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Jordan Tourism Development Project

IMPACT OF REGIONAL AND LOCAL EVENTS ON JORDAN TOURISM SECTOR July 2011

Developed
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Foreword

The regional crisis continues to impact tourism to Jordan with a significant reduction in tourism numbers throughout the traditionally high season of April, May and June 2011 and little or no bookings received for the high season of September, October and November 2011. Further, tour operators report fear for at least the first half of 2012 as some international trade have made the decision not to include Jordan or the Middle East in their programs or brochures for 2012.

Summary

While MoTA figures reflect a decrease on 2010 figures of 11% in overall visitor arrivals to 31 May 2011, a 36.7% drop was recorded in tourist nights on package tours and a 36% drop in actual tourists on package tours.

Direct impact on tour operators record a greater drop with figures of between 50 – 80% in “international” business being quoted and a drop of between 10- 20% in the Gulf/Arab business. The Arab 48 market however has shown growth of 20-25%, the benefits of which are largely being experienced in Aqaba.

Overall feedback on impact on the tourism industry, the national economy, local economy and local communities has been dramatic with reports of no light visible at the end of the tunnel being experienced as yet.

MoTA figures reflect a significant drop to touristic sites with drops being experienced across all site. Figures include a drop of 28.4% in Petra, 32.1% in Jerash, 44.1% in Mt Nebo and 42.8% in Wadi Rum

In a Jordan Times article Mr Fawwaz Hasanat, Head of Petra Hotel Association, was quoted as saying that they “rarely see tourists and hotel occupancy has not exceeded 10 per cent in the past five months”. The Jordan Times also said that the number of tourists to Petra dropped by 28% in the first five months of the year, with 318,279 visitors registered at the site, compared to 444,715 in the same period of 2010; it is important to note that numbers for January 2011 showed enormous growth on January 2010.

The only segment that has reported growth in the first half of 2011 was the adventure market however, this is based on a lower base, though significant growth was expected for the 2011 year. As a large number of these adventure visitors combined Jordan with other countries such as Syria, and only a small number visited Jordan as a single destination, this segment is now experiencing a decrease in business with a huge drop in website visits and direct business bookings being experienced.

Community Impact

With tourism traditionally representing the largest contributions to GDP the impact is being felt across the economy and the tourism industry as well as local communities.

Hani Muammar, one of the first tourist guides in Petra, was quoted in The Jordan Times as saying he has had to convince his son to postpone his last year in university until his financial situation improves. He was also quoted as saying “This year was the worst for the industry in Jordan since I started my career 55 years ago “We have been through difficult years before. But none of them can be compared to this year”.

Mahmoud Twaisi, who owns a souvenir shop in the Siq of Petra Park told the Jordan Times he “almost (has) no customers”. He added it would be difficult for shop owners to pay for the renewal of their licenses and the monthly rent. “We are not generating profits, but we still have to pay” he said.

Moving Forward

The general feeling is that the turnaround will largely depend on the situation as it evolves in Syria and to a slightly lesser extent in the rest of the region.

The industry firmly believe that in order to return to growth that the consumer must be targeted directly. Though the confidence of international trade has been challenged they will return to business once they experience again the demand for the destination.

Jordan Times Tuesday 28 July, 2011

GDP growth rises slightly in 1st quarter

By Omar Obeidat

AMMAN — The gross domestic product (GDP) grew by 2.26 per cent during the first quarter of this year, a figure considered by experts as “reasonable” in light of regional upheaval.

According to Department of Statistics (DoS) figures, the growth during the first three months of this year, which was slightly higher than the 2.03 per cent recorded during the same quarter of 2010, was driven by an expansion in key economic sectors, mainly the extraction sector that expanded by 43 per cent compared to the same period of last year.

The sectors of finance, insurance and real estate were second as they grew by 5.6 per cent, while the construction sector saw the largest decline by 17.7 per cent followed by water and electricity by 1 per cent, according to DoS initial report.

Indicating that the first quarter of each year usually witnesses the lowest growth rate, Finance Minister Mohammad Abu Hammour expected the Kingdom’s economy to pick up during the remaining period of this year to achieve the forecast growth of 3.5 per cent for the entire year.

Among other indicators for better economic performance, Abu Hammour pointed out an increase in local exports during the first five months, a rise in credit facilities and a surge in real estate sector trading, which went up by 42 per cent compared to the first five months of last year.

However, the official noted that the challenges facing the economy include an 11 per cent drop in tourism income, which he said was caused by regional unrest.

“Although the country’s tourism revenues declined, its performance is still much better than other competitors among regional countries such as Egypt, Tunisia, Syria and Lebanon,” he remarked.

In light of ongoing instability in the region, the 2.26 per cent growth in the GDP is still positive, Abu Hammour told The Jordan Times over the phone, echoing the remarks of other economists.

Agreeing with Abu Hammour that growth rates during the first quarter of each year is usually lower than other quarters, economist Fahed Fanek, however, described the figure as modest.

With the political instability in the Arab world, which affected tourism revenues and remittances of Jordanians abroad, the growth achieved is still reasonable but not impressive, he said.

Economist Zayyan Zawaneh also highlighted regional impact on the economic performance of the Kingdom, adding “we will be lucky” if the country’s economy keeps the same pace of growth in light of the unrest in the region.

Noting that the 2.26 per cent GDP growth is equal to the population growth rate, he said: “Policy makers could have taken some measures to stimulate the economy but unfortunately they were late in doing so, particularly in boosting the tourism sector.”

Zawaneh, a former adviser at the Central Bank of Jordan, the Ministry of Finance and the International Monetary Fund, also blamed the large number of sit-ins and work stoppages that swept the Kingdom over the past few months for curbing growth rates as he explained they negatively affected the flow of investments.

Asked on his expectations for the economic growth level for the entire year, the economist indicated that 2.8 per cent would be an achievement amid regional unrest and “the government’s apathy towards economic woes”.

However, economist Yusuf Mansur differed with Abu Hammour and the analysts that regional turmoil slowed down economic growth, insisting the unrest in the region could have been an opportunity to stimulate the economy by attracting investments and capital.

“If there had been proactive policies and a proactive government, the country could have benefited from the events in the region,” he told The Jordan Times, adding the growth figure achieved in the first quarter was expected to be this modest as policy makers “do not pay enough attention to the economy”.

The public believes that the government does not have an economic programme, Mansur claimed.

<http://www.jordantimes.com/index.php?news=38922>

Petra festival seeks to attract local, Arab visitors

By Khetam Malkawi

AMMAN - The tourism industry in Petra will organise a festival next month and provide discounted offers on hotel accommodations in an bid to attract more Jordanian and Arab visitors to the Nabataean city, an industry representative said on Wednesday.

Fawwaz Hasanat, head of Petra Hotel Association (PHA), said tourism in Petra has been negatively impacted by the current turmoil in some countries of the region.

“We rarely see tourists and hotel occupancy has not exceeded 10 per cent in the past five months,” he told The Jordan Times over the phone yesterday, adding that the PHA and Petra Development and Tourism Region Authority (PDTRA) are working to rescue the current tourism season.

Hasanat noted that the “Petra Festival to Encourage Local and Arab Tourism” is one of these steps and will be organised every Thursday starting July 7.

“The festival will include folklore and theatre performances, in addition to an exhibition of handmade souvenirs and we will distribute brochures and pamphlets about Petra and its history,” he explained.

In addition, the association has announced discounted hotel rates for Jordanians who visit the city as part of the “Jordan is Beautiful” campaign, which includes one-, two- and three-star hotels affiliated with the association, according to Hasanat.

The prices range from JD10 to JD15 for adults per night, and a 50 per cent discount for children aged between seven and 12 years, while those under the age of seven are free of charge.

Meanwhile, PDTRA Deputy Chief Commissioner Mohammad Abu Ghanam noted that although the number of tourists to the rose-red city dropped by 28 per cent in May this year compared to the same month in 2010, Arab tourists rose by 52 per cent.

“A decision to treat Arab tourists as Jordanians, including entry fees to Petra, helped to increase visitors to the site, and with this festival we expect more to come,” he told The Jordan Times over the phone yesterday.

Last year, the PDTRA gradually raised entry fees to Petra for one-day visitors to the Kingdom from JD25 to JD90, while the entry fee for Jordanians is JD1.

The number of tourists to Petra, one of the seven new wonders of the world, dropped by 28 per cent in the first five months of the year, with 318,279 visitors registered at the site, compared to 444,715 in the same period of 2010.

اهم المؤشرات الاحصائية المتعلقة بقطاع السياحة خلال الفترة (كانون ثاني - ايار) ٢٠١٠-٢٠١١

Main Tourism Indicators during Jan. - May 2010-2011*

ITEM	نسبة التغير % CHANGE 11/01	*2011	2010	البيان
Total Visitors	-11.0%	2,607,914	2,929,857	اجمالي مجموع الزوار
Tourist Overnight	-11.9%	1,463,853	1,660,876	عدد سياح المبيت
Same Day Visitors	-9.8%	1,144,061	1,268,982	زوار اليوم الواحد
Tourist Overnight by Region				عدد سياح المبيت حسب المناطق
African Countries	30.6%	6,181	4,733	الدول الافريقية
American Countries	-7.0%	73,988	79,550	الدول الامريكية
East Asia & the Pacific	21.9%	125,358	102,848	الدول الاسيوية
European Countries	-9.7%	275,934	305,615	الدول الاوروبية
Arab Countries	-1.8%	404,671	412,069	الدول العربية
Gulf Countries	-9.7%	263,433	291,635	دول الخليج
Jordanias Residing Abroad	-32.3%	314,288	464,426	اردني مقيم في الخارج
Tourism Receipts(Million JD)	-10.6%	793	888	الدخل السياحي / مليون دينار *

Visitors to the Tourstic sites				زوار المواقع الاثرية
Petra	-28.4%	318,279	444,715	البتراء
Jarash	-32.1%	127,900	188,502	جرش
Karak	-38.8%	55,400	90,470	الكرك
Ajloun	-5.2%	85,647	90,350	عجلون
Wadi Rum	-42.8%	81,238	141,970	وادي رم
Baptism site	-31.9%	49,624	72,901	المغطس
Madaba/ Map	-32.8%	117,663	175,025	مادبا/ الخارطة
Mount Nebo	-44.1%	112,275	200,854	جبل نيبو

Tourism Receipts: Central Bank Of Jordan

الدخل السياحي : المصدر / البنك المركزي الاردني

Source : Ministry of Tourism & Antiquities

*اولية
المصدر : وزارة السياحة والآثار

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Source : Ministry of Tourism & Antiquities

*اولية
المصدر : وزارة السياحة والاثار

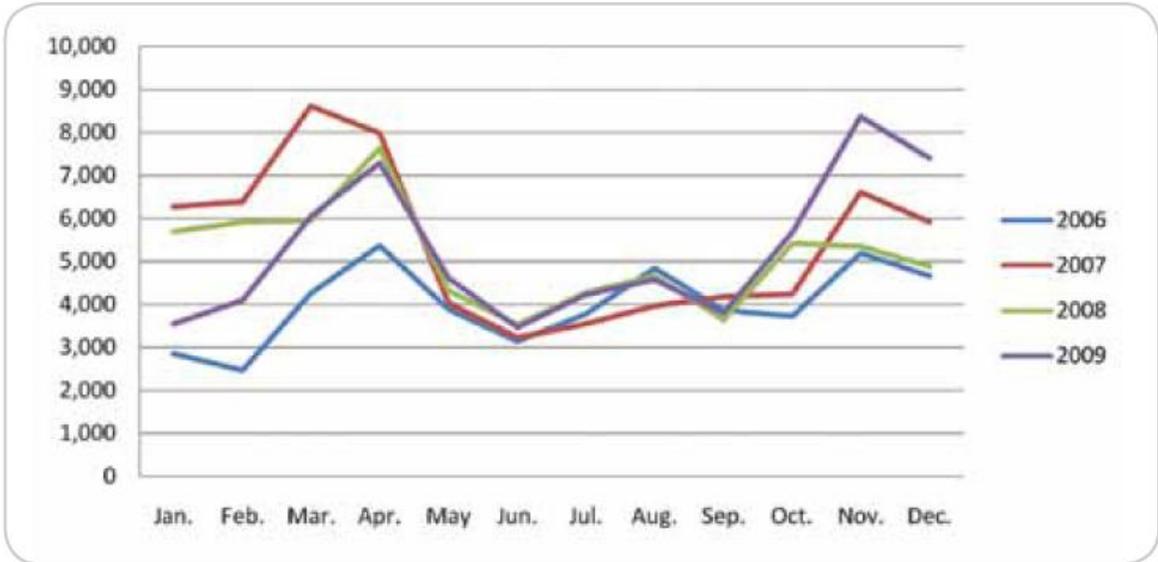


Figure 11 - UK Visitors Seasonality
Source: MOTA

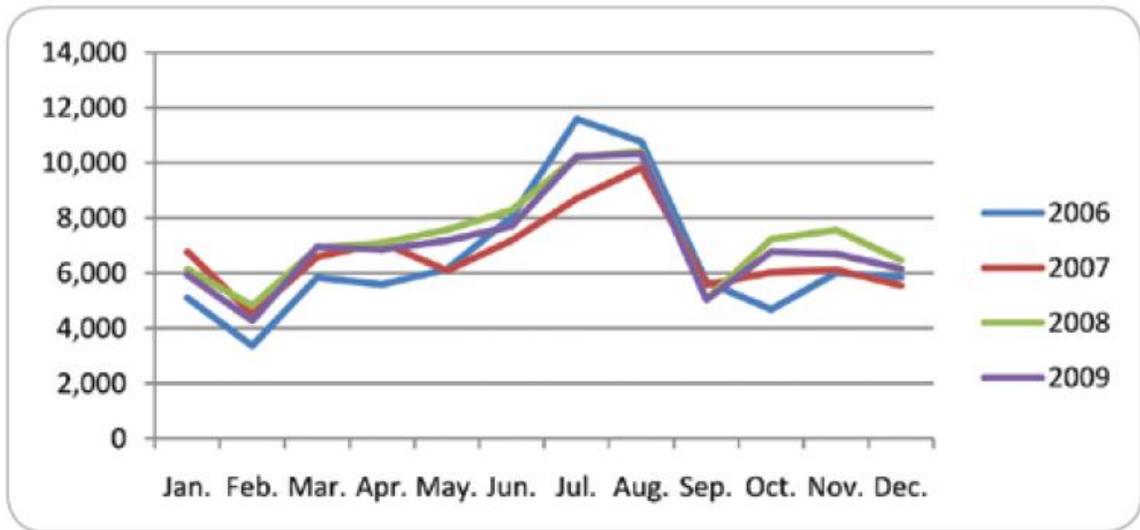


Figure 12 - US Arrivals to Jordan per Month (2006 - 2009)
Source: MOTA

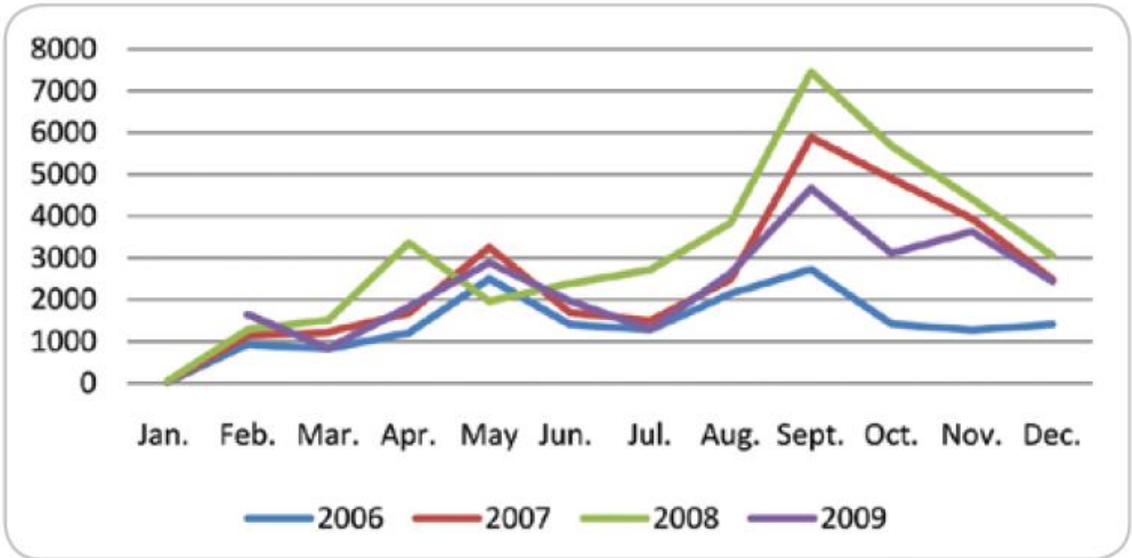


Figure 12 - Spanish Arrivals to Jordan per Month 2006-2009
Source: MOTA

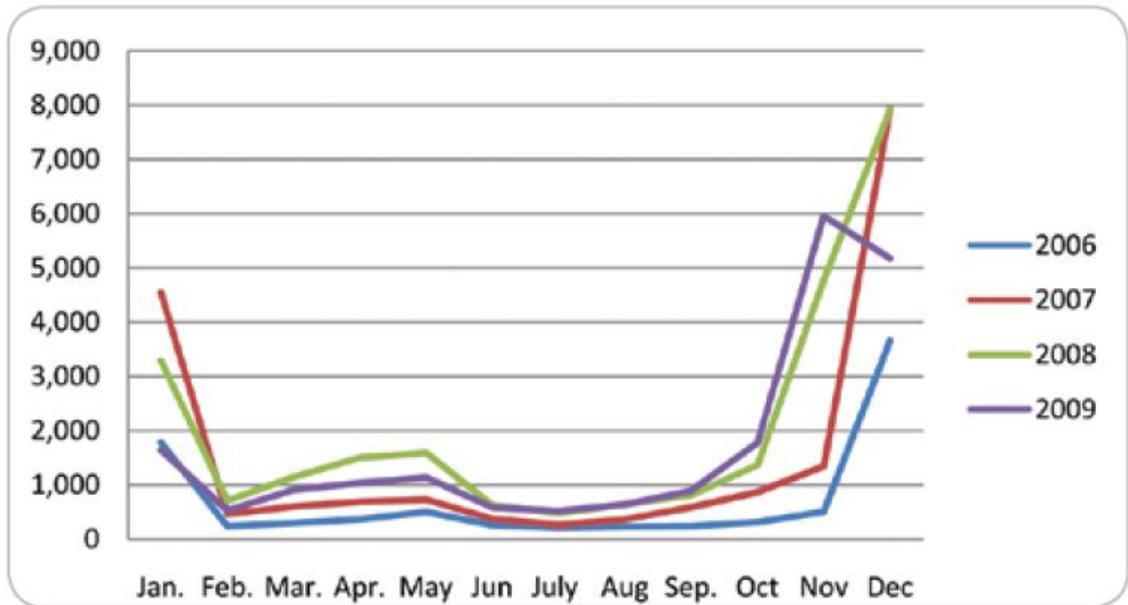


Figure 8 - Russian Arrivals to Jordan per Month (2006-2009)
Source: MOTA

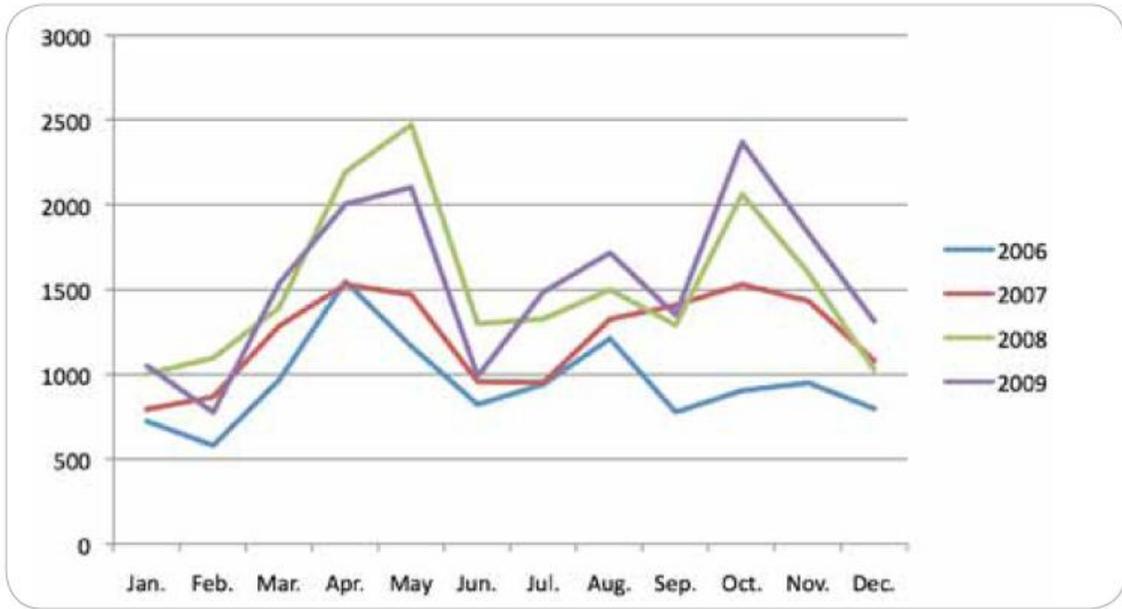


Figure 9 - Dutch Arrivals to Jordan per Month (2006-2009)
Source: MOTA

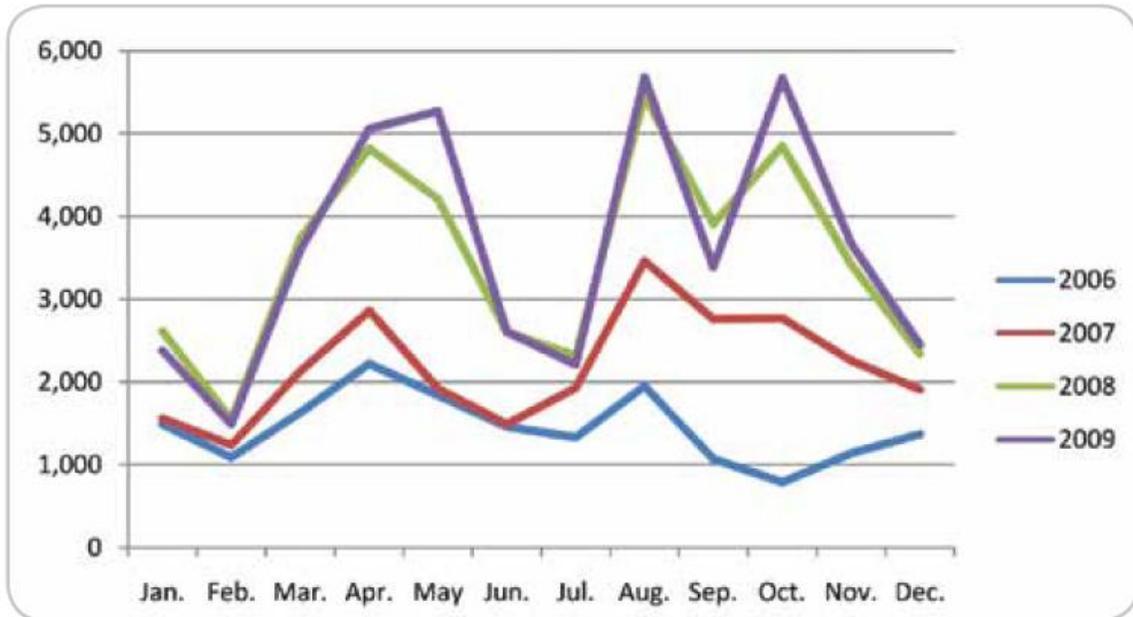


Figure 8 - Italian Arrivals to Jordan per Month
Source: MOTA

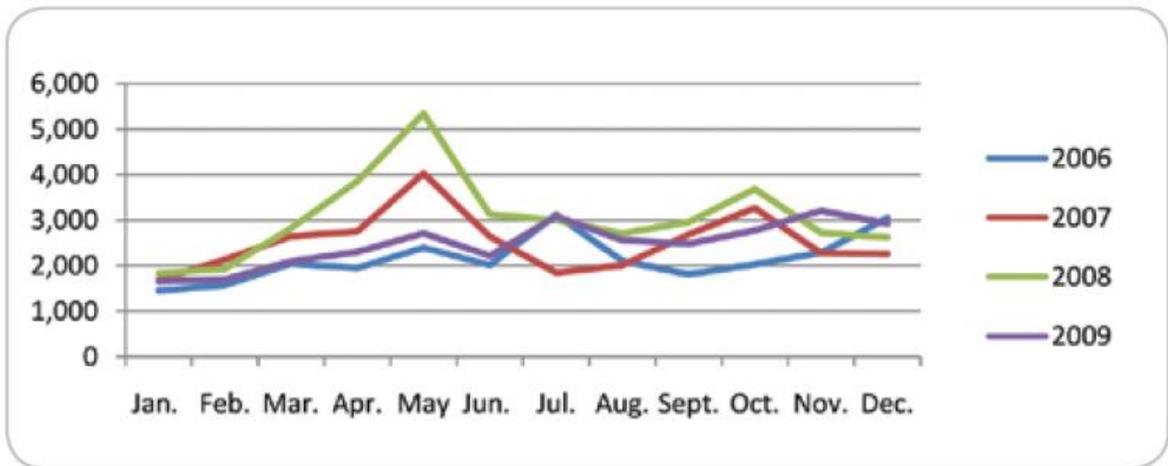


Figure 10 - Indian Arrivals to Jordan per Month (2006-2009)
Source: MOTA

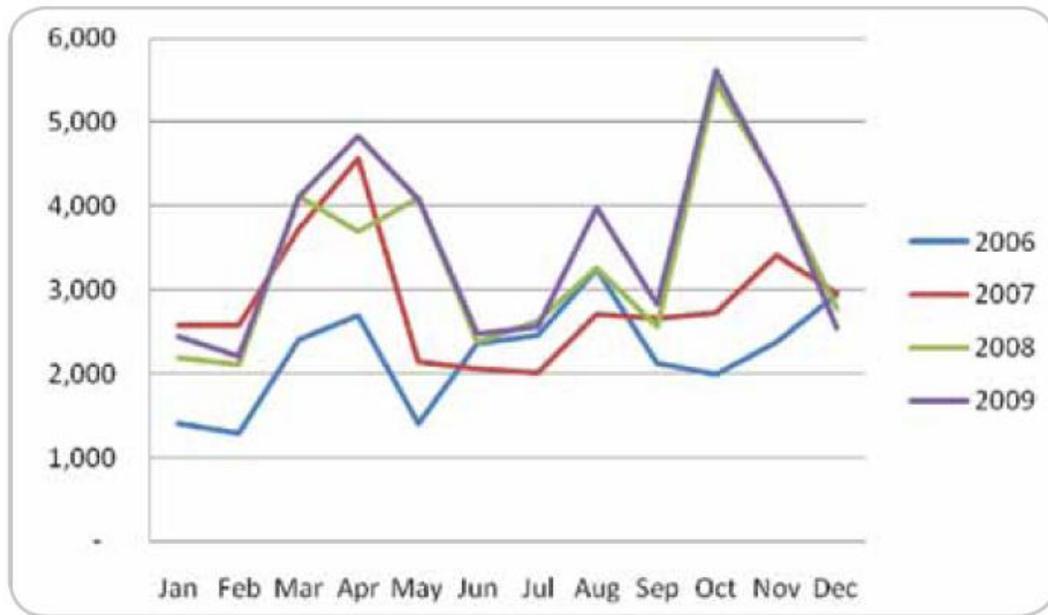


Figure 7 - German Visitors Seasonality in Jordan
Source: MOTA

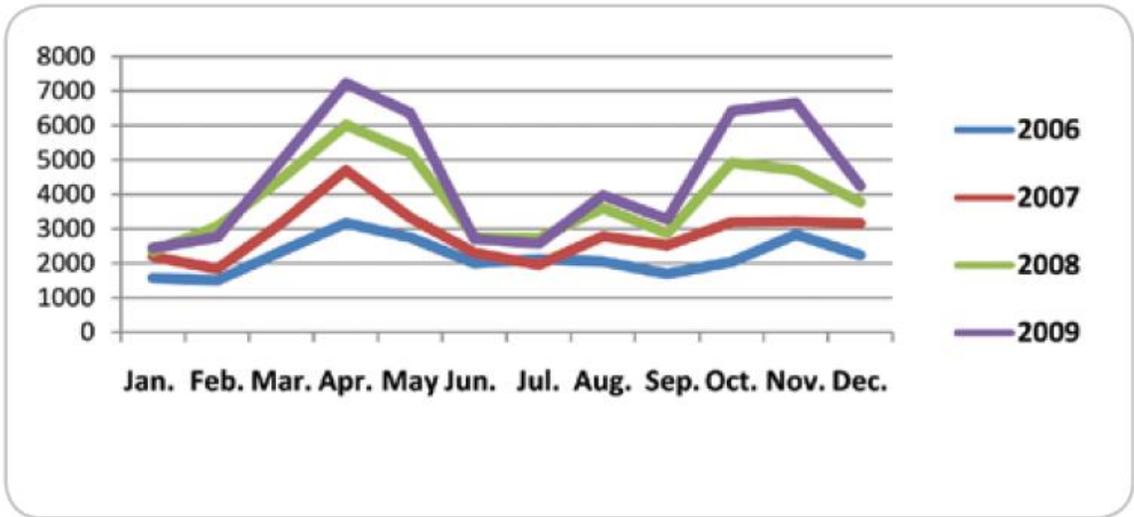


Figure 9 – French Arrivals to Jordan per Month (2006-2009)
Source: MOTA

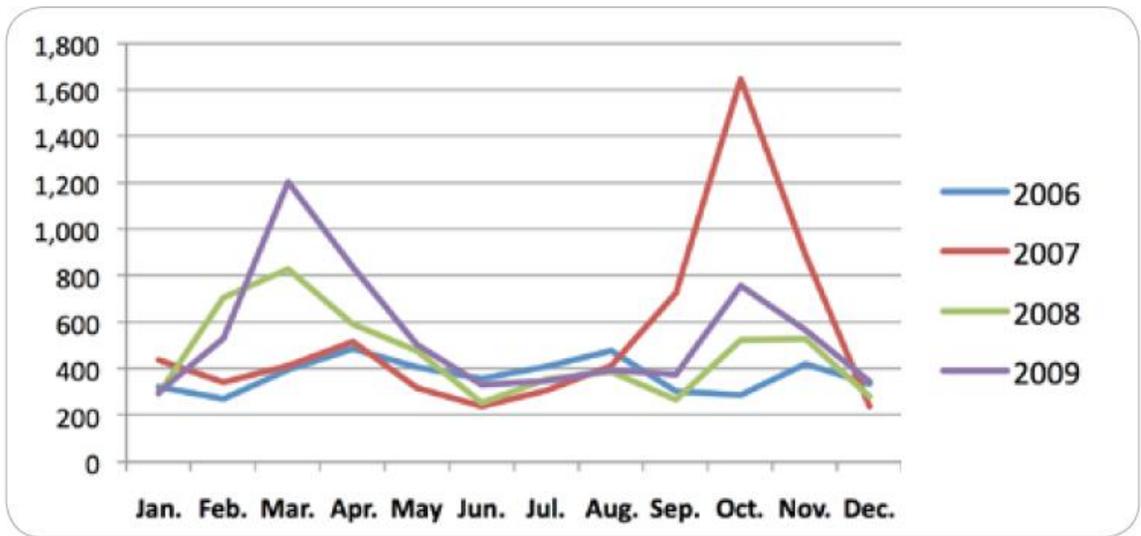


Figure 8 - Austrian Arrivals in Jordan / per month (2006-2009)
Source: MOTA