail. The interview form was prepared to achieve the research goals and was conducted with nine experts in the tourism field and officials at the Port Said Governorate, Port Fouad City Council, the New Urban Communities Authority, tourism companies, hotels, and a professor in the faculty of tourism and hotels at Suez Canal University. from 10th May to 20th August, 2022 via whatsapp , phone calls , and meetings. The interview questions were divided into three main axes: (1) identifying potential opportunities for business tourism in the region; (2) evaluating the impacts of new projects on business tourism in New Port Said; and (3) understanding the role of the governorate in growing and developing business tourism. Each axis contained a set of questions aimed at clarifying the experts' points of view, based on their experience and positions in the tourism industry.

## Interview Analysis

### **1- Based on First Axis investigating: The potential opportunities for business tourism in the region**

(five out of nine ) 60% of experts pointed out that the business tourism experience is one of the successful experiences, and there must be awareness of the issue due to the tourism and economic importance, According to experts announced that New Port Said has all the global tourism ingredients. It provides a great opportunity to host lots of International conferences and exhibitions that are an important form of tourism annually in the political, economic, cultural, medical, and professional fields, as well as Egypt's geographic location and political position.

### **2- Based on Second Axis investigating: The evaluation of the impacts of new projects on business tourism in New Port Said**

All the experts 100% of experts agreed that the benefits of the mega project are expected to create new projects such as promoting existing natural resources and accelerating the role of the zone's geographical location in the world trade between East and West It is also expected that logistics centers will be established alongside the Canal Consequently, the chance of attracting foreign investments is highly estimated World companies and foreign investment are also expected to be attracted in the fields of transportation and logistics.

### **3- Based on Third Axis investigating: The role of the governorate in growing and developing business tourism**

All experts 100% of experts agreed that the main goal is not only an oversight but also to raise the quality of services provided to the existing and new tourist facilities to help in providing all their tourism services at the highest level, in a smooth and flexible manner. The Ministry of Tourism launched many initiatives to support business tourism in Egypt, including last winter, a different initiative in Egypt in cooperation with the Ministry of Civil Aviation, as well as the Ministry of Youth and Sports, which had a positive impact. The area has both assets and potential which if exploited, will bring about real and tangible benefits throughout Egypt. A number of villages and tourist hotels have been established at the highest level, in addition to upgrading various tourism services in new Port Said as a global tourism city that includes: “international hotels, a fashion city, tourism housing, green areas, and an open beach, Disneyland and entertainment areas, a state yacht marina, a scientist hospital, a helipad, the largest seawater desalination plant in Africa, tourist resorts, formula car race circuit, golf courses, olympic village.and taking care of the cultural and tourism interface.

To conclude, New Port Said is witnessing a boom in projects that have a role at the regional level, which includes various investment opportunities in all sectors. This comes through the establishment and development of major distinguished tourism projects, based on the plan to put Port Said on the

map of global tourism, and in line with the Giant developments in various economic, urban, and other fields. There are opportunities for tourism and industrial investment. achieve the best level of entertainment and promote business tourism.

## Results

Business tourism and its types like conferences and exhibitions for instance has become an industry in which international and regional tourism destinations are competing, and the volume of the exhibition industry globally amounts to nearly two trillion dollars, distributed among 9,000 exhibitions between large global, medium, and small exhibitions. So, Through the interviews with experts, we deduce the following results that Egypt in general and New Port Said City in particular opportunities in business tourism can be relied on for more than one reason:

A. Business tourism does not require a high cost, as major events are often sponsored by international companies and institutions, which saves the costs of hosting them.

B. Conferences are a type of Business tourism that the New Port Said has begun to rely on greatly in recent times because it represents 20% of the proportion of incoming tourism to Port Said governorate, and this percentage will gradually rise with time because the new Port Said depends a lot on this type of tourism.

C. The participants in those events are mostly young people and businessmen. These are among the categories of tourists who spend the most, and often their stay is not limited to attending the conference only, but they have an interest in obtaining additional tourist services.

D. The participants in conferences, if they go through a positive and distinctive hospitality experience, can return to a tourist experience more than once, which represents new income for accommodation hotels, and for various service providers in tourist destinations.

E. The hotels achieved great profits thanks to conference tourism and the preparation of 400 rooms to receive guests, and usually hosts different workshops throughout the year.

F. The experts in New Port Said added that the companies organizing the tourism conferences turn their attention to the new city of Port Said, due to the special nature of the tourist city, and the varied patterns in it from the scenic landscapes to learning about their traditions. Also, Exhibitions specialized in handicrafts on the sidelines of these international conferences.

### **The research recommendations**

This research focuses on investigating business tourism development in New Port Said City. This indicates the need to promote as a MICE destination.

## **1- Egyptian Tourism Authority**

- A. Rely on scientific marketing strategies to identify the desires, interests, needs, and preferences of business tourists in New Port Said City.
- B. Conduct market research to identify business tourism needs To prepare the region for attracting business tourists, through multiple promotional programs and events including exhibitions, and conferences.
- C. Develop a policy and procedure for resolving various obstacles to enhance business tourism in New Port Said City.
- D. The need for cooperation between the business tourism sector to increase awareness and the future development of the business tourism industry.

## **2. The Ministry of Communications**

- A. Support technological development through cooperation between The Ministry of Investment and investors to provide funds for the business tourism sector demand.
- B. Sustainable standards planning needed in smart city, and transportation systems to improve business tourism in New Port Said.
- C. Investing in digital marketing and search engine optimization can improve your destination visibility, and build tourism awareness.

## **3- Tourism Agencies**

- A. Tourism agencies should develop programs to support business tourism in Port Said's New City.



B. Travel companies should promote Port Said's new city for business tourism growth.

C. Providing quality travel and accommodation services and the company's commitment to making sure that its customers have an enjoyable experience from start to finish.

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