The Development of Foreign Direct Investment as a Tool for Sustainable Tourism in Fayoum, Egypt
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Abstract
Inward foreign direct investment plays a vital role in economic growth and development in developing and emerging countries. In additions, in developing and transition countries including, Egypt tourism sector represents a promising path towards an economic and social development. Further development of tourism sector in these countries is in need of foreign direct investment (FDI). However the importance of tourism in many developing countries, tourism foreign direct investment (TFDI) is still rather low.
This current study aims to reveal the concepts of FDI, TFDI and sustainable TFDI; and evaluating the current status and dimensions of TFDI in Fayoum governorate as an emerging Egyptian tourism regional destination.
The research depends on the descriptive approach, deep-structured interviews accompanied with open-ended and open-closed questionnaire directed to responsibles and experts of tourism investment in Fayoum governorate. Field data are analysed by SPSS program.
The overall and the main finding of the study is that TFDI in Fayoum is existed in a somehow acceptable condition; as Fayoum being an emerging tourism destination in Egypt. The study provides- with support of the real field view- some recommendations particularly for the law and motives of the TFDI in Fayoum.

Key words: Foreign Direct Investment, Tourism Foreign Direct Investment, Sustainable Foreign Direct Investment, Activities Tourism, Fayoum

Introduction
Background and Problem Investigated
Tourism-related capital investment has grown massively during the last few decades and is predicted to continue growing after 2010. Also, there is increasing motivation on the part of all stakeholders in tourism sector to make this investment more sustainable. Foreign direct investments (FDI) are one of the possible funding sources in the tourism sector, particularly in developing countries. Developing countries, if they wish to promote sustainable development in the context of tourism, should be extremely cautious in attracting FDI in this sector. It is necessary to attract sustainable FDI (Peric and Radic, 2011).
In developing and transition countries tourism sector represents a promising path towards an economic and social development. Further development of tourism sector in such countries is in need of FDI. Tourism is a specific sector and it must develop in sustainable manner. An important element of
sustainable tourism industry is economic viability, not only social and environmental viability. To what extents have the developing countries involved in their investment policy attraction of FDI in tourism sector, and clearly bearing in mind sustainability dimensions, is an area for further research (Peric and Radic 2011).

The main statistical sources for FDI are reviewed and the discrepancies are shown for total inward FDI flows and stocks both for emerging and industrial countries (Duce, 2003).

Foreign direct investment (FDI) is essential for economic growth, in particular, foreign capital inflows are vital for the economic development of developing countries. Foreign equity investment is important for such countries as it enhances the liquidity of the markets and makes firms more globally competitive by lowering cost of capital. Lower cost of capital results in long-term investments by foreign companies, which in turn increases economic growth (Abu Ghunmia et al., 2013).

Levels of FDI in MENA (Middle East North Africa) are characterized by four main features. First, FDI flows into MENA have not kept pace with flows to the rest of the world, and they have been lower than the average for all other regions of the world. Second, most FDI flows have gone only to a handful of countries, and have been concentrated in a few sectors with limited investment scope. The third feature is that FDI stocks and flows have constituted a small part of the region’s economies both in terms of gross fixed capital formation and gross domestic product. The fourth feature, possibly the only piece of good news, is that intra-Arab investment comprises a significant proportion of FDI inflows to countries in the region, and is likely to be underestimated in international financial statistics (Eid, 2001).

Nearly of 62.6% of global FDI inflows in the run-up to the EU in 1992, a decline to 56.8% in 1997 and an increase to 70% after the Asian crisis, developed countries get the lion’s share of FDI. The developed countries’ share of global inflows reached 70% in 1998 and 79% in 2000. Developed countries also provide most of global FDI, with about 91% of total outflows in 2000. That same year, the EU, the US, and Japan accounted respectively for 67%, 12%, and 3% of global FDI outflows (Eid, 2001).

Taking a closer look at individual cases, six countries are getting the bulk of FDI flows into the Arab World: Saudi Arabia, Egypt, Morocco, Tunisia, Jordan, and Oman (Eid, 2001).

If and where there are benefits to draw from FDI, Arab countries have experienced recent developments that might allow for a brighter picture in the future (Eid, 2001).

After reviewing the record on FDI internationally and in Arab countries, this paper proposed the following questions:

- What is the concept of sustainable foreign direct investment in the tourism sector?
- What are the dimensions of the sustainable foreign direct investment in tourism?
- What is the current status of sustainable tourism foreign direct investment in Fayoum?

To respond these questions, the research aims to:
- Recognize the meaning of sustainability in the TFDI.
- Identify the dimensions of the foreign direct investment in tourism.
- Evaluate the current condition of TFDI in Fayoum.

**Review of literature**

**Foreign direct investment**

According to Agreement of Trade in Services (GATS), countries can commit any of around 160 sub-sectors and four modes- mode 1: cross-border supply of services; mode 2: consumption abroad; mode 3: commercial presence; and mode 4: temporary movement of natural persons. It may said that FDI is included in Mode 3 since it relates to the conditions under which foreign firms have access to particular services sectors, and which conditions apply after their establishment (Nair and Willem, 2005).

FDI is widely considered as one of the main tools for economic growth in developing countries. However, it has also been argued that FDI may be costly for the host country (Sumner, 2005).

Some literature said that large companies are more likely to be a target for FDI as well as companies with low dividend yield and low turnover rate. Furthermore, equity flows, either as FDI or portfolio investment, have no clear strong effect at company level (Abu Ghunmia et al., 2013).

FDI may occur when a firm invests directly in new facilities to produce a product and/or service in a foreign country (Hill, 1994, P: 173). Other support opinion catch sight of FDI is when businesses tend to have capital investment outside their home country in pursuit of lower production cost & higher profits. It is considered as one of the two types of production factors mobility from developed countries to developing countries. FDI has many advantages from both the investors (developed country) & host (developing countries) & is considered as a win-win situation for both parties (Obalade, 2014).

Foreign Direct Investment (FDI) is capital provided by an investor in one country to an enterprise in another country where the capital consists of any combination of equity, re-invested earnings, and intra-company loans, and involves varying degrees of control over the recipient enterprise. Two features are considered central to FDI: ‘control’ and a ‘lasting interest.’ These features have been the basis of a distinction increasingly drawn in the literature between FDI and portfolio investment (Eid, 2001, P:1). Other stimulates and maximizes this concept mentioning that FDI is attained in the form establishing new business branches, gaining a control share of an existing enterprise, or participating in joint venture company (Liu, 1997).
Direct investment reflects the aim of obtaining a lasting interest by a resident entity of one economy (direct investor) in an enterprise that is resident in another economy (the direct investment enterprise). The “lasting interest” implies the existence of a long-term relationship between the direct investor and the direct investment enterprise and a significant degree of influence on the management of the latter (Duce, 2003).

The impact of FDI in countries can be measured in many terms such as flows, geographical distribution, employment, type and quality of services (Delis et al., 2007). Other point of view, FDI may affect economic growth through its impacts on capital stock; the creation of additional employment; corporate tax revenues in the recipient country; help acquire new technology and knowledge; and human capital development for the host country through through employee training in new business ventures, skill acquisition and diffusion, and the transfer of new managerial and best practice standards (Sahli and Davidson, 2015).

For more details about one example; Khan in 2007 determined five aspects by which employment can reduce poverty: (a) an increase in wage employment, (b) an increase in real wage, (c) an increase in self-employment, (d) an increase in productivity in self-employment, and (e) an increase in the terms of exchange of the output of self-employment.

Inward FDI can provide to the recipient countries not only much needed capital, but also modern technology and know-how. In addition, it is likely to create jobs, bring into the recipient country foreign exchange, which may be used for the imports of needed capital goods, and often contributes significantly to output growth as well as the expansion of exports. In addition, FDI might force the existing local firms to be more efficient if they are to survive, and might encourage domestic investment through demonstration and imitation effects (Cuyvers et al., 2006).

In addition, companies will invest in a foreign country to gain access to resources unavailable or more expensive in the home country. For instance, export-seeking FDI will locate its production in low cost countries and will then supply the markets where the costs of production including transportation costs are higher. This suggests that, particularly in low-wage countries there possibly exist linkages between inward foreign direct investment and international trade (Cuyvers et al., 2006).

Domestic sources are the largest, but foreign investment can be strategically decisive in two ways (Peric and Radic, 2011, P: 266):

• Transnational corporations (TNCs), the primary source of FDI, can potentially transfer technologies, skills and global market links which are lacking domestically, thus stimulating industry growth;
• ‘Buying into’ the rules which govern international investment can dramatically shape both the domestic investment climate and domestic policy options. FDI is often considered one of the most effective engines for
harnessing capital, infrastructure, knowledge and access to global marketing and distribution chains. All of the above is critical for the tourism. Foreign direct investment in tourism (TFDI) is a category of international investment whereby an entity resident in one economy (direct investor) acquires a lasting interest in a tourism specific enterprise engaging in tourism growth fixed capital formation (a direct investment enterprise) resident in an economy other than that of direct investor.

In order to encourage inflows of FDI by way of improvements in the business environment and steadily enhanced national competitiveness, economic policies need to become more market friendly, encouraging entrepreneurship and the growth of the private (Mansur, 2008).

**Foreign direct investment in tourism**

GATS commitments in the tourism sector – sector 9 of the main GATS sectors- can be divided into four sub sectors A-D as indicated below (Nair and Willem, 2005):

- A- Hotels and restaurants including catering.
- B- Travel operators and tour operators.
- C- Tourist guide services.
- D- Other.

Tourism is a priority sector in the increasing number of economic strategies in developing countries. Many developing countries are looking to tourism FDI as a promising avenue for further development of tourism because they lack their own capital. But at the same time they must keep in mind the concept of sustainability (Peric and Radic, 2011).

FDI inflow in the tourism sector has been supported by the growth of inward tourism and consumption (Delis et al., 2007). In addition to, TFDI can occur in the following tourism-related sectors: accommodation, restaurants, travel agencies and tour operations, passengers’ transportation services, travel cultural services, car rentals, and second homes. However, much TFDI is largely concentrated in accommodation, restaurants, and car rentals (UNCTD, 2010; Sahli and Davidson, 2015).

Foreign exchange For the majority of developing countries, tourism is one of their top five sources of foreign exchange, and for up to one third of developing countries, it is their main sources of foreign exchange. In determining incremental foreign exchange outflows resulting from foreign investment in the tourism industry, it is necessary to specify what would have happened if this investment did not happen (Peric and Radic, 2011).

The major challenge is the need to develop human resources, particularly local personnel, both for reasons of delivering quality services to tourists and enhancing the general skills of the local workforce. The tourism sector can create and also destroy jobs. It creates jobs in two ways: immediately through employing local citizens in hotels, restaurants, and entertainment and tourist
services that cater directly to tourists or through the multiplier effect. The tourism industry can also destroy jobs or reduce job creation, and to the extent that it does, policymakers have to adjust the multiplier effect. If tourism displaces farmers, loggers, fishermen or other productively employed individuals, it destroys these individuals’ jobs and those of individuals in related service and support industries (Peric and Radic, 2011).

Determinants of TFDI are the same as in the other industries. These determinants include cultural/historical/geographical distance, political and/or economic risks, level of economic development, socio-economic environments, privatization of the industry, liberalization of FDI regime, taxation, investment incentives, availability and quality of hard and soft infrastructures and corporate strategies or company-specific factors. FDI in tourism is still rather low – in developed as well as developing countries – compared to the levels of FDI in other economic activities, including other services industries. This is partly because TFDI is concentrated in just a few of the many related activities covered by the definition of tourism, mostly hotels and restaurants, and car rentals, where there is little FDI in high-profile and important activities such as tour operations, reservations systems and airlines as being shown in table (1) below.

<table>
<thead>
<tr>
<th>TSA component</th>
<th>Frequency with which FDI appears to occur</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Most frequent</td>
</tr>
<tr>
<td>Hotels and similar</td>
<td>*</td>
</tr>
<tr>
<td>Restaurants and similar</td>
<td>*</td>
</tr>
<tr>
<td>Second homes</td>
<td>*</td>
</tr>
<tr>
<td>Passenger transport rental equipment</td>
<td>*</td>
</tr>
<tr>
<td>Railway passenger transport services</td>
<td>*</td>
</tr>
<tr>
<td>Air passenger transport services</td>
<td>*</td>
</tr>
<tr>
<td>Road passenger transport services</td>
<td>*</td>
</tr>
<tr>
<td>Water passenger transport services</td>
<td>*</td>
</tr>
<tr>
<td>Passenger transport supporting services</td>
<td>*</td>
</tr>
<tr>
<td>Travel agencies and similar</td>
<td>*</td>
</tr>
<tr>
<td>Cultural services</td>
<td>*</td>
</tr>
<tr>
<td>Sports and other recreational services</td>
<td>*</td>
</tr>
</tbody>
</table>

(Source: Peric and Radic, 2011)

TFDI plays a quite important role in tourism sector of many developing countries. The need for foreign investment in developing countries will depend on a number of factors: political orientation, the level of current foreign investment, general economic and tourism development levels and the type, scale and stage of tourism development required. Foreign investment and know-how are seen as essential elements in creating and upgrading tourism-related infrastructure. It is also important to note that foreign
investment can give rise to more investment in tourism in total (Peric and Radic, 2011).

Figure 1: Dimensions of Sustainable TFDI

![Figure 1: Dimensions of Sustainable TFDI](image)

(Source: Peric and Radic, 2011)

It is clear from figure 1 that sustainable tourism foreign direct investment contains four main dimensions: economic development such as stimulation of domestic investment and increase in productivity of domestic firms; socio-cultural development through cultural consequences, transfer of software of skills and destination’s positive image; good governance with their predictability, accountability, transparency and participation as more details and explanation being shown in table 2 in below; and environmental development including preserve essential ecological processes, protect cultural heritage, voluntary codes of conduct for investors, and develop approaches that establish principles, criteria, and metrics for sustainable FDI. The table two gives details about the corporate governance as one aspect of sustainable tourism foreign direct investment.

Table 2: Ingredients of good governance in investment promotion

<table>
<thead>
<tr>
<th>Requisites for good governance</th>
<th>Examples of how to improve governance</th>
<th>Mechanisms/instruments/practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predictability</td>
<td>Clear policies and a legal framework for investment</td>
<td>Strong advocacy role of investment promotion agencies (IPAs)</td>
</tr>
<tr>
<td></td>
<td>Streamlined and simple rules and regulations governing investments</td>
<td>Online road maps for investors</td>
</tr>
<tr>
<td></td>
<td>Effective investment facilitation services</td>
<td>IPA investment implementation support</td>
</tr>
<tr>
<td>Accountability</td>
<td>Introduction of ethical standards for civil servants</td>
<td>Code of conduct</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td></td>
<td>Anti-corruption instruments and measures</td>
<td>Client charters</td>
</tr>
<tr>
<td></td>
<td>Dispute resolution mechanisms for investors</td>
<td>Anti-corruption legislation and enforcement (anti-corruption board)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Investment ombudsman</td>
</tr>
<tr>
<td>Transparency</td>
<td>Easy availability of information of investors</td>
<td>Investment regime data on website</td>
</tr>
<tr>
<td></td>
<td>Timely disclosure of information on changes in the investment regime</td>
<td>Investment guides</td>
</tr>
<tr>
<td></td>
<td>Information collection and sharing of national data on FDI and impact of international investment on the economy</td>
<td>Online application and tracking system for permits and licenses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Client charters</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Analysis of FDI data by IPA and frequent publication of FDI trends and impact</td>
</tr>
<tr>
<td>Participation</td>
<td>Regular public/private sector dialogue on efforts to improve the investment environment</td>
<td>National business council and local chamber of commerce and industry</td>
</tr>
<tr>
<td></td>
<td>Consultations with civil society on legislative and regulatory changes that will influence businesses</td>
<td>Involvement of NGOs and labor organizations in consultations on policy decisions</td>
</tr>
</tbody>
</table>

(Source: Peric and Radic, 2011)

**Experiences of Foreign Direct Investment in Tourism**

**Experience (1): Colombia**

**Title:**
Foreign direct investment and development of least developed: The case of Colombia
(CAS Discussion paper No 49)

**Conductor:**
(Cuyvers et al., 2006)

**Objectives:**
- To analyze foreign direct investment (FDI) in Cambodia over the period 1994-2004, using unique and unpublished data, made available by the Cambodian Investment Board.
- To identify the most important recipient sectors in Cambodia and analyses the distribution over the provinces, which is shown to be very uneven.

**Important results:**
The concentration of foreign-invested projects is partly due to the absence of sufficiently skilled workers, extremely poor infrastructure/communication, and lower security in other parts of the country. It can also be explained by agglomeration effects with firms more likely to follow others and to be close to better factors of production.

**Experience (2): Aqaba in Jordan**

**Title:**
Touristic Investment Capabilities in Aqaba Special Economic Zone

**Conductor:**
(Alazzam Farouq Ahmad and ALsarayreh Mohammad Nayef, 2011)

**Objectives:**
- These study aimed to study the touristic investment in Aqaba and its economic, social, political, legislative, geographical and touristic capabilities.

**Important results:**
- The economic, social, political, legislative, geographical and touristic factors have a positive impact on touristic investment except in some secondary ones which have a negative impact like: urbanization, insufficient technological advance, economic instability in Aqaba.
- There is bureaucracy, the absence of external intergovernmental agreements.
- The water sports available in Aqaba are not directed toward the service of the tourists.
- There is a plan to stimulate foreign direct investment in Aqaba, direct promotion of the most popular tourist and investment activities, and encourage investors to invest in Aqaba.

**Experience (3): The Caribbean Area**

**Title:**
Foreign direct investment, services trade negotiations and development: the case of tourism in the Caribbean

**Conductor:**
(Nair and Willem, 2005)

**Objectives:**
- To examine whether and how developing countries can use services trade negotiations to increase the amount of inward FDI conductive to development, with a focus on the tourism sector in the Caribbean.
Important results:
- Several barriers to market access and national treatment of foreign firms in the Caribbean remain possible.
- There is a good basis for testing the effects of inward FDI in the Caribbean.

Experience (4): The Gambian hotel sector, Gambia

Title:
Foreign direct investment in tourism, poverty alleviation, and sustainable development: a review of the Gambian hotel sector

Conductor:
(Sahli and Davidson, 2015)

Objectives:
- To explore tourism FDI and poverty alleviation through both the literature and a detailed review in the Gambia of the relative contribution of foreign versus locally owned hotels to development and poverty alleviation.

Important results:
- TFDI was concentrated in larger and upmarket hotels.
- In terms of procurement there was a general desire to buy locally and no discernable difference in views and practices by hotel ownership.

From the four previous mentioned experiences, we can benefit to concentrate on the main barriers of attracting FDI in general and tourism in particular in this current study about Fayoum. Moreover, We benefit from the experiences to measure all dimensions and impacts- positively or negatively- resulted from TFDI on the local community in Fayoum. Furthermore, we learn from these experiences about the common enterprises of FDI in tourism sector such as hotels and so on. All these aspects have been stated and asked about in our current study about Fayoum.

Foreign direct investment in Egypt (in brief)
The governorates are classified according to seven regions in Egypt. According to this classification, each of the governorates Cairo, Giza and Alexandria form a single region as well. Each of the remaining four regions consists of a different number of governorates. Numbers show illustration of FDI stock at the regional level. Next to Cairo (33.6%), Giza (27.9%) and Alexandria (7.5%), the three Suez Canal governorates accumulated together 10% of FDI stock. Lower Egypt’s eight governorates together attracted 11.3% of FDI stock, while Upper Egypt’s eight governorates received 3.7% only. The five Frontier governorates accumulated 6% of FDI stock (Hanafy, 2015).
Egypt’s tourism sector, which is a major contributor to the country’s revenues, is mainly and increasingly dominated by the private sector. More than 90% of the sector’s investments are private (AFDB, 2009). The average contribution of Arab (52%) and non-Arab (48%) countries to tourism FDI in Egypt (Hanafy, 2015).

Moreover, tourism FDI stock is mainly concentrated in Cairo (40%) and the Frontier governorates (39%). Among the Frontier governorates, tourism FDI is concentrated in two governorates which attract a large number of tourists: The Red Sea governorate and South Sinai governorate attracted 29% and 9% of tourism FDI stock, respectively. Additional tourism FDI stock is accumulated by Giza (11%), the Suez Canal Governorates (4%) and Upper Egypt (4%). Alexandria and Lower Egypt receive very little tourism FDI (Hanafy, 2015).

**Methodology**

In the section the researchers give details about the method of research used and analysis of the information gathered for the current study.

**Descriptive analytical method**

This study adopts Descriptive Analytical approach handles the current phenomenon as it is in the real field. The principal purpose of the descriptive method is to evaluate things and conditions in their natural cases.

**Sample and Questionnaire**

The current research is based on a convenience sample of data collection. The sample size is 75 people with distribution as follows: 35 forms to the official responsibilities in Fayoum governorate (General Secretary- Administration of Investment- Administration of Tourism- Administration of Environment-Administration of Legal Affairs and Bosses of the Seven- Municipalities; and 40 forms to Academics in the Fayoum University mainly in Faculties of Tourism & Hotels, Agriculture, and Diversified Education. The design of the questionnaire includes 8 questions. Majority of questions are open-closed questions and one question is open-ended.

**SPSS for data analysis**

The Statistical Package for Social Sciences (SPSS - V- 20) is used for analyzing data. Techniques of analysis are Reliability Analysis, Frequencies, Mean, S. Deviation, S. Error of Mean, Chi$^2$, Eta, T. Sig Analysis to test Significance of Variance.
Results and dissusions

Reliability Analysis

Reliability Analysis is used to the questionnaire items. The value of Cronbach’s Alpha is (0.690), which indicates that questionnaire items are related to each other. Furthermore, an overall index of the repeatability and internal consistency of the questionnaire as a whole.

Questionnaire items discussions

Table 3: SPSS’ results

<table>
<thead>
<tr>
<th>Frequencies</th>
<th>Total</th>
<th>Mean</th>
<th>Std. Error of Mean</th>
<th>Std. Deviation</th>
<th>Chi²</th>
<th>Eta</th>
<th>T. Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Is there tourism Foreign Direct Investment (TFDI) in Fayoum?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>36</td>
<td>48.0%</td>
<td>75 100%</td>
<td>1.91</td>
<td>0.058</td>
<td>0.502</td>
<td>0.929</td>
</tr>
<tr>
<td>Neutral</td>
<td>10</td>
<td>13.3%</td>
<td>Yes 29 38.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2- Is case of existing TFDI in Fayoum Arabic or non-Arabic?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Arabic</td>
<td>21</td>
<td>28.0%</td>
<td>Arabic 54 72.0%</td>
<td>1.72</td>
<td>0.052</td>
<td>0.452</td>
<td>0.050</td>
</tr>
<tr>
<td>3- Which are most frequent TFDI activities in Fayoum?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotels &amp; Restuarants</td>
<td>31</td>
<td>41.4%</td>
<td>75 100%</td>
<td>1.59</td>
<td>0.057</td>
<td>0.496</td>
<td>0.033</td>
</tr>
<tr>
<td>Travel agents</td>
<td>18</td>
<td>24%</td>
<td></td>
<td>1.76</td>
<td>0.050</td>
<td>0.430</td>
<td>0.828</td>
</tr>
<tr>
<td>Car rentals</td>
<td>13</td>
<td>17.3%</td>
<td></td>
<td>1.83</td>
<td>0.044</td>
<td>0.381</td>
<td>0.206</td>
</tr>
<tr>
<td>Others</td>
<td>13</td>
<td>17.3%</td>
<td></td>
<td>1.83</td>
<td>0.044</td>
<td>0.381</td>
<td>0.206</td>
</tr>
<tr>
<td>4-Which aspects has TFDI had positive results on them in Fayoum?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic</td>
<td>34</td>
<td>45.3%</td>
<td>75 100%</td>
<td>1.55</td>
<td>0.058</td>
<td>0.501</td>
<td>0.145</td>
</tr>
<tr>
<td>Social-cultural</td>
<td>15</td>
<td>20.0%</td>
<td></td>
<td>1.80</td>
<td>0.046</td>
<td>0.403</td>
<td>0.244</td>
</tr>
<tr>
<td>Corporate Governance</td>
<td>16</td>
<td>21.3%</td>
<td></td>
<td>1.29</td>
<td>0.048</td>
<td>0.412</td>
<td>0.792</td>
</tr>
<tr>
<td>Environmental</td>
<td>8</td>
<td>10.7%</td>
<td></td>
<td>1.89</td>
<td>0.036</td>
<td>0.311</td>
<td>0.842</td>
</tr>
<tr>
<td>No positive effect</td>
<td>2</td>
<td>2.7%</td>
<td></td>
<td>2.24</td>
<td>0.268</td>
<td>2.318</td>
<td>0.255</td>
</tr>
<tr>
<td>5- Which poverty item has TFDI reduced of its severity?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment</td>
<td>30</td>
<td>40.0%</td>
<td>75 100%</td>
<td>1.60</td>
<td>0.057</td>
<td>0.493</td>
<td>0.059</td>
</tr>
<tr>
<td>Informal work</td>
<td>21</td>
<td>28.0%</td>
<td></td>
<td>1.72</td>
<td>0.052</td>
<td>0.452</td>
<td>0.680</td>
</tr>
</tbody>
</table>
The table (3) shows the following information:
- People that say about existence of TFDI in Fayoum are in the first order (48.0%) and those that adopt the contrary view- the option No- in the last position (13.3%). This result is supported by the Mean degree (1.91).
- From the table, it is clear that Arabic investors are in the first rank (72.0%) and this is compatible with information in the section 3. There is a significant support by the Mean degree (1.72). This result is relatively expected due to the similarity of conditions of investment in the Arabic countries and the close borders and distances that facilitate the movement of TFDIs.
- Regarding most frequent TFDI activities in Fayoum, hotels and restaurants come in the first priority (41.4%), the next is travel agents (24%), after that- in equal manner- car rentals and other types of investment (17.3%). The degrees of Mean are an outstanding proof (from 1.59 to 1.83). This result is in compatible with (Nair and Willem, 2005, P: 5; UNCTD, 2010; Sahli and Davidson, 2015, P: 170; Peric and Radic, 2011, P: 267).
- For aspects has TFDI had positive results on them in Fayoum, economic development is first (45.3%) and environmental improvement in the last (10.7%). The degrees of Mean are significant for this result. However, there is a few of respondents who see negative effects of TFDI. This result is matching with (Delis et al., 2007, P: 1; Sahli and Davidson, 2015, P: 168).
- Pertaining to poverty items has TFDI reduced of its severity in a descending order are unemployment (40.0%), informal work (28.0%), underemployment (21.3%), and finally low wages (10.7%). This is supported by the Mean degrees. This result is compatible with (Khan, 2007; Peric and Radic, 2011, P: 269).
Concerning barriers confront TFDI in Fayoum, economic challenges are in the first position (57.3%) and other challenges in the last one (2.7%). Moreover, the Mean degrees are supportive. Some respondents see that there is an overlap among responsibles and no unified law for TFDI in Fayoum. This result is compatible with (Peric and Radic, 2011, P: 270).

- Responsibilities and Academics that say there is a future plan for TFDI in Fayoum come in first position (46.7%) and those cannot afford to give a clear decision in the last order (16.0%). There is a support from the Mean degree (2.09).

- It is clear that there is agreement about the degree of Mean in all questionnaire items (Std. Deviation is less the whole one). Also, the sample is representative since the Mean of Sample is equal to the Mean of population (Std. Error of Mean is less the whole one). Furthermore, there is matching between the Sum-Means of the official responsibles and the academics (T. Sig degree is not significant at 5 % level). Finally, there is a modest effect of the type of respondent on his/her answer in majority of the scale items (Eta degrees).

**Conclusion**

FDI is considered as one of the main tools for sustainable tourism development especially in developing countries and destinations. The current research aims to reveal some main concepts and aspects of TFDI in general with implication on Fayoum as a regional tourism destination in Egypt. The study shows that little more than half of respondents see the weak existence of TFDI in Fayoum. The Arab investment has the major share; and this is normally expected from the researchers. Moreover, as matching with literature review, hotels and restaurants have the main sources of TFDI. The main positive effect of TFDI in Fayoum is the economic development particularly in reducing unemployment level as a dimension of poverty in Fayoum. There is a future master plan for TFDI in Fayoum. However, there are some barriers and challenges confronting TFDI in Fayoum particularly the economic types.

Finally, the study – with harmony with views of the official responsibles and academics- recommends the following items and actions to enhance the TFDI in Fayoum as follows:

- Development an unified low for TFDI.
- Unification of investment procedures.
- Development of a master plan for tourism investment in Fayoum.
- Participation of local communities in the planning process for TFDI.
- Providing motives for TFDI such as freedom of land ownership and exception of taxes.
- Coordinate work and interaction between the three poles (the investors and the government and the citizens).
- Reduction of foreign labor, by encouraging the Fayoum local community to work in tourism jobs.

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الملخص العربي

تنمية الاستثمار الأجنبي المباشر كأداة للسياحة المستدامة في الفيوم، مصر

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يلعب الاستثمار الأجنبي المباشر الخارجية دورا حيويا في النمو الاقتصادي والتنمية في الدول النامية والناشئة. وفي مصر، باعتبارها من البلدان النامية والبلدان التي تمر بمراحل انتقالية، يمثل القطاع السياحي في مصر مسار واعد نحو التنمية الاقتصادية والاجتماعية. وتتطور قطاع السياحة في هذه البلدان- بما فيها مصر - في حاجة إلى الاستثمار الأجنبي المباشر. ولكن على الرغم من أهمية السياحة، إلا أن الاستثمار السياحي الأجنبي المباشر لا يزال متدنيا إلى حد ما.

وتهدف هذه الدراسة الحالية إلى توضيح مفاهيم الاستثمار الأجنبي المباشر، والاستثمار السياحي الأجنبي المباشر، والاستثمار السياحي في مصر، وتقييم الوضع الحالي وأبعاد الاستثمار الأجنبي المباشر في القطاع السياحي في محافظة الفيوم. كما يركز المقابلات المتعمقة التي يصاحبه توزيع استمارات استبيان مكون من أسئلة مفتوحة ومغلقة، موجه إلى المسؤولين والخبراء في الاستثمار السياحي في محافظة الفيوم.

وتم تحليل البيانات الميدانية عن طريق برنامج SPSS، والنتيجة الرئيسية لهذه الدراسة أوضح أن الاستثمار الأجنبي المباشر السياحي في الفيوم في حالة مقبولة إلى حد ما، باعتبار أن الفيوم كونها وجهة سياحية ناشئة في مصر. وقدمت الدراسة- بناء على النتائج الميدانية- بعض التوصيات الخاصة بقانون وتشريعات ودافع الاستثمار السياحي المباشر في الفيوم.

الكلمات المفتاحية: الاستثمار الأجنبي المباشر، الاستثمار السياحي الأجنبي المباشر، الاستثمار السياحي المستدام، أنشطة الاستثمار السياحي الأجنبي المباشر، الفيوم