

PN. A BR-562
28091

**JORDAN TOURISM DEVELOPMENT PROJECT:
CONTINGENCY PLANNING STRATEGIES**

**Project No. 940-0001
Delivery Order No. 15
Contract No. PCE-0001-I-00-2051-00
IQC for Worldwide Technical Assistance
in Private Enterprise**

**Prepared for:
U.S. AGENCY FOR
INTERNATIONAL DEVELOPMENT
Amman, Jordan**



**Prepared by:
Thomas G. Lloyd**

April 1994

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	i
SECTION I	
CONTINGENCY PLANNING	
GOALS AND OBJECTIVES	I-1
A. Introduction	I-1
B. Goals	I-1
C. Objectives	I-2
SECTION II	
SITUATION ANALYSIS	II-1
A. Market Trends and Prospects	II-1
A1. Historic Trends and Projections	II-1
A2. Recent Regional Trends	II-3
A3. Recent Trends in Jordan	II-5
A4. Recent Trends in Israel	II-7
A5. Recent Trends in Syria	II-7
A6. Recent Trends in Egypt	II-8
A7. Recent Trends in Turkey	II-10
B. Importance of Tourism to Countries in the Region	II-11
C. Government Support of the Tourism Sector	II-11
SECTION III	
PLANNING ASSUMPTIONS	III-1
SECTION IV	
POSSIBLE FUTURES	IV-1
A. Near-Term Market Development Possibilities	IV-1
A1. Scenario 1: 100 Percent Growth in Arrivals in Year Two After Peace	IV-3
A2. Scenario 2: 20 Percent Growth in Year Two After Border Opens	IV-5
A3. Scenario 3: 10 Percent Growth in Arrivals Under Current Conditions	IV-7
SECTION V	
NEAR-TERM STRATEGY RECOMMENDATIONS	V-1
A. Near-Term Market Development Possibilities	V-1
A1. Hotel Sector Strategies	V-1
A2. Transport Sector Strategies	V-3
A3. Petra Development Strategies	V-4
A4. Work Force Development Strategies	V-6
A5. Tourism Promotion Strategies	V-6

		<u>Page</u>
SECTION VI	TOURISM RESOURCES	VI-1
	A. Tourism Resources in the Region	VI-1
	A1. Israel As a Promotional Partner	VI-2
	A2. Syria As a Promotional Partner	VI-2
	A3. Egypt As a Promotional Partner	VI-3
SECTION VII	INTERNATIONAL-QUALITY TOURIST HOTEL ROOMS AVAILABLE IN THE REGION	VII -1
ANNEX A	JORDAN TOURISM FACT SHEET	A-1
ANNEX B	DESCRIPTION OF REQUIREMENTS FOR A MARKETING COORDINATOR CONSULTANT	B-1
ANNEX C	LIST OF CONTACTS	C-1
ANNEX D	PROPOSED WORK PLAN	D-1

LIST OF FIGURES AND TABLES

Page

List of Figures

Figure II-1	Arrivals in the Middle East 1960-1992	II-1
-------------	---------------------------------------	------

List of Tables

Table II-1	Arrivals in the Middle East 1960-1992	II-2
Table II-2	Regional Increase in Arrivals by Country 1987-1991	II-3
Table II-3	Arrivals in Region 1987-1991	II-4
Table II-4	Arrivals in Jordan by Country of Origin	II-6
Table II-5	Arrivals in Israel by Country of Origin	II-8
Table II-6	Arrivals in Syria by Country of Origin	II-9
Table II-7	Arrivals in Egypt by Country of Origin	II-9
Table II-8	Arrivals in Turkey by Country of Origin	II-10
Table II-9	Regional Foreign Exchange Earnings by Country	II-12
Table II-10	1992 Ranking of Total Budgets of National Tourism Administrations	II-14
Table VI-1	Jordan's Tourism Resources	VI-4
Table VI-2	Israel's Tourism Resources	VI-7
Table VI-3	Syria's Tourism Resources	VI-9
Table VI-4	Egypt's Tourism Resources	VI-11
Table VI-5	Turkey's Tourism Resources	VI-14
Table VII-1	Hotels in Selected Eastern Mediterranean Countries 1993	VII-2

2

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Tourism is Jordan's largest export, with foreign exchange earnings of 390 million Jordanian dinars (JD) in 1993. In 1990, tourism export receipts were 340 million JD compared with the 327 million JD earned from all mineral industry exports, 183 million JD earned from international air transport, 114 million JD earned from all manufacturing exports, 63 million JD earned from agricultural exports, and 107 million JD earned from all other exports. The combined foreign exchange earnings from international tourism and international air fares averaged 43 percent of all export receipts between 1987 and 1990.

Within two years of peace in the region, international tourism receipts could earn more than one billion JD per year. Even if peace negotiations drag on for a few years, earnings by the tourism sector would likely reach close to 800 million JD per year within two to three years.

An industry of such significance to Jordan's foreign exchange earnings should receive a much higher policy and funding priority than is now the case.

Within two years of peace in the region, Jordan could receive more non-Arab international arrivals than Arab arrivals for the first time in the country's history. Jordan's tourism sector appears to have completely recovered from the effects of the Gulf War. International arrivals in Jordan were estimated to have risen between 65 and 70 percent in 1993 over 1991.

Jordan's ability to handle the projected increase in international tourist demand will likely suffer from five key constraints to tourism growth:

- Limited hotel capacity
- Limited tour bus capacity
- Insufficient airline capacity
- Lack of sufficient capacity at Petra
- Unavailability of sufficient numbers of trained tourism industry workers.

Approximately 1,000 additional hotel rooms are likely to be needed within two years of a Jordan-Israel peace agreement. The Government of Jordan (GOJ) should establish tourist zones throughout the country to guide development to appropriate locations. These tourist zones should be conceived of as areas where development of hotels is mixed with restaurants, outdoor cafes, tourist shops, recreational opportunities (horse- and camel-riding stables), small-scale parks, and open areas where scenic vistas can be enjoyed. Although the proposed tourist zones are primarily

for the purpose of localizing tourism activity in order to conserve and concentrate government investment in water supply and distribution, wastewater collection and distribution, road construction, and so forth, that is not the only intended purpose of tourist zones.

Tourist zones should be viewed as low-density *tourist villages*, not resort area developments. They should be developed with a high level of concern for the physical and visual environment, sensitivity to the potential for tourism activities to intrude on nearby settlements, and the need to preserve sight lines to scenic vistas.

Developers should be encouraged, or required if necessary, to build in architectural styles that are harmonious with the site and indigenous architecture. It would serve Jordan's long-term interest if the character of hotel architecture and the villages were developed with a distinct Arab flavor rather than in styles that could be found anywhere.

JETT bus company will need to add significantly to its tour bus fleet to accommodate projected increases in annual arrivals of 30 to 100 percent by 1996. Operators of smaller vehicles (15 passengers or less) will have to be allowed and encouraged to enter the tourist transport sector to meet developing demand.

Royal Jordanian Airlines will have to reallocate substantially more capacity to Europe-Amman routes and perhaps even expand its current fleet of 17 aircraft to accommodate expected growth in demand. European airlines now serving Jordan will likely increase service to the Kingdom, carriers that have withdrawn from the market will need to be welcomed back, and perhaps new carriers will need to be recruited to provide service to the region.

Planned improvements to Petra will need to be accelerated to protect the antiquities from the wear of rapidly increasing numbers of visitors including:

- Development of new roads and motorcoach waiting areas well away from the fragile antiquities
- Development of larger visitor staging areas and interpretive exhibits to help maintain visitor traffic at safe site carrying capacity levels
- Development of a new reservation system to maintain visitor traffic levels through the site at manageable levels
- Development of a network of capacity-expanding interpretive routes to maximize each visitor's educational experience and make all of the site's resources safely available
- Expansion of visitor rest areas and toilet facilities to accommodate an expected enormous increase in visitors, including development of a new water supply distribution system and a wastewater disposal system.

Increased tourism flows into Jordan will put considerable pressure on the country's small pool of available trained tourism industry workers. The Kingdom's image and tourism sector profitability currently suffer from undertrained and untrained hotel workers, particularly in three-star hotels (and, in many cases, four-star hotels); tour guides; horse guides at Petra; taxi drivers; and tourist police. Existing training programs must be stepped up or new ones created to meet the demand for retraining existing workers and training new workers. Within a few years, the demand for new hotel workers could exceed 4,000 and 4,000 workers in other tourism enterprises. The retail sector will likely need an additional 2,000 to 3,000 workers to meet the demand for tourist retail goods.

6

SECTION 1

CONTINGENCY PLANNING GOALS AND OBJECTIVES

SECTION I

CONTINGENCY PLANNING GOALS AND OBJECTIVES

A. Introduction

As part of USAID/Jordan's efforts to restructure the Jordan Tourism Development Project (project No. 278-0291) in light of the recent Israeli-Palestinian peace accord, Chemonics International, under its Private Enterprise Indefinite Quantity Contract, was asked to provide a tourism marketing specialist to develop a strategy to market Jordan's tourism industry internally. Chemonics selected Thomas G. Lloyd, a senior tourism marketing professional, to conduct an analysis of the sector in Jordan. Mr. Lloyd was asked to:

- Prepare a situation analysis of the current tourism environment in Jordan and other Eastern Mediterranean countries.
- Develop three alternative future scenarios based on current conditions in the region.
- Assess the potential impact on Jordan's tourism industry of various hypothetical levels of increased international arrivals.
- Prepare a comparative analysis of the tourism-generating markets of Jordan and other Eastern Mediterranean countries.
- Recommend policy options for managed growth of the tourism sector.

This report presents the findings in the areas outlined in the scope of work and includes a series of strategies aimed at assisting the Jordanian tourism industry meet the challenges presented by rapid growth in international tourism arrivals. Recommended goals and objects are summarized below.

B. Goals

- Assist the Ministry of Tourism and Antiquities (MOTA) in its efforts to manage and support international tourism to Jordan.
- Assist MOTA in identifying policies and programs that will assist the private sector respond to rapidly emerging opportunities.
- Assist MOTA in defining the contributions of international tourism to the economy of Jordan in order to build greater Government of Jordan (GOJ) and public support for the tourism sector.

- Support USAID efforts to assist MOTA to maximize the Jordanian tourism sector's contribution to job generation and foreign exchange earnings.

C. Objectives

- Assist MOTA in developing “talking points” papers that can be used to argue convincingly with government leaders for a higher policy priority and increased funding for the tourism sector in Jordan.
- Assist MOTA in developing strategies that will build local interest in investing in the tourism sector.
- Assist MOTA in developing strategies that will build more support among the general public for tourism development at the local level.
- Assist MOTA to identify development, management, and promotional priorities for preparing for the large numbers of new international tourism arrivals expected when peace occurs.

SECTION II

SITUATION ANALYSIS

SECTION II SITUATION ANALYSIS

A. Market Trends and Prospects

A1. Historic Trends and Projections

World Tourism Organization (WTO) estimates of Middle East arrivals in 1990 were 7 million, down from a 20-year high of nearly 8 million (7.979 million) in 1985. WTO defines the Middle East as Bahrain, Egypt, Iraq, Jordan, Kuwait, Libya, Oman, Qatar, Saudi Arabia, Syria, Dubai and Yemen. Cyprus, Israel, and Turkey are included in statistics for Europe in a subset called East Mediterranean Europe.

WTO's longer-term projections for the region, made before recent promising prospects for peace in the region, were for average annual growth of 4.6 percent for the 1995-2000 time period and 5 percent for the 10 years beginning with the year 2000. Arrivals from five major tourist-generating markets (France, Germany, Japan, United Kingdom, and United States) were expected to grow an average of 4.9 percent annually. This compares with an average annual growth over the past 32 years (1960-1992) of 9.7 percent.

During the years within this 32-year time frame when there were no political disturbances, the average annual growth rate averaged 21.6 percent. One could hypothesize that growth will be much stronger than WTO has projected, with a period of relative tranquility in the region and a reduced level of negative reports in the world media. At the worst, the region could receive nearly twice the arrivals projected by WTO and could return to an average annual growth rate of more than 20 percent. See Figure II-1 and Table II-1 following.

Figure II-1
Arrivals in the Middle East 1960 - 1992



10

Table II-1

Arrivals in the Middle East 1960-1992				
Year	Arrivals (thousands)	% change over previous year	% change over previous 5 years	Political Events Impacting Arrivals
1960	630			
1961	859	36.35		
1962	964	12.22		
1963	1,454	50.83		
1964	1,833	26.07		
1965	2,351	28.26	273.17	
1966	2,746	16.80		
1967	1,987	-27.64		-----] Six-Day War
1968	2,090	5.18		
1969	1,603	-23.30		-----] Iran Civil War
1970	1,864	16.28	-20.71	
1971	2,528	35.62		
1972	3,700	46.36		
1973	3,100	-16.22		-----] October War
1974	4,300	38.71		
1975	3,520	-18.14	88.84	-----] Lebanon Civil War
1976	3,786	7.56		
1977	4,203	11.01		
1978	4,185	-0.43		
1979	5,111	22.13		
1980	5,992	17.24	70.23	
1981	6,384	6.54		
1982	6,328	-0.88		-----] Israeli Invasion of Lebanon
1983	5,737	-9.34		
1984	5,985	4.32		
1985	6,242	4.29	4.17	
1986	5,132	-17.78		-----] Iraq-Iran War
1987	5,431	5.83		
1988	6,961	28.17		
1989	7,519	8.02		
1990	7,479	-0.53	19.82	
1991	6,712	-10.26		-----] Gulf War
1992	7,177	6.93		

Notes:

Average annual growth rate = 9.69%

Average annual growth rate in years with minimal political impact = 21.64%

Source: World Tourism Organization

WTO defines the Middle East as Bahrain, Egypt, Iraq, Jordan, Kuwait, Libya, Oman, Qatar, Saudi Arabia, Syria, Dubai and Yemen. Cyprus, Israel, and Turkey are included in statistics for Europe in a subset called East Mediterranean Europe.

11

A2. Recent Regional Trends

WTO statistics on selected Middle East countries indicate that for the period 1987-1991, international arrivals in Turkey increased by an annual average of 20.9 percent, followed by Egypt with an annual average increase of 12.7 percent, Syria with an average annual increase of 2.0 percent, and Jordan with an average annual increase of 0.44 percent. Israel trailed all countries in the Middle East with an average annual international arrival decrease of 2.1 percent (see Table II-2 below). These averages are, of course, distorted by the effects of the Gulf War on visitation patterns in 1991.

Table II-2

Regional Increase in Arrivals by Country 1987-1991						
Country	1987	1988	1989	1990	1991	Average Annual
	Percent Increase in Arrivals					
Jordan	3.92	27.46	5.10	-10.49	-23.78	0.44
Israel	25.14	-15.16	0.06	-9.69	-11.29	-2.10
Syria	-20.23	-14.60	-2.38	36.74	10.68	2.04
Egypt	35.19	9.69	28.26	2.55	-12.40	12.66
Turkey	18.71	50.53	5.55	22.39	7.48	20.93

Source: World Tourism Organization

For the period 1987-1990, Jordan experienced an increase in international arrivals of 20 percent compared to Israel with a loss of 24 percent. During this period, Jordan suffered most from a 17 percent decline in American visitors, whereas Israel experienced a decline in international arrivals from all generating markets. As can be seen from Table II-3 below, other countries in the region did better than either Jordan or Israel.

Other countries in the region showed more substantial gains during 1987-1990, with Turkey leading the way with a 108 percent increase in international arrivals, followed by Syria with a 57 percent increase and Egypt with a 31 percent increase. Turkey's growth in arrivals can be attributed, in part, to the government's significant spending on tourism promotion. Promotional expenditures by Turkey have continued to increase each year with the country now outspending Canada, Italy, Germany, and the United States on promotion. Although Syria has gained in international arrivals during the 1987-1990 period, in percentage terms, the total number of arrivals remain the lowest in the region.

Table II-3

Arrivals in Region 1987-1991								
		1987	1988	1989	1990	1991	% chg 87-90	% chg 90-91
		arrivals (000)						
Jordan								
	Europe	100	108	127	117	58	17%	-50%
	Americas	47	48	48	39	24	-17%	-38%
	East Asia/S.E. Asia/Oceania	29	27	25	55	16	90%	-71%
	Subtotal	176	183	200	211	98	20%	-54%
Israel								
	Europe	840	711	696	615	534	-27%	-13%
	Americas	380	325	344	314	286	-17%	-9%
	East Asia/S.E. Asia/Oceania	41	38	40	35	30	-15%	-14%
	Subtotal	1,261	1,074	1,080	964	850	-24%	-12%
Syria								
	Europe	53	67	70	88	69	66%	-22%
	Americas	11	9	15	14	12	27%	-14%
	East Asia/S.E. Asia/Oceania	5	5	8	6	3	20%	-50%
	Subtotal	69	81	93	108	84	57%	-22%
Egypt								
	Europe	789	944	1,062	1,041	763	32%	-27%
	Americas	149	164	200	179	120	20%	-33%
	East Asia/S.E. Asia/Oceania	91	99	119	126	88	38%	-30%
	Subtotal	1,029	1,207	1,381	1,346	971	31%	-28%
Turkey								
	Europe	2,034	3,148	3,388	4,346	4,747	114%	9%
	Americas	173	217	267	273	109	58%	-60%
	East Asia/S.E. Asia/Oceania	50	67	76	85	46	70%	-46%
	Subtotal	2,257	3,432	3,731	4,704	4,902	108%	4%

Source: World Tourism Organization

The impact of the Gulf War on tourism was dramatic for all countries in the region. Jordan's tourism sector, however, felt the economic impact of the war to a greater degree than any of its neighbors, experiencing a drop in 1991 arrivals of 54 percent from 1990 levels. International tourism receipts dropped 38 percent from US\$511 million in 1990 to US\$317 million in 1991, according to WTO reports.

Although recent trends are not as positive for Jordan and its neighboring countries as long-term historic trends suggest they should be, not all arrival patterns are negative nor are they all related to political problems in the region.

Recent worldwide travel patterns were shaped to some degree by economic conditions in the main international visitor-generating markets of the world—the United States, Western Europe, and Japan. Jordan depends on arrivals from five of the world's top six tourism spenders (United States, Germany, United Kingdom, Italy, and France) for the bulk of its non-Arab visitors. Only Japan among the top six is not yet a key generating market for Jordan. Among these generating markets, only the United States is recovering from a widespread recession. Outbound travel from the United States shows signs of impressive growth whereas international departures from other developed countries continue to be repressed. Recession in these generating markets is, of course, a short-term condition likely to change within the next year or two.

A second factor impacting recent world travel patterns is the opening of Eastern Europe to visitors from western generating markets. Since the opening of Eastern Europe to unrestricted tourism flows, Hungary, Czechoslovakia (former), and Romania have moved into the ranks of the top 20 tourism destinations in the world. These increased visitor flows have, to some extent, resulted in less growth in arrivals for other parts of the world. On the positive side, the example of Eastern Europe demonstrates what might occur in the Middle East when long-term negative media coverage turns more positive.

A3. Recent Trends in Jordan

Available statistics on tourism activity are limited for the years following the Gulf War, 1992 and 1993. However, information on tourism activity in Jordan and the rest of the world are available for time periods up until that time. During 1987-1990, growth in non-Arab international arrivals in Jordan was not, on the whole, very encouraging. Among Jordan's top five generating markets, only Italy posted significant gains, a 30 percent increase in arrivals. Although France and Germany showed insignificant gains in arrivals, 3 percent and 0.7 percent, respectively, arrivals from the United Kingdom were down 15 percent and arrivals from the United States were down 24 percent.

Smaller generating markets, to some extent, made up for declining arrivals from Jordan's key markets. Austria (+148 percent), Scandinavia (+28 percent), Spain (+27 percent), Australia (+25 percent), Japan (+13 percent), and Switzerland (+2 percent) all produced increased arrivals for Jordan in 1990 over 1987. However, arrivals were down from Belgium (-24 percent) and the Netherlands (-13 percent). See Table II-4.

To some extent, the fall off in arrivals from western markets has been softened by increased arrivals from the smaller European markets and other markets, primarily Arab countries. Jordan's total international arrivals increased by 20 percent, from 477,000 in 1987 to approximately 572,000 in 1990. More than 60 percent of Jordan's arrivals are relatively short-haul Arab and Islamic visitors.

Table II-4

Arrivals in Jordan by Country of Origin 1987-1991					
	1987	1988	1989 arrivals	1990	1991
Jordan					
USA	42,093	42,183	40,808	31,813	18,791
Germany	19,262	20,121	21,383	19,401	8,533
Italy	13,900	11,775	20,263	18,022	7,478
UK	18,257	18,184	19,423	15,444	10,235
France	10,870	12,406	15,610	11,244	5,359
Scandinavia	8,634	15,150	14,486	11,036	5,769
Denmark	1,741	1,226	1,127	953	736
Finland	2,379	9,529	9,358	6,950	2,690
Norway	994	881	608	494	380
Sweden	3,520	3,514	3,393	2,639	1,963
Spain	5,789	4,381	5,372	7,367	4,379
Austria	2,955	5,532	8,529	7,338	1,448
Australia	4,196	4,224	5,399	5,232	2,448
Benelux	5,813	5,636	6,119	4,748	2,572
Belgium	2,658	2,507	2,570	2,014	1,017
Netherlands	3,155	3,129	3,549	2,734	1,555
Japan	4,055	3,804	3,923	4,600	2,826
Switzerland	2,056	2,410	2,634	2,093	1,319

Source: World Tourism Organization

Anecdotal evidence suggests that arrivals have increased considerably since the end of the Gulf War, at least from western generating markets. Jordanian tour operators indicate that business continues to improve and hotel general managers say that occupancy rates are steadily improving. Another positive sign for Jordan's tourism sector is that receipts from international tourism increased 86 percent in 1993 over 1991, moving from US\$317 million in 1991 to US\$590 million in 1993. This increase in receipts suggests that tourism arrivals were up in 1993 by 65 to 70 percent over 1991.

A3a. Jordan's Potential Markets

The number of international visitors Jordan receives from its key non-Arab markets is small compared with the potential numbers available. Although travel to Jordan is primarily dependent on package tours, the size of this segment of long-haul travelers is quite large compared with the number of such visitors now received. For example, according to recent studies, out of the segment of German travelers classified as long-haul travelers (11.2 million),

2.5 million have been identified as "package tour" travelers. In the case of Italian travelers, 1.5 million are considered package tour travelers out of 4.7 million long-haul travelers (32 percent). The figures for other key generating markets are: France, 1.2 million package tour travelers, 5.9 million long-haul (20 percent); United Kingdom, almost 1.0 million package tour travelers, 4.7 million long-haul (19 percent); United States, 5.5 million package tour travelers, 25 million long-haul (22 percent); and Japan, 1.9 million package tour travelers, 10.2 million long-haul (19 percent). As can be seen from these figures, Jordan has selected the appropriate markets to target and has substantial room for further growth in arrivals.

A4. Recent Trends in Israel

During 1987-1990, growth in international arrivals in Israel was generally negative. Among Israel's top five generating markets, only the United Kingdom showed positive growth with a modest 9 percent increase in arrivals over the four-year period. All other generating markets, large and small, showed a decline in visits to Israel with the exception of Japan (+10 percent). Arrivals from Israel's largest generating market, the United States, were down 10 percent, whereas visitor traffic from Germany was down 36 percent, from France was down 22 percent, and from Scandinavia was down 11 percent. For other generating markets, the declines were as follows: Austria (-30 percent), the Netherlands (-29 percent), Switzerland (-27 percent), Italy (-25 percent), Australia (-18 percent), Spain (-12 percent), and Belgium (-6 percent). See Table II-5.

Israel's total international arrivals decreased by almost 23 percent over the four-year period, from approximately 1.4 million in 1987 to 1.1 million in 1990, with almost 46 percent of arrivals originating in Europe. Although the Gulf War had less impact on Israeli visitor levels than it did on neighboring Arab states, reports from Israel indicate that international arrivals have increased significantly since the approximately 11 percent decline in 1991 because of the war. Of particular interest is the dramatic increase in American Holy Land visitors in 1992 and 1993. American tour operators interviewed for this project indicate a very strong pent-up demand among Holy Land travelers. These tour operators indicate that the more the American media reports on the peace process, the more inquiries they get from this special interest segment of the market.

A5. Recent Trends in Syria

During 1987-1990, growth in international arrivals in Syria was generally very positive. Among Syria's top five non-Arab generating markets, Scandinavia posted the largest increase in arrivals with an increase of 122 percent, followed by Italy with an increase of 94 percent. Arrivals from the United States increased 38 percent, followed by France (+24 percent), and Syria's largest generating market, Germany (+22 percent). For other generating markets, the increases were as follows: the Netherlands (+131 percent), Austria (+120 percent), Belgium (+60 percent), the United Kingdom (+57 percent), Spain and Switzerland (+46 percent each), and Australia and Japan (+24 percent each). See Table II-6.

Table II-5

Arrivals in Israel by Country of Origin 1987-1991					
	1987	1988	1989	1990	1991
Israel	arrivals				
USA	323,303	280,679	303,828	291,233	265,261
UK	185,461	171,791	191,112	202,324	171,093
France	164,653	131,752	145,302	128,096	112,459
Germany	198,257	172,487	152,685	127,213	84,712
Scandinavia	89,931	84,176	87,851	79,607	56,728
Denmark	18,961	17,187	16,945	20,277	9,880
Finland	19,488	20,636	24,568	21,719	16,486
Norway	14,505	12,053	11,246	10,272	8,139
Sweden	36,977	34,300	35,092	27,339	22,223
Benelux	75,128	61,228	66,573	59,362	50,402
Belgium	26,011	22,193	26,054	24,345	18,160
Netherlands	49,117	39,035	40,519	35,017	32,242
Italy	59,337	40,223	47,737	44,227	28,025
Switzerland	50,612	43,232	42,512	37,170	26,469
Austria	29,524	22,524	21,513	21,152	12,298
Spain	22,898	15,992	20,990	20,205	10,258
Australia	20,906	17,264	19,911	17,098	11,132
Japan	7,179	7,580	8,353	7,927	5,845

Source: World Tourism Organization

Syria's total international arrivals increased by 14 percent over the four-year period, from approximately 493,000 in 1987 to 622,000 in 1990. In 1990, almost 90 percent of Syria's arrivals were relatively short-haul Arab and Islamic visitors.

A6. Recent Trends in Egypt

Growth in international arrivals in Egypt was generally very positive during 1987-1991 as was the case with Syria. Among Egypt's top five non-Arab generating markets, only Italy posted a decline (15 percent). Arrivals from the United Kingdom increased 90 percent followed by Germany (+56 percent), the United States (+30 percent), and France (+13 percent). For other generating markets, the increases were as follows: Austria (+52 percent); Japan (+45 percent); Australia (+43 percent); Scandinavia (+37 percent); the Benelux countries of Belgium, the Netherlands, and Luxembourg combined (+30 percent); Spain (+21 percent); and Switzerland (+13 percent). See Table II-7.

17

Table II-6

Arrivals in Syria by Country of Origin 1987-1991					
	1987	1988	1989	1990	1991
	arrivals				
Syria					
Germany	8,361	11,244	11,390	10,163	6,002
France	5,126	7,529	5,316	6,373	5,896
Scandinavia	2,809	3,919	5,749	6,223	5,060
Denmark	725	1,399	2,209	2,278	1,692
Norway	498	589	786	851	542
Sweden	1,586	1,931	2,754	3,094	2,826
USA	4,339	4,297	5,844	5,978	6,401
Italy	2,785	4,491	4,496	5,394	3,237
Benelux	2,243	3,707	4,216	4,498	3,441
Belgium	966	1,561	1,818	1,550	962
Netherlands	1,277	2,146	2,398	2,948	2,479
Austria	1,755	2,618	3,387	3,856	1,681
Australia	2,900	2,665	5,412	3,592	1,954
UK	2,179	2,730	3,555	3,431	4,132
Japan	1,944	2,039	2,563	2,403	1,195
Spain	1,577	1,596	2,399	2,296	1,697
Switzerland	1,211	1,352	1,693	1,774	1,077

Source: World Tourism Organization

Table II-7

Arrivals in Egypt by Country of Origin 1987-1991					
	1987	1988	1989	1990	1991
	arrivals				
Egypt					
Germany	139,372	178,526	225,717	217,212	163,904
UK	113,463	144,097	182,172	215,765	167,093
France	145,644	193,544	194,992	164,267	78,846
USA	102,603	117,144	149,990	133,165	90,642
Italy	125,243	127,192	112,081	105,965	78,387
Benelux	48,056	55,246	64,396	62,712	46,061
Scandinavia	39,808	51,958	61,553	54,571	36,425
Japan	35,655	41,389	49,464	51,697	28,117
Spain	34,141	38,223	46,548	41,194	51,846
Austria	23,440	27,430	38,084	35,502	22,637
Switzerland	31,238	37,099	41,905	35,146	28,678
Australia	22,456	25,792	32,860	32,043	19,261

Source: World Tourism Organization

18

Egypt's total international arrivals increased by 26 percent over the four-year period, from approximately 1.7 million in 1987 to 2.1 million in 1990. In 1990, only about 24 percent of Egypt's arrivals were short-haul Arab and Islamic visitors, whereas 40 percent of arrivals were from European generating markets.

A7. Recent Trends in Turkey

During 1987-1990, growth in international arrivals in Turkey were the most impressive in the Eastern Mediterranean. Among Turkey's top five generating markets, Scandinavia posted the largest gain in arrivals with an increase of 242 percent followed by the Benelux countries with an increase of 179 percent. Arrivals from Germany increased by 86 percent followed closely by France (+84 percent), the United States (+58 percent), and the United Kingdom (+32 percent). For other generating markets, the increases were as follows: Austria (+159 percent), Spain (+123 percent), Australia (+72 percent), Japan (+68 percent), Switzerland (+60 percent), and Italy (+53 percent). See Table II-8.

Turkey's total international arrivals increased by 94 percent over the four-year period, from approximately 2.5 million in 1987 to 4.8 million in 1990. In 1990, more than 80 percent of arrivals in Turkey originated in European generating markets.

Table II-8

	1987	1988	1989 arrivals	1990	1991
Turkey					
Germany	523,675	767,905	896,989	973,914	779,882
UK	266,900	465,142	405,943	351,458	200,813
France	168,566	246,784	283,545	310,809	117,070
Scandinavia	84,567	143,794	194,484	288,921	206,765
Denmark	18,946	30,517	32,362	34,507	32,320
Finland	20,505	48,710	69,626	104,321	80,511
Norway	17,164	21,174	25,735	39,889	24,590
Sweden	27,952	43,393	66,761	110,204	69,344
Benelux	73,976	120,246	154,242	206,595	140,781
Belgium	24,061	39,207	47,533	56,258	33,763
Netherlands	49,915	81,039	106,709	150,337	107,018
USA	130,557	165,401	204,502	205,831	79,256
Austria	75,897	118,259	156,875	196,561	102,071
Italy	102,358	144,322	154,083	156,342	64,134
Switzerland	47,872	67,662	77,945	76,368	41,606
Spain	27,896	44,283	56,176	62,220	24,944
Australia	21,491	28,989	33,628	37,045	20,707
Japan	21,067	28,008	32,298	35,358	18,479

Source: World Tourism Organization

B. Importance of Tourism to Countries in the Region

The importance of international tourism to Jordan and other countries in the region is directly tied to the foreign exchange earnings created by tourism activity and the contribution earnings from tourism represent as a share of total exports. In the case of Jordan and Egypt, export earnings from international tourism (spending by foreign tourists while visiting and earnings from international air fare receipts) is critical to each country's export economy. In 1988, Jordan relied on international tourism for 47 percent of its export earnings, only slightly less than Egypt's 50 percent. See Table II-9. Other countries in the region were much less dependent on their tourism sector for export income with Syria's tourism sector contributing only 20 percent of export earnings, Turkey 19 percent, and Israel 15 percent.

It should be noted that international fare receipts are overstated by the portion of these receipts that are attributable to purchase in-country by residents leaving the country or returning to it (see Table II-9). Data was not available to allow removing outbound and returning residents' contribution to fare receipts. For the purposes of comparing the five countries, it was assumed that the portion of fare receipts attributable to residents would be about the same in each case. Therefore, distortions, for comparison purposes, should not be significant.

C. Government Support of the Tourism Sector

Although figures on government spending on tourism are not available for Israel and Syria and are understated in Egypt's reporting, available data on GOJ and the Government of Turkey can be compared to assess the relative importance these two countries place on the tourism sector compared with selected other countries.

The countries that lead the world in terms of government spending on tourism include Spain, Greece, France, the United Kingdom, and Korea. Among these top five countries, Spain receives approximately 32 percent of its export receipts from tourism, Greece receives 31 percent, France and the United Kingdom each receive 10 percent, and Korea receives 6 percent. The governments of Spain and Greece have long recognized the importance of tourism to their export economies and have continued to rank very high among governments that spend heavily on tourism development and promotion. Although France and the United Kingdom have consistently ranked among the world's top international tourist destinations, their governments have not consistently invested heavily in their tourism sectors until recent years. The Government of Korea began placing a high priority on the tourism sector in the 1980s, when it won the bid to host the Olympic Games, and has continued to do so since that time.

Only Turkey, among governments in the region, appears to place the same emphasis on the tourism sector as the top five countries discussed above. Turkey, with an annual average of approximately 19 percent of export receipts attributable to the tourism sector, ranks eighth in the world in government tourism spending. See Table II-10. Through this government commitment to the tourism sector, Turkey now ranks 20th as a world's top tourism destination.

The GOJ, with an annual average of 43 percent of export receipts attributable to tourism spending, ranks only 59th in spending on its tourism sector. Although Jordan is far more

Table II-9

		1987	1988	1989	1990	1991
		\$ millions U.S.				
Jordan						
	International Tourism Receipts	579	626	546	511	317
	International Fare Receipts	259	293	205	277	187
	Total of Tourism Sector Foreign Exchange Earnings	838	919	751	788	504
	Other Jordanian Exports	932	1,036	1,098	1,063	902
	Total Earnings from Exports	1,770	1,955	1,849	1,851	1,406
	Tourism Sector Share of Foreign Exchange Earnings	47%	47%	41%	43%	36%
Israel						
	International Tourism Receipts	1,342	1,347	1,468	1,382	1,305
	International Fare Receipts	330	303	321	357	369
	Total of Tourism Sector Foreign Exchange Earnings	1,672	1,650	1,789	1,739	1,675
	Other Israeli Exports	8,222	9,445	10,669	11,576	11,889
	Total Earnings from Exports	9,894	11,095	12,458	13,315	13,564
	Tourism Sector Share of Foreign Exchange Earnings	17%	15%	14%	13%	12%
Syria						
	International Tourism Receipts	204	332	290	270	300
	Other Syrian Exports	1,350	1,345	3,006	4,062	3,143
	Total Earnings from Exports	1,554	1,677	3,296	4,332	3,443
	Tourism Sector Share of Foreign Exchange Earnings	13%	20%	9%	6%	9%
Egypt						
	International Tourism Receipts	1,586	1,784	1,646	1,994	2,029
	International Fare Receipts	309	375	370	430	300
	Total of Tourism Sector Foreign Exchange Earnings	1,895	2,159	2,016	2,424	2,329
	Other Egyptian Exports	2,037	2,120	2,565	2,582	3,617
	Total Earnings from Exports	3,932	4,279	4,581	5,006	5,946
	Tourism Sector Share of Foreign Exchange Earnings	48%	50%	44%	48%	39%
Turkey						
	International Tourism Receipts	1,721	2,355	2,557	3,308	2,654
	International Fare Receipts	260	320	265	326	288
	Total of Tourism Sector Foreign Exchange Earnings	1,981	2,675	2,822	3,634	2,942
	Other Turkish Exports	10,189	11,618	11,626	12,910	13,603
	Total Earnings from Exports	12,170	14,293	14,448	16,544	16,545
	Tourism Sector Share of Foreign Exchange Earnings	16%	19%	20%	22%	18%

Source: World Tourism Organization

21

dependent on its tourism sector for foreign exchange earnings than Turkey or any of the other countries cited, the GOJ has yet to protect, or foster the growth of, this major source of export earnings with an appropriate level of financial commitment. Although Jordan earns about one-sixth (16.7 percent) as much from international tourism as Turkey, the GOJ spends only about 2.5 percent as much on the development and promotion of the sector. In other words, Jordan would have to spend about seven times as much as it now spends on tourism development and promotion to demonstrate a commitment to tourism similar to that of the Government of Turkey.

Tourism is Jordan's largest export. In 1990, tourism export receipts were 340 million JD compared with the 327 million JD earned from all mineral industry exports, 183 million JD earned from international air transport, 114 million JD earned from all manufacturing exports, 63 million JD earned from agricultural exports, and 107 million JD earned from all other exports. Within two years of peace in the region, international tourism receipts could earn more than one billion JD per year. Even if peace negotiations drag on for a few years, earnings by the tourism sector would likely reach close to 800 million JD per year within two to three years. An industry of such significance to Jordan's foreign exchange earnings should receive a much higher policy and funding priority than is now the case.

With the expected near-term growth of international travel to Jordan and its neighboring countries, it will be essential that the GOJ assign a much higher priority to the development of the tourism sector. Even if the natural growth in international tourism arrivals to the region only returns to previous modest levels, the importance of international tourism receipts to Jordan's foreign exchange earnings argues for a considerably higher priority than has been the case in the past.

Table II-10

1992 Ranking of Total Budgets of National Tourism Administrations									
Rank	Country	1991	1992	1993	Rank	Country	1991	1992	1993
(Thousand US\$)					(Thousand US\$)				
1	Spain	114,667	135,851	123,831	42	Belgium (3)	8,492	9,051	8,842
2	Greece	115,938	131,340	143,182	43	Fr. Polynesia *	8,743		
3	France	73,888	84,747	75,245	44	Guatemala	5,747	7,735	7,923
4	United Kingdom	70,499	78,873	72,014	45	Uruguay	7,759	7,625	4,101
5	Korea	71,491	78,750	88,997	46	Martinique *	8,055		
6	Mexico	48,335	73,558	130,103	47	Algeria	4,577	6,006	
7	Australia (1)		81,772	75,909	48	Mauritius	2,678	5,502	4,134
8	Turkey	53,045	81,187	83,218	49	Paraguay	1,517	3,055	1,574
9	Italy	48,354	50,308	40,880	50	Senegal	3,852	2,996	3,295
10	Bahamas *	50,010			51	Iraq	2,444	2,797	
11	Austria	42,008	45,445	44,949	52	St. Lucia	2,595	2,629	
12	Netherlands	38,888	44,471	43,757	53	Chile	2,124	2,459	2,364
13	Puerto Rico	42,658	44,164	53,154	54	Bonaire	1,275	2,442	
14	Singapore *	43,616			55	Zambia	1,912	2,394	2,030
15	Poland	61,719	43,519	42,288	56	Trinidad and Tobago	2,332	2,392	
16	Malaysia	32,394	39,024		57	Iceland	1,814	2,103	1,901
17	Ireland	35,279	38,527	33,885	58	St. Kitts/Nevis	557	2,061	
18	Switzerland	34,853	35,273	35,818	59	Jordan	1,095	1,838	2,215
19	Tunisia	32,437	35,622	31,193	60	Grenada *	1,840		
20	Germany	29,433	31,670	31,904	61	Sri Lanka	1,692	1,825	1,808
21	Bermuda	27,714	28,699	28,699	62	Ecuador	2,278	1,812	2,257
22	Canada	31,414	25,806	22,828	63	Anguilla	884	1,753	
23	Japan	21,149	24,919	29,935	64	Egypt	1,385	1,749	1,910
24	Brazil	57,195	24,451	52,787	65	Haiti (4)	1,422		
25	United States	20,596	22,480	15,508	66	Br. Virgin Islands *	1,135		
26	Hong Kong	20,164	22,408	24,187	67	St. Vincent/Gren. (5)	844	1,067	
27	Cyprus	13,972	20,009	20,570	68	Romania	1,972	1,054	761
28	Sweden *	20,000			69	Lesotho	942	1,053	1,207
29	Norway		20,000		70	St. Maarten (6)		1,036	
30	New Zealand (2)		19,945		71	Turks & Caicos Islands	571	700	
31	Philippines	19,250	17,399	21,691	72	Liechtenstein	549	594	
32	Macau *	15,863			73	Guyana *	862		
33	Jamaica	20,081	15,462	25,318	74	Dominica	303	549	
34	Indonesia	12,291	14,724	21,357	75	Niger	428	490	275
35	Aruba *	13,738			76	Cote D'Ivoire	248	476	3,036
36	Cayman Islands *	13,673			77	American Samoa *	333		
37	Hungary	9,931	12,660	11,495	78	Honduras	313	294	339
38	U.S. Virgin Islands *	12,135			79	Montserrat *	265	259	
39	China	10,851	11,786	10,457	80	St. Eustatius *	150		
40	Barbados		10,105	10,111	81	Saba		141	
41	Curacao	8,712	9,703		82	Bangladesh	141	109	147

Source: World Tourism Organization

Notes:

Figures for Israel and Syria not available

* Ranking based on 1991 budget

(1) Excluding private sector contributions.

(2) Data refers to 6-month period ending 30 June 1992.

(3) Data refers to French-speaking area only.

(4) Data refers to 1989.

(5) 1991 data refers to 1990

(6) Data refers to French side of the island.

SECTION III

PLANNING ASSUMPTIONS

SECTION III PLANNING ASSUMPTIONS

The following assumptions are intended to help describe the business environment expected to exist in Jordan and the Middle East region during the next two to three years. These assumptions are the underpinning for recommended strategies. Consequently, the success of the strategies, in terms of improving foreign exchange earnings, is highly dependent on the accuracy of these assumptions.

- Economies in key European generating markets will continue to recover during the next two to three years, led initially by the United Kingdom, followed by Germany and Italy and a little later by France.
- No significant slowdowns/downturns will occur in the U.S. economy during the next few years.
- Advancement of the peace process will lead to opening of the border between Jordan and Israel within the next 12 months.
- There will be no events in the region, beyond Jordan's borders, that will significantly and negatively impact visitor flow patterns into Jordan during the next two to three years.
- There will be several localized events in the region during the next two to three years that will distort tourism patterns within the region, to some extent, but not disrupt general trends in visitor flows to the region.
- There will be no significant unanticipated tourism-disrupting events within Jordan during the next two or three years.
- Royal Jordanian will not be privatized during the next two to three years, will expand its fleet size by one new aircraft, will establish a cooperative marketing agreement with a major international airline, and will be joined in the Europe-Amman market by increased service by existing and new European air carriers.
- The JETT bus company concession will be extended for at least two years but will be reinterpreted to limit JETT's monopoly powers to large tourist buses, and a number of private sector tour vehicle operators (15 passengers and smaller) will enter the market.
- The GOJ will continue to be conservative in its views on "acceptable" tourism rather than become more liberal during the next few years.

- **The GOJ will significantly increase its financial contribution to the tourism sector during the next two to three year, primarily in infrastructure development.**



Vertical text or markings on the right edge of the page.

SECTION IV

POSSIBLE FUTURES

SECTION IV POSSIBLE FUTURES

A. Near-Term Market Development Possibilities

Current indications are that the peace process, which was begun in late 1993, will soon lead to an interim agreement on self-rule in some parts of the occupied territories as a first step in creating a Palestinian homeland. Soon after establishing self-rule in Gaza and the town of Jericho (and some modest amount of land around the town), it is widely expected that the attention of Jordan and Israel will focus on negotiating open borders between the two countries, or at least some form of agreement to make border crossing much less difficult than it currently is. Easing border restrictions could dramatically change the dynamics of tourism in the region.

This section deals with the infrastructure, marketing, and tourism management implications of a dramatically changed set of circumstances in the region. Predicting the future is risky at best. However, planning for change is essential to avoid being overcome by events largely out of the control of the Jordanian tourism sector. Three possible scenarios for the near-term future are presented here along with their likely implications for tourism in Jordan. There could, of course, be many variations on these scenarios and a number of other possible futures in store for Jordan and the region.

Current events have raised public interest in the Middle East to an unprecedented level, creating a pent-up demand for travel to the region as soon as it is deemed to be safe. With the soothing affects of the peace process, inquiries about travel opportunities to visit Jordan and Syria are being received in increasing numbers by international tour operators. These tour operators report that some tourism market segments are interested in visiting Jordan and other Arab states in the Eastern Mediterranean in the near-term. These market segments include:

- **Holy Land Visitors:** Many people in this market segment have in recent years been too concerned about personal safety to visit the East and West Banks as they did in the past. Although some of these travelers have continued to visit Jordan's Holy Land sites, restrictive border crossing formalities have reduced the number of such tourists to a small fraction of those interested in visiting Jordan.
- **Cultural Tourists:** Many regular customers of major international tour operators are looking for new places to visit. Because the Jordan tourism product has *been off of the shelf* for a long time, few if any of these long-haul travelers have been offered the opportunity to visit Jordan. Nor do they know much about what Jordan has to offer. Most major international tour operators have not yet offered Jordan tours because of their concern for the safety of their clients.
- **European and American Jews:** The bulk of Israel's tourists are Jews from Europe and America. American tour operators interviewed for this project indicated that a

large percentage of their clients are dissatisfied with tour itineraries that are Israel only or Israel and Egypt only. These travelers have already visited these countries—many have visited several times—and are ready to see other countries of the region when they feel it is safe. Although many of these travelers have financially supported Israel through charities, only a small percentage of them have approved of past Israeli governments or the policies of the governments toward Arab residents or neighboring countries. The financial support of such travelers for Israel has been based on ethnic and religious grounds, not on political consensus. Many would like to know more about the Arab world and will travel to Jordan and Syria when they feel they would be welcome and safe.

- **Curiosity Travelers:** Past history has shown repeatedly that, following a period of negative media coverage on travel in a country or region, tourism demand goes up dramatically. When media coverage turns positive, people want to see the places they have been hearing and reading about. Such places include sites of volcano eruptions and other natural disasters, as well as war zones, and so forth. This tourism demand comes from contemporary history buffs and those who are simply curious. Major events motivate such potential travelers to learn more about areas that they would never have been interested in if it had not been for continuous coverage by their local media. Because the media in the world's largest tourist-generating markets has been covering the Arab world and Islam to a greater extent than any time in history, a large segment of the traveling public has become interested in learning more about Arab culture and Islam. These travelers will be interested in seeing places that have been constantly in the news.

Along with the above segments of travelers, there will be other market segments that are currently less obvious. Two groups of travelers likely to be of great significance in the near-term future are Israeli nationals and business travelers.

- **Israeli Nationals:** This market segment is not to be underestimated. A large number of Israeli nationals will want to visit Jordan when border restrictions are eased. This demand will potentially be large and driven by close proximity, curiosity, and what is known in the international travel trade as *island fever*. It is a well-documented fact that people living in island nations (people who are not poor and have the means to travel) travel internationally to a greater extent than residents of the world's continents. This phenomena appears to be related to a feeling of isolation that is driven more by the need to get out than the need to go to a specific place. Although Israel is not physically an island, its residents have been isolated from their neighbors for an extended period of time and are expected to behave much like the world's island residents, at least in the initial years of open borders.
- **Business Travelers:** Arrival levels of business travelers are dependent on two factors: the existing level of international trade activity, and the potential for international business development. Both of these factors have been repressed by ongoing events in the region. Business arrivals of personnel and consultants from

multilateral and bilateral assistance organizations have been less affected by events in the region than business arrivals from the world's private sector entities. With the prospects for peace in the near future, business arrivals will likely increase dramatically with the international private sector sensing new investment and trade possibilities in a more peaceful region. International assistance organizations, sensing better prospects for the success of their efforts in the region and opportunities to contribute to a lasting peace through greater investments in development of the region, will also generate increased levels of arrivals.

A1. Scenario 1: 100 Percent Growth in Arrivals in Year Two After Peace

Assuming a successful transition to limited autonomy in Gaza and Jericho, accompanied by a period of only modest occurrences of civil disobedience and localized incidents of conflict, Jordan and Israel could negotiate mutually acceptable rules for the exchange of visitors across borders as they are currently defined. This would lead to the rapid expansion of multicountry tour packages that offer both Jordan and Israel as destinations.

The peace process would lead to more positive international media coverage on Jordan and the region in general, thereby creating demand for multicountry Middle Eastern tours and independent travel. Fear for personal safety, fostered by uninterrupted negative international media coverage, has been the primary cause of repressed demand for travel to both Jordan and Israel, and to a lesser extent, to other countries in the region. In the absence of negative media, pent-up demand will be released and new demand generated.

Under this scenario, it is likely that growth in non-Arab tourist arrivals could exceed 100 percent in the first year after a transition period of approximately six months. This would mark the first time in Jordanian history that the country received more non-Arab international arrivals than Arab arrivals. Open borders that will come with peace in the Middle East will bring overwhelming numbers of non-Arab visitors to Jordan, with almost all of these tourists wanting to visit Petra. The demand would continue to be high in subsequent years, but the annual growth rate would slow. Newspaper reports and anecdotal evidence on air transport capacity and hotel development suggest that Israel is preparing for international arrival growth in the range suggested by this scenario.

With such explosive growth will come considerable economic benefits, as well as some serious short-term problems. There is evidence that the Jordan tourism industry has almost completely recovered from the repressive effects of the Gulf War and is beginning to benefit from the calming effects of the anticipated peace. According to some Jordanian tourism leaders, many hotels in the three- and four-star category are running at close to 90 percent occupancy and luxury hotels are believed to be running at over 60 percent occupancy. Figures from JETT bus company suggest that March 1994 international tourist arrivals in Jordan were up over 35 percent

compared with figures for March 1993. Tourism receipts in 1993 were US\$590 million, up from US\$317 million in 1991, an increase of 86 percent. Increases in tourism receipts indicate that 1993 tourism arrivals in Jordan were up by 65 to 70 percent from 1991.

Jordan's ability to handle the projected increased international tourist demand (particularly from non-Arab generating markets) will likely be limited by five key constraints to tourism growth:

- Limited hotel capacity
- Limited tour bus capacity
- Insufficient airline capacity
- Lack of sufficient capacity at Petra
- Unavailability of sufficient numbers of trained tourism industry workers.

A1a. Potential Implications of Scenario 1

- With the expected increases in arrivals from the major tourism-generating countries, tourism expenditures within the country would increase dramatically, with international tourism receipts exceeding 1 billion dinars per year within 18 months of a successful transition to Palestinian self rule in Gaza and Jericho and a peace agreement between Jordan and Israel.
- Demand for hotel rooms will exceed capacity, during current peak arrival months, within the first year under this scenario. Currently it is estimated that Jordan has 7,700 hotel rooms with only one-half that number meeting acceptable international tourist standards. Even with the addition of 1,000 hotel rooms currently under construction or planned at Petra, demand for hotel rooms in Jordan could exceed supply during peak periods by more than 1,000 rooms within 18 months.

Excess demand will, of course, help spread tourism into current shoulder seasons. Initially it will probably not be possible to accommodate hotel demand. A significant surge in hotel development will need to occur to catch up with peak period demands. High occupancy rates will likely lead to increased hotel rates, reducing Jordan's longer-term competitiveness.

- JETT bus company's current fleet (120 buses allocated to tour groups and 30 to common carrier use) is currently operating at capacity during the three peak tourist months of the year. Increased tour bus capacity will be needed to meet expected demand during peak periods. This demand can be met with timely equipment procurement by JETT and opening up private sector opportunities to provide tourist transport services in the small vehicle (15 passengers or less) segment of the transport market.
- Royal Jordanian's current fleet of 17 aircraft frequently operates at capacity several times each year. Increased demand for travel to Jordan will require an increase in

Royal Jordanian's fleet size, return of foreign carriers that are currently not using their route allocations to Amman, and the possible addition of new international air carriers on the American-Amman and Europe-Amman routes.

- Expected levels of visitors will place the international treasures of Petra at great risk of degradation. Because most visitors to Jordan visit Petra, capacity at the site essentially controls how many tourists will visit Jordan in the future. Even if tourist visits could be evenly spread over the entire year, capacity at Petra would likely be reached within the 18 months projected by this scenario.
- Increased tourism flows into Jordan will likely put considerable pressure on the country's small pool of available trained tourism industry workers. The Kingdom's tourism image (and tourism sector profitability) currently suffers from undertrained or untrained hotel workers, particularly in three-star (and, in many cases, four-star hotels); tour guides; horse guides at Petra; taxi drivers; and tourist police.

A2. Scenario 2: 20 Percent Growth in Year Two After Borders Open

Assuming a successful transition to limited autonomy in Gaza and Jericho, accompanied by a period of only modest occurrences of civil disobedience and localized incidents of conflict, Jordan and Israel could negotiate mutually acceptable rules for the exchange of visitors across borders as currently defined. If Jordan-Israel and Syria-Israel negotiations take longer than expected, rapid growth in international tourism arrivals could be delayed.

For example, if peace negotiations between Jordan and Israel or between Syria and Israel take two or three years to conclude, development of multicountry tour packages that offer new combinations of countries in the region would be delayed. The peace process, with a successful conclusion delayed for a few years, would lead to more positive international media coverage on Jordan and the region in general, thereby creating demand for travel to the region. In the absence of negative media and with continued positive media coverage on peace negotiation progress, pent-up demand will be released and new demand will be generated.

Under this scenario, it is likely that growth in non-Arab tourist arrivals could slow from current levels (about 30 percent per year in 1992 and 1993) and return to the growth levels historically experienced during past non-war, relatively quiet, periods of approximately 20 percent per year. With such strong growth, there will be considerable economic benefits in addition to some short-term problems.

Jordan's ability to handle the projected increased international tourist demand (particularly from non-Arab generating markets) will likely be limited by the same five key constraints to tourism growth identified in Scenario 1. The constraints are:

- Limited hotel capacity
- Limited tour bus capacity

- Insufficient airline capacity
- Lack of sufficient capacity at Petra
- Unavailability of sufficient numbers of trained tourism industry workers.

A2a. Potential Implications of Scenario 2

- With the expected increases in arrivals from the major tourism-generating countries, tourism expenditures within the country will increase significantly, with international tourism receipts showing healthy annual increases of 32 to 35 percent per year.
- Demand for hotel rooms will exceed capacity, during current peak arrival months, within the first year under this scenario, but probably only in three- and four-star hotels. Selective hotel development will need to occur to catch up with peak period demands for modest priced hotels in the early years of growth. Further hotel development will continue to be needed in subsequent years as arrivals continue to increase.
- JETT bus company's fleet is currently operating at capacity during the three peak tourist months of the year. Increased tour bus capacity will be needed to meet expected demand during peak periods, but will be less demanding on capital resources than in Scenario 1.
- Royal Jordanian's current fleet of 17 aircraft frequently operates at capacity several times each year. Increased demand for travel to Jordan will require an increase in Royal Jordanian's fleet size or a reallocation of existing equipment and the return of foreign carriers that are currently not using their route allocations to Amman.
- Expected increased numbers of visitors will place the international treasures of Petra at risk of degradation. Because most visitors to Jordan visit Petra, capacity at the site essentially controls how many tourists will visit Jordan in the future. Even if tourist visits could be evenly spread over more of the year, capacity at Petra would likely be reached regularly during peak periods, within two years.

Petra is already strained under present levels of visitation during peak months and is not yet ready for the numbers of visitors projected by this scenario. Site work needed at Petra, to both responsibly preserve this important international cultural resource and make it available to the expected numbers of new visitors, include the same site work described under Scenario 1.

- Increased tourism flows of the magnitude anticipated by this scenario will likely put pressure on the country's small pool of available trained tourism industry workers. The Kingdom's tourism image (and tourism sector profitability) currently suffers from undertrained and untrained hotel workers, particularly in three-star (and, in

many cases, four-star hotels); tour guides; horse guides at Petra; taxi drivers; and tourist police.

A3. Scenario 3: 10 Percent Growth in Arrivals Under Current Conditions

Assuming that the transition to limited autonomy in Gaza and Jericho is not wholly satisfactory to resident populations and is accompanied by persistent occurrences of civil disobedience and frequent localized incidents of conflict, Jordan and Israel could break off or delay peace negotiations. In such a case, it could delay negotiations that would establish mutually acceptable rules for the exchange of visitors across borders as currently defined. If Jordan-Israel and Syria-Israel negotiations take longer than currently expected, the recent rapid growth in tourist arrivals could be slowed.

For example, if peace negotiations between Jordan and Israel or between Syria and Israel take two or three years to conclude, development of multicountry tour packages that offer new combinations of countries in the region would be delayed. The peace process, interrupted by frequent incidents of conflict between West Bank residents, could delay a successful conclusion for several years and would likely lead to more negative international media coverage on the region. In the absence of positive media coverage on the region and positive coverage on peace negotiation progress, pent-up demand will continue to be repressed, at least to some extent.

Under this scenario, it is likely that growth in non-Arab tourist arrivals would continue, but at a very slow rate compared to other scenarios, perhaps in the range of 8-10 percent per year if there are no significant wars in the region. With such growth will come reasonably good economic benefits. There will be time for planned development and managed growth as well as resolution of some of the short-term problems.

Jordan's ability to handle the projected increased international tourist demand (particularly from non-Arab generating markets) will likely depend on how well the country manages growth in:

- Hotel capacity
- Tour bus capacity
- Airline capacity
- Capacity at Petra
- Availability of trained tourism industry workers.

A3a. Potential Implications of Scenario 3

- With the expected consistent increases in arrivals from the major tourism-generating countries, tourism expenditures within the country would increase, with international tourism receipts showing healthy annual increases of 17 to 20 percent.
- Demand for hotel rooms will exceed capacity, during peak arrival months, within the first two years under this scenario, but probably only in three- and four-star hotels.

Selective hotel development is needed to catch up with peak period demands for modest-priced hotels in the early years of growth. Further hotel development will be needed in subsequent years as arrivals continue to increase.

- JETT bus company's current fleet is operating at capacity during the current three peak tourist months of the year. Increased tour bus capacity will be needed to meet expected demand during peak periods, but will be less demanding on capital resources than Scenarios 1 or 2.
- Royal Jordanian's current fleet of 17 aircraft frequently operates at capacity several times each year. Increased demand for travel to Jordan will require a reallocation of existing equipment and eventually a modest increase in Royal Jordanian's fleet size and the return of foreign carriers that are currently not using their route allocations to Amman.
- Expected increased numbers of visitors will place the international treasures of Petra at risk of degradation. Even if tourist visits could be evenly spread over more of the year, capacity at Petra would likely be reached regularly during peak periods, within two to three years.

Petra is already strained under present levels of visitation during peak months and is not yet ready for even the relatively small increases in visitors projected by this scenario. Site work needed at Petra, to both responsibly preserve this important international cultural resource and make it available to the expected increased numbers of new visitors, include the same site work described under Scenario 1.

- Increased tourism flows anticipated by this scenario will likely put pressure on the country's small pool of available trained tourism industry workers. The Kingdom's tourism image (and tourism sector profitability) currently suffers from undertrained and untrained hotel workers, particularly in three-star (and, in many cases, four-star hotels); tour guides; horse guides at Petra; taxi drivers; and tourist police.

SECTION V

NEAR-TERM STRATEGY RECOMMENDATIONS

36

SECTION V NEAR-TERM STRATEGY RECOMMENDATIONS

A. Near-Term Market Development Possibilities

This section deals with the infrastructure, marketing, and tourism-management strategies needed to deal with the dramatically changed set of circumstances in the region. Three possible scenarios for the near-term future were presented in Section IV along with their likely implications for tourism in Jordan. The strategies presented below are intended to meet the challenges presented by these possible futures for Jordan.

A1. Hotel Sector Strategies

Facilitation of Hotel Development: The expected demand for additional hotel capacity, under each of the scenarios, can and should be met by the Jordanian private sector. However, demand will likely develop quickly under Scenario 1, making normal government approval procedures an obstacle to the rapid development of needed new capacity. The GOJ should establish an accelerated approval process, at least temporarily, for priority hotel development projects to speed up needed hotel developments. A "one-stop" government approval center should be established to speed necessary GOJ procedures so that needed hotel development will not be delayed. Although the need for rapid hotel development will be somewhat less critical under scenarios 2 and 3, consolidating development approval procedures would facilitate more orderly hotel development on an ongoing basis.

Guiding Hotel Development: Under Scenario 1, the near-term pressures of demand could stimulate hotel development, and other tourism development, in areas not totally satisfactory to local populations. The GOJ should consider establishing "tourism development zones" to guide hotel development to areas where development is needed, where water supply systems and sewage systems are available, and where environmental impact assessments have been made. These "tourism development zones" should not be located near areas where tourism activity could erode community values.

In addition, the establishment of tourist zones would allow the government to concentrate on development of infrastructure, tourism police, and other resources in a limited number of areas. As part of this strategy, the GOJ should immediately initiate a hotel demand study as a first step to provide guidance to the private sector on how much capacity is needed and where. The somewhat slower development of hotel demand that will accompany scenarios 2 and 3 would provide the GOJ with additional time for implementing the tourist zone concept.

The proposed tourist zones should be conceived of as areas where development of hotels is mixed with restaurants, outdoor cafes, tourist shops, recreational opportunities (horse- and camel-riding stables), small-scale parks, and open areas where scenic vistas can be enjoyed. Although the proposed tourist zones are primarily for the purpose of localizing tourism activity

in order to conserve and concentrate government investment in water supply and distribution, wastewater collection and distribution, road construction, and so forth, that is not the only intended purpose of tourist zones. Such zones should be viewed as low-density *tourist villages*, not resort area developments. They should be developed with a high level of concern for the physical and visual environment, sensitivity to the potential for tourism activities to intrude on nearby settlements, and the need to preserve sight lines to scenic vistas.

Developers should be encouraged, or required if necessary, to build in architectural styles that are harmonious with the site and indigenous architecture. It would serve Jordan's long-term interest if the character of hotel architecture and the villages were developed with a distinct Arab flavor rather than in styles that could be found anywhere. In the long run, it will be the uniqueness and Arabness of Jordan's tourism accommodation facilities that will entice visitors to spend their nights in hotels in Jordan rather than in European-style Israeli hotels.

Encouraging Hotel Development: To ensure that needed hotel development occurs in a timely fashion and where such development can contribute the most to national economic development goals, the GOJ should develop a package of development incentives. These incentives might include limiting current tax relief and other incentives to tourist zones or other high priority development areas. Government incentives may also include relief from import duties on hotel equipment and furnishings not available in Jordan. Such incentives will be essential under Scenario 1 and highly desirable for the country in the long run.

Tourism Promotion to Ease Stress on Existing Hotel Capacity: MOTA, Royal Jordanian, JETT, and other members of the tourism private sector should immediately develop promotional strategies aimed at spreading tourism demand more evenly throughout the year. Such strategies should focus primarily on:

- Developing industrywide seasonal pricing strategies to encourage shoulder-season and off-season visits to Jordan.
- Educating international tour operators on the quality of Jordan's weather during shoulder seasons and provide them with suggested tour itineraries that take advantage of cool mornings and evenings during Jordan's warmer periods of the year.

These promotional efforts will also serve to ease the expected strain that large increases in tourist traffic will put on ground and air transport capacity. Such strategies are critically needed for capturing the full economic benefits available from Scenario 1 arrival projections.

In the longer run, under any of the three scenarios, such promotion will contribute significantly to year-round job opportunities in the tourism sector, the profitability of Jordan's hotels and other tourism enterprises, as well as bolster the country's foreign exchange earnings from tourism.

A2. Transport Sector Strategies

Increasing Tourist Ground Transport Capacity: To meet the expected tourism demand envisioned in Scenario 1, a substantial increase in tourist ground transport capacity will be required in the near-term, particularly during peak periods. In order to ease the immediate expected capacity shortfall expected with Scenario 1, the first step the GOJ should take is to redefine or clarify the JETT bus concession to allow new private sector entrants into Jordan's ground transportation system, particularly to serve smaller tour groups (15 or less). Any extension of the JETT concession should be for no more than two years. This period of time will allow the GOJ to determine more precisely which scenario is developing. JETT appears to be capable of expanding its fleet of large tourist buses to keep pace with expected demand for at least this two-year period of time.

JETT argues that having a single tourist bus company facilitates communications between the government and JETT in order to warn bus operators away from local areas where visitors might be in personal danger (such as terrorist events). With the expected increase in visitors and subsequent healthy growth in visitor numbers hypothesized by Scenario 1, it is inevitable that the size of the market will soon become large enough that the Jordanian economy would benefit more from competition in the tourism ground transport arena than it will from continuing the current JETT concession. In such a case, it would not appear that government communications of safety information with two or three tourist bus transport companies would be unmanageable.

Increasing Tourist Air Transport Capacity: As inbound traffic increases, Royal Jordanian will likely divert some of its existing fleet from less profitable international routes to Europe-Amman service or even possibly America-Amman service if needed. In addition, considerable numbers of aircraft are expected to be available in the international leasing market should Royal Jordanian need additional equipment. Recent reported improvements in Royal Jordanian's financial situation would appear to make the leasing of additional equipment a viable option for meeting the expected increased demand projected by Scenario 1. In addition, European carriers that have reduced or withdrawn service to Amman will return as demand increases. The GOJ should take appropriate initiatives to facilitate and welcome increased international airline service to Jordan.

Scenario 1 anticipates that a peace accord between Syria and Israel will follow soon after a Jordan-Israel accord. When this happens, international tourist demand for travel to Syria, Jordan, and Israel as a package of destinations will develop creating an opportunity for Royal Jordanian to become the dominant carrier in two countries. There will likely be competition for three- and four-country service in the region, requiring Royal Jordanian to move quickly as this opportunity develops. Opportunities for Royal Jordanian expansion of service is anticipated by all three scenarios, but will vary in terms of timing.

A3. Petra Development Strategies

Increasing Petra's Tourist Capacity: The GOJ is working with several groups to improve conditions at Petra, including enhancing its capacity. Any strategies suggested here will likely duplicate or overlap strategies already being pursued. However, because Petra is clearly the gateway that controls a very large portion of Jordan's current and future foreign exchange earnings from international tourism, the need for immediate action at the site cannot be overemphasized. Under Scenario 1, the time available for planning is only a matter of months. Action must be taken to begin needed improvements within the year.

The most immediate available strategy option to increase capacity at the site is to remove horses as a means of transportation through the Siq. Moving the horses to Wadi Rum for trail rides, where visitations will likely rise dramatically under Scenario 1, would provide visitors with improved access to the site's scenic aspects. Other trail ride opportunities should be provided near, but away from, the antiquities at Petra, not only as an alternative to horse transportation through the Siq, but, more importantly, to help extend visitor stays at the new hotels being developed near the site. Visitors moving through the Siq on foot would immediately increase capacity by approximately 20 percent, particularly if the route from the visitor center to the dam at the entrance to the Siq was paved. Removal of the horses would increase capacity at Petra to about one million visitors annually, based on current seasonal patterns.

Completion of hotels under construction and planned at Petra will increase early morning and late afternoon visits, taking some pressure off of the day's busiest hours. When all planned hotels are open, this redistribution could increase annual capacity at Petra by 300,000 visitors, assuming a workable reservation system is in place. To make significant further gains in annual visitations at Petra, it will be necessary to implement promotional strategies that will spread visitations more evenly over the entire year. See subsection A1. Hotel Sector Strategies, Tourism Promotion to Ease Stress on Existing Hotel Capacity.

Managing Visitor Flows at Petra: Of greater importance than Petra's contribution to tourism revenues is the international responsibility that Jordan holds for protecting the site's world-class antiquities. The Kingdom does not currently have the financial resources necessary to protect the antiquities of Petra from the wear that will occur by receiving visitor numbers in excess of the site's environmentally sound current carrying capacity. The most obvious strategy for protecting the site's antiquities is the implementation of some form of reservation system that maintains tourist traffic at nondestructive levels. However, it is not in keeping with the traditional hospitality of the Kingdom to ration visits to an international treasure such as Petra by refusing access to large numbers of cultural tourists. Although the development of a reservation system for pacing traffic through the site is an essential near-term strategy, the system should not result in rejection of visitors but rather only control when they visit the site.

Site work needed at Petra, to both responsibly preserve this important international cultural resource and make it available to the expected large numbers of new visitors, includes:

- Development of new roads and motorcoach waiting areas to accommodate increased levels of tour traffic, well away from the fragile antiquities of the site
- Development of larger visitor staging areas and interpretive exhibits to help maintain visitor traffic at safe site carrying capacity levels
- Development of a network of capacity-expanding interpretive routes to maximize each visitor's educational experience and make all of the site's important resources safely available
- Expansion of visitor rest areas and toilet facilities to accommodate an expected enormous increase in international visitors, including development of a new wastewater disposal system.

Protecting the Integrity of the Petra Reservation System: In most cases where demand exceeds supply by a significant amount, access control systems (through permits, tickets, reservations, and so forth) eventually foster a black market where such access privileges are bought and sold outside of the official traffic management system. Although such corruption does no harm to the site itself, it is very destructive to the image that Jordan needs to attract international investment and trading partners outside of the tourism arena. Therefore, any traffic control system that is developed for Petra should have sophisticated management controls to minimize opportunities for entrepreneurial marketing of reservations to enter Petra. There are, of course, other strategies being developed by groups working on behalf of the site to increase capacity at Petra.

Financing Petra Improvements: Jordan should mount an international appeal for the financial assistance needed to both preserve Petra's antiquities and make them available to a larger segment of the international community. Although Jordan is the custodian of the international treasures, if they are to be freely shared with the world, the world should contribute to the cost of site preservation, improved public access, and further excavations of the site's many undiscovered treasures. Current admission charges will never generate much more than the funds needed to guard the site, even with the levels of international visitor traffic projected by Scenario 1. Raising rates will only make the site inaccessible to all but the wealthy.

A tour of selected world capitals and cultural foundations, preferably by a small delegation led by the Queen as spokesperson for the Petra Trust, would raise considerable interest in preserving and developing Petra as an international cultural site. Such a strategy, designed and facilitated by an international public relations firm or expert, would not only raise considerable money from nongovernment international sources, but could provide a good deal of media coverage on the site. Such media coverage, currently not affordable from MOTA tourism promotional funds, will stimulate international interest in visiting Jordan, and position Jordan as a responsible member of the international community of governments working to preserve the environment and cultural resources. The Queen's stature in the Kingdom, as well as her considerable personal charm, would ensure access to any potential source of contributions for the

preservation of Petra as well as to the international media in Jordan's key tourist-generating markets.

A4. Work Force Development Strategies

Improving Tourist Services: Well-trained tourism industry workers are already in short supply in Jordan. With the levels of international visitors anticipated by Scenario 1, training will become critical to the country's ability to capture the maximum economic benefits that accompany such tourism flows. The GOJ and the tourism private sector need to develop a strategy for retraining existing industry workers to improve their skills and training the new industry workers that will be needed to serve expanded job opportunities. Expected new demand will increase job opportunities in hotels by at least 4,000 workers at all levels within two to three years. An additional 4,000 job opportunities will be created in other tourism-related companies.

The retail sector of Jordan's economy, currently under-serving existing international visitor demand, can potentially add 2,000 to 3,000 workers with new visitor levels. For example, with the increase in traffic expected, the number of upscale travelers in the mix will also increase. These travelers frequently spend \$1,000 to \$2,000 per person on retail purchases of gifts and local (regional) goods. The average European international traveler spends \$250 per person on such purchases. Visitors to Jordan probably now spend less than one-half this amount because of the underdeveloped tourism retail sector in the country. Without workers trained to serve international travelers in the retail and other portions of the tourism sector, a large amount of foreign exchange earnings will escape to neighboring destinations.

A5. Tourism Promotion Strategies

Promotion to Spread Visitations More Evenly Over the Year: The GOJ and the tourism private sector should develop promotional strategies aimed at spreading tourism demand more evenly throughout the year as discussed above. Such strategies should primarily focus on:

- Developing industrywide seasonal pricing strategies to encourage shoulder-season and off-season visits to Jordan
- Educating international tour operators on the quality of Jordan's weather during shoulder seasons and providing them with suggested tour itineraries that take advantage of cool mornings and evenings during Jordan's warmer periods of the year.

Promotion to Minimize Cultural and Environmental Impacts: The GOJ and the private sector should promote Jordan tourism to the travel trade in the major generating markets that specialize in cultural tourism. Although tourists from all segments of the traveling public will likely be interested in visiting Jordan, particularly under Scenario 1, promotions should focus on cultural tourists to ensure that the long-term market for Jordan remains dominated by the group most likely to appreciate the Kingdom's tourism resources and respect its culture. To minimize visitor impact on Jordan's antiquities and the environment in general, it is essential that

the types of visitors attracted are those likely to be the most sensitive to historic and environmental preservation.

This strategy is important to the longer-term interests of Jordan when arrival growth begins to slow to more normal growth rates after the initial surge of visitors expected under Scenario 1. When annual growth rates taper off, at whatever sustainable level that is, it will be important to the country that further incremental growth be primarily of cultural tourists.

Promotion to Retain Domestic Tourism: When borders are opened, Jordan residents will likely be viewed by neighboring countries as potential, close-by, international visitors. These countries will attempt to entice Jordanians to spend their vacations and holidays visiting their sites and staying at their hotels. Jordan will, of course, do the same. To protect against extensive erosion of its domestic tourism, the Jordanian private sector should develop domestic tourism promotion strategies aimed at keeping Jordanians in Jordan for their vacations and holidays. This will be an essential strategy for all of the scenarios described in Section IV but more critical for the rapidly changing circumstances anticipated by Scenario 1.

Regional Promotion: After borders are fully opened between Jordan and its neighbors, large numbers of regional visitors will be interested in day trips, holidays, and vacations in Jordan. It is difficult to predict how quickly this regional demand will develop or how large it will be, but it will be greater under Scenario 1 than under the other scenarios. Because the day trip visitor will contribute the least to Jordan's economy, the GOJ should discourage the private sector from promoting this type of visitation. The private sector should, however, promote holiday and vacation travel in regional generating markets, particularly for travel in non-peak season. This is partly a defensive strategy aimed at balancing the economic leakage that will occur when Jordanians vacation in neighboring countries. However, regional generating markets can be a good source of the business needed to fill empty hotel beds in the off seasons and shoulder seasons.

It would not be wise politically or economically to attempt to control day trips through government restrictions or bureaucratic obstacles. Even if it were possible, neighbors whose resident's travel freedoms are interfered with might retaliate with similar restrictions on Jordanians. Such practices could have repercussions on other types of regional trade, shrinking Jordan's emerging opportunities for regional trade in goods and services. Jordan could potentially benefit significantly from unencumbered cross-border trade, particularly through transshipping Israel goods through the Aqaba seaport and access to the Mediterranean for shipping and receiving Jordanian goods. With peace in the region, Israel will be faced with expanding its port facilities at Eilat or its resort facilities—there is not enough land to do both. From published reports about a large planned expansion of hotel capacity at Eilat, it is clear that Israel has opted to shrink port facilities to make room for resort expansion.

Any artificial barriers to tourism flows could potentially trade off large economic benefits for the Jordanian economy as a whole for small economic benefits for the tourism sector. A strategy that aims at invisible borders, in terms of visitor flows, is the wisest course of action.

SECTION VI

TOURISM RESOURCES

SECTION VI TOURISM RESOURCES

A. Tourism Resources in the Region

Comparing Jordan's unique resources with those of other countries in the region shows no convincing evidence that quality of cultural resources alone determines level of visitor traffic. Other than the great pyramids of Giza, no other tourism resource can match the cultural significance or tourism potential of Petra. There are, of course, mitigating circumstances. Petra has never gotten the visibility in international generating markets necessary to test its full potential as a tourism magnet. Even if promotion of Petra reached the levels enjoyed by the pyramids, which is of course hypothetical, the Petra site could not physically accommodate the approximately 2 million visitors that the pyramids receive each year. Jordan's tourism resources are shown in Table VI-1.

The resource listings displayed in Tables VI-1 through Table VI-5 of this section are formatted as they appear in travel trade recommended tours of approximately one week. Although this arbitrary tour time limitation is probably sufficient to see the highlights in Israel and Syria—slightly too short in the case of Egypt—it is probably two or three days too short to comfortably cover the highlights of Jordan, and a week too short to cover the resources of a country the size of Turkey.

Turkey has been included in this report more as a benchmark for judging the potential levels of international tourism that might be attracted to Jordan's more immediate region than as a potential partner in regional promotions. However, most of Turkey's tourism resources are shown in Table VI-5. Lebanon, on the other hand, could be a powerful promotional partner. However, Lebanon has been out of the international tourism market long enough that essentially no data was available for analysis. In addition, this report focuses on strategies for the very near term and Lebanon is expected to take longer to rebuild its tourism industry than other countries in the region.

Conceptually, Lebanon, Syria, Jordan, and Israel are probably one destination region in the view of most international tour operators. In a more peaceful Middle East, this concept will likely take hold among potential visitors as well. This is probably not a bad thing and should be fostered as long as all promotional partners receive their fair share of economic benefits generated by cooperative promotional efforts. However, joint promotions and multicountry promotions should be viewed as supplemental marketing efforts and not as a replacement for national promotional efforts.

Promotional partnerships do not change the reality that all partners are also competitors in the battle for foreign exchange earnings from tourism. In fact, the more partnership promotional efforts that Jordan enters into, the more the country's tourism industry will have to

spend on its individual promotional efforts. Jordan should seriously consider all potential regional partnership opportunities as they arise in the near-term future, while at the same time continuing its own promotional strategies.

A1. Israel As a Promotional Partner

Israel has no cultural tourism magnet attractions in the same league with the great pyramids or Petra. However, Israel is not without its appeal to a number of segments of the international tourism market as evidenced by the country's more than one million visitors each year. Although most of these current visitors are ethnic visitors, Israel gets its share of Holy Land tourists. Most of the Holy Land sites, however, rely on the story they tell rather than visible ruins or buildings that can actually be seen by visitors. With peace on the horizon, large numbers of visitors will be drawn to Israel by sophisticated promotion relying on a large promotional expenditure, the collective appeal of ancient history, and well-developed resort facilities. Israel will probably be the strongest potential promotional partner in any regional tourism cooperation ventures. Israeli tourism resources are shown in Table VI-2.

In terms of maximizing the number of international arrivals in Jordan, Israel is probably the best choice of a partner in tourism promotion. Considering the rocky relationship between Jordan and Israel over the latter's entire history, forging a promotional partnership with Israel will not be without considerable caution on the part of both parties or without some internal political risk. However, the GOJ is fully capable of negotiating a mutually beneficial promotional strategy that will support Jordan's objectives of increasing foreign exchange earnings and creating economic opportunities for its residents while exploiting the assets that Israel brings to a promotional partnership.

A2. Syria As a Promotional Partner

Syria's magnet attractions are ancient cities and Roman antiquities. Although many of these attractions are imposing and possess considerable appeal, none are unique to Syria. Syria can, if it chooses, capitalize on its potential as a Middle Eastern shopping mecca. Absence of Syrian promotion in non-Arab generating markets for many years will likely make Syria a relatively slow starter in the new, more open, market of the near-term future. As a potential regional promotional partner, Syria would be an essential element of a regional marketing concept, but probably not the strongest partner. For a summary of Syria's tourism resources, see Table VI-3.

Jordan would be well served to include Syria in any multicountry promotional partnerships it enters. Syria will be an essential part of most new Middle East packages that are being planned by international tour operators (three-country tours seem to sell better than two-country in most parts of the world). Damascus is too close to Amman to be excluded from multicountry packages and Syria has many excellent cultural tourism resources that will add considerable appeal to such packages.

A3. Egypt As a Promotional Partner

Egypt continues to have international appeal but has failed to expand its market much beyond the two million visitors it has been receiving for many years, in spite of considerable public and private sector promotional efforts. With peace in the region, this situation could arguability change. Current terrorist attacks on tourists, should they continue, make Egypt a weak potential partner in regional promotional programs in the near term. Nonetheless, the appeal of the country's standing ruins, intriguing tombs, and high visibility in the international marketplace will make Egypt a strong partner during periods when tourist attacks are under control. Egypt's primary tourism resources are shown in Table VI-4.

Egypt will probably be packaged with Jordan, Israel, and Syria by many international tour operators in new tours being developed in anticipation of a successful peace process. In the near term, Egypt would add strength to multicountry packages once the traveling public feels that attacks on tourists there have been brought under control. However, once Lebanon becomes a viable promotional partner, most of Jordan's efforts should be focused on supporting Lebanon, Syria, Jordan, and Israel packages. Egypt will remain a strong potential partner for Israel, with possibly short side trips to Jordan.

Table VI-1

Jordan's Tourism Resources

Day	City/Location	Site/Attraction	Comments
Day 1 Arrive	Amman	<ul style="list-style-type: none"> • Citadel <ul style="list-style-type: none"> o Omayyad Castle o Temple of Hercules o National Archaeological Museum • Roman Theater • Odeon • Nymphaeum • Folklore Museum • Jewelry & Costumes Museum • King Abdullah Mosque • New City 	<p>Roman, Byzantine & Islamic ruins</p> <p>2nd century AD Roman, 2nd century AD Roman traditional life of local people</p> <p>modern new homes development</p>
Day 2	Jerash	<ul style="list-style-type: none"> • Roman Decopolis City <ul style="list-style-type: none"> o Triumphal Arch o hippodrome o South Gate o Temple of Zeus o South Theater o Cardo o Southern Tetrapylon o Eastern Baths o Agora o Cathedral o Church of St. Theodore o Omayyad building o Nymphaeum o Temple of Artemis o Viaduct Church o Northern Tetrapylon o West Baths o North Theater o North Gate o museum o churches 	<p>1st century AD colonnaded street four pillars with statues</p> <p>4th century AD church</p> <p>191 AD</p> <p>artifacts from site ruins of 13 churches - church of o St. Cosmos 7 St. Damianus o St. John o St. George - circa 530 AD</p>
Day 3	Desert	<ul style="list-style-type: none"> • Qasr Al-Hallabat • Hammam As-Sarakh • Qasr as-Azraq • Qasayr' Amra • Qasr Al-Kharanah • Qasr Al-Mushatta 	<p>originally Roman (198-217 AD) Omayyad present form from 13th century 705-715 AD circa 710 Ad Omayyad</p>

48

Table VI-1

Jordan's Tourism Resources
continued

Day	City/Location	Site/Attraction	Comments	
Day 4	Madaba	<ul style="list-style-type: none"> • St. George's Church • museum • Church of the Apostles • Archaeological Park • Mosaic School 	mosaic - circa 560 AD mosaics mosaic under development under development	
		Mt. Nebo	Church and Monastery	mosaics
		Kerak	<ul style="list-style-type: none"> • Crusaders Fort • small museum 	1132 AD Iron Age pottery
Petra			<ul style="list-style-type: none"> • Ain Musa • Siqentry to Petra ruins • Obelisk Tomb • Khazneh (Treasury) • Amphitheater • Urn Tomb • Corinthian Tomb • Palace Tomb • Mausoleum of Sextius Florentinus • Colonnaded Street • Temenos Gateway • Qasr al-Bint Firaun • Temple of the Winged Lions • Byzantine Church • Al-Habis (prison) • Aaron's Tomb • Snake Monument • Crusader Castle • Monastery • Lion Fountain • Garden Tomb • Tomb of the Roman Soldier • Triclinium • Pharaon Column 	Moses' Spring Nabataean Nabataean Nabataean or Roman Nabataean Nabataean Nabataean Roman - 130 AD Roman Roman Nabataean circa 30 BC Nabataean mosaic - under development Nabataean on Mt. Hor 3rd century BC
Day 5	Al-Beidha	<ul style="list-style-type: none"> • ruins 	9,000 year old village ruins	
	Day 6	Wadi Rum	<ul style="list-style-type: none"> • desert scenery • Lawrence's Well • Nabataean temple 	soft adventure 1st century AD

49

Table VI-1

Jordan's Tourism Resources
Continued

Day	City/Location	Site/Attraction	Comments
Day 7	Aqaba	<ul style="list-style-type: none">• Ayla• Fort• Museum• Aquarium• Crusaders Castle• beach, snorkeling, diving	walls of old port city 14th century AD Arab local sea life on Pharaoh's Island in Egyptian waters soft adventure
Day 8	return to Amman to depart		

50

Table VI-2

Israel's Tourism Resources

Day	City/Location	Site/Attraction	Comments
Day 1 Arrive	Tel Aviv	<ul style="list-style-type: none"> • Tel Aviv Museum • Diaspora Museum • Dizengoff Center • Sidewalk cafes • Israeli Philharmonic • Old Jaffa • Harry Oppenheimer Diamond Museum • Glass Museum • Night clubs and discos 	<p>art collection history and culture shopping European flavor world-class performances restored historical area, shopping and restaurants</p>
Day 2	Tel Aviv	(see above)	
Day 3	Jerusalem	<ul style="list-style-type: none"> • Old Jerusalem Suq • Mosque of Omar • Church of the Holy Sepulcher • Western Wall • Via Dolorosa • King David's tomb • King Solomon's Quarry • Room of the Last Supper • Chamber of Martyrs • Armenian Museum • Museum of the History of Jerusalem • Mount of Olives • Israel Museum • Bible Lands Museum • Monastery of the Holy Cross • Kneset • Wolfson Museum • L.A. Mayer Institute of Islamic Art • Hadassah Medical Center Chapel 	<p>shopping and local color Dome of the Rock, third highest site in Islam site of the crucifixion, burial and resurrection of Christ "Wailing" wall - once part of Solomon's Temple original Stations of the Cross</p> <p>"Caves of Zedekiah"</p> <p>memorial to victims of Nazism history of Armenian people historical displays, sound and light show church built around the rock in the Garden of Gethsemane Dead Sea Scrolls, Bezalel National Museum (modern art) multi-cultural history Greek Orthodox Israeli Parliament Jewish ceremonial objects Islamic artifacts and treasures</p> <p>stained glass windows by Marc Chagall</p>
Day 4	Jerusalem	(see above)	

51

Table VI-2

Israel's Tourism Resources
continued

Day	City/Location	Site/Attraction	Comments
Day 5	Bethlehem	<ul style="list-style-type: none">• Historic West Bank Town• Church of the Nativity• Mar Saba Monastery	built over grotto believed to be birthplace of Jesus Christ body of St. Sabas
Day 6	Ein Gedi	<ul style="list-style-type: none">• Ein Gedi Nature Reserve• Spa at Ein Gedi	natural area and Dead Sea mud baths and sulfur hot tubs
	Masada	<ul style="list-style-type: none">• Masada	historic mountain site sound and light show, cable car
Day 7	Galilee	<ul style="list-style-type: none">• Sea of Galilee• Tiberias• Mount of the Beatitudes• outdoor recreation	site of Miracle of the Loaves and Fishes site of Crusader Castle, hot springs and rabbis' tombs site where Jesus preached the Sermon on the Mount cliff repelling, rock climbing, river kayaking, rafting
Day 8	return to Tel Aviv and depart		

Table VI-3

Syria's Tourism Resources

Day	City/Location	Site/Attraction	Comments
Day 1 Arrive	Damascus	<ul style="list-style-type: none"> • Citadel El Qalla • Suleiman's Tekkiyeh • Chapel of Ananias • Umayyad Mosque • Roman Arch • Saladin's Tomb • Home of Judas • National Museum of Folklore • Al Tekiyeh Mosque • National Museum • Roman city walls • Souk Hamidiyeh • Souk Ek Khouja 	<p>13th century AD 16th century AD hostelry for pilgrims underground chapel where St. Paul stayed 7th century AD Mosque where John the Baptist's head is supposedly buried</p> <p>12th-century AD Mausoleum where the Apostle Paul stayed regaining his sight 18th century AD Azem Palace 16th century AD historical displays</p> <p>shopping shopping</p>
Day 2	Damascus	(see above)	
Day 3	Busra	<ul style="list-style-type: none"> • Roman ruins • Arab citadel • Bab al-Qandil • House of Monk Bohaira • Roman baths • Umayyad Mosque of Omar • Mosque of Fatima 	<p>2nd century AD ruins - theater medieval 3rd century AD gate monastery</p>
	El Suweida	<ul style="list-style-type: none"> • Roman ruins • Shaba Castle • Suweida Museum • Basilica • Temple of Dosares 	
Day 4	Palmyra	<ul style="list-style-type: none"> • Afqa underground spring • Valley of Tombs • Monumental Arch • the great colonnade • museum • Street of Columns • Agora • Underground Tombs • theater • Hypogeum of the 3 Brothers • Temple of Bel 	

53

Table VI-3

Syria's Tourism Resources
continued

Day	City/Location	Site/Attraction	Comments
Day 5	Homs	<ul style="list-style-type: none">• Khalid Ibn Al-Walid Mosque• underground monastery• Syrian Aramain Church• gardens and orchards• shopping	ruins of chapel and monastery silk
Day 6	Aleppo	<ul style="list-style-type: none">• bazaars and souks• Aleppo Museum• Gate of Antioch• Bahramiye Mosque• Jami Zakariyeh Mosque• Bab Qinnasrin gate• citadel• ancient caravanserais	Ugarit and Mari displays 13th century AD hotels in covered mosque
Day 7	Ras Shamra	<ul style="list-style-type: none">• two temples	major Phoenician city
	Qal 'at Saman	<ul style="list-style-type: none">• monastery of Simeon Stylites	
Day 8	return to Damascus and depart		

Table VI-4

Egypt's Tourism Resources

<u>Day</u>	<u>City/Location</u>	<u>Site/Attraction</u>	<u>Comments</u>
Day 1 Arrive	Cairo	<ul style="list-style-type: none"> • Bab al-Louq Market • Roda Island Nilometer • Manial Palace Museum • Al-Urman Garden • The Citadel <ul style="list-style-type: none"> o Mosque of Muhammad Ali o Qasr al-Goharrah o Military Museum o Hantour Museum o Mosque of Suleiman Pasha • Mosque of Sultan Hasan • Kifa'i Mosque • Mosque of Aqsunqur • Mosque of Ibn Tulun • Coptic Museum • Roman battlement • Church of Al-Muallaqa • Church of Mari Girgis • Convent of St. George • Church of Abu Serga • Ben Ezra Synagogue • Church of Abu Seffein • Church of St. Shenouda • Church of the Holy Virgin • Egyptian Museum • Museum of Islamic Art • Pyramids of Giza • Sphinx 	<p>shopping</p> <p>8th century BC</p> <p>19th century architecture, Islamic art and furnishing</p> <p>Botanical gardens started in 1176 AD</p> <p>19th century AD</p> <p>19th century AD</p> <p>medieval weaponry carriages</p> <p>16th century AD</p> <p>Mamluk architecture</p> <p>20th century AD</p> <p>14th century AD "Blue Mosque"</p> <p>879 AD</p> <p>Coptic art</p> <p>1st century AD</p> <p>3rd century AD</p> <p>6th century AD</p> <p>14th century AD</p> <p>10th century AD</p> <p>12th century AD conversion</p> <p>4th century AD</p> <p>4th century AD</p> <p>8th century AD</p> <p>Sound and Light Show</p>
Day 2	Cairo	(see above)	
Day 3	Luxor	<ul style="list-style-type: none"> • Luxor Temple <ul style="list-style-type: none"> o Pylon of Ramses II o Colossi of Ramses II o Court of Ramses II o Colonnade of Amenhotep III o Court of Amenhotep III o Sanctuary of Alexander the Great • Temple of Khonsu • Avenue of the Sphinxes 	

55

Table VI-4

Egypt's Tourism Resources
continued

<u>Day</u>	<u>City/Location</u>	<u>Site/Attraction</u>	<u>Comments</u>
Day 3 continued			
	Luxor	<ul style="list-style-type: none"> • Karnak Temple <ul style="list-style-type: none"> o Avenue of the Rams o Great Court o Great Hypostyle Hall o Obelisk of Queen Hatshepsut o Hall of Records o Sanctuary of the Sacred Boats o Festival Hall of Thutmose III o Gate of Nectanebo o Birket al-Mallaha • Karnak Open Air Museum <ul style="list-style-type: none"> o Alabaster Chapel o Red Chapel (unassembled) o White Chapel • Luxor Museum • Valley of the Kings <ul style="list-style-type: none"> o Tomb of Tutankhamen o Tomb of Ramses IX o Tomb of Ramses VI o Tomb of Ramses I o Tomb of Ramses III o Tomb of Thutmose III o Tomb of Amenhotep II o Tomb of Seti II o Tomb of Merneptah o Tomb of Ramses IV • Colossi of Memnon • Mortuary Temple of Ramses III • Ramasseum • Mortuary Temple of Hatshepsut • Mortuary Temple of Seti I • Tombs of the Nobles <ul style="list-style-type: none"> o Tomb of Rekhmire o Tomb of Senofer o Tomb of Ramose o Tomb of Userhet the Scribe o Tomb of Nakht o Tomb of Kheruef • Valley of the Queens <ul style="list-style-type: none"> o Tomb of Amon-Hir Khopshuf o Tomb of Queen Nefertari 	<p>Sound and Light Show</p> <p>10th century BC</p> <p>Sacred Lake</p> <p>Mortuary Temple of Ramses II Deir al-Bahri .</p>

56

Table VI-4

Egypt's Tourism Resources
Continued

<u>Day</u>	<u>City/Location</u>	<u>Site/Attraction</u>	<u>Comments</u>
Day 4	Luxor	(see above)	
Day 5	Aswan	<ul style="list-style-type: none"> • Aswan Archaeological Museum • Nilometer • Elephantine Island <ul style="list-style-type: none"> o Temple of Khnum o Temple of Heqa-Ib • Gezirat an-Nabatat • Mausoleum of Aga Khan • Deir Amba Samaan • Tombs of the Nobles <ul style="list-style-type: none"> o Tomb of Sarenput II o Tomb of Nikho o Tomb of Sabni 	<p>Island of Plants (botanical garden)</p> <p>Monastery of St. Simeon</p>
	Aswan	<ul style="list-style-type: none"> • As-Sadd al-Ali • Low Dam • The Unfinished Obelisk • Agilka Island <ul style="list-style-type: none"> o Temple of Isis o Portico of Nectanebo 	Aswan High Dam - Lake Nasser
Day 6	Abu Simbel	<ul style="list-style-type: none"> • Great Temple of Abu Simbel • Colossi of Ramses • Temple of Hathor 	
Day 7	Alexandria	<ul style="list-style-type: none"> • Greco-Roman Museum • Roman Amphitheater • Pompey's Pillar • Catacombs of Kom ash-Shokafa • Royal Jewelry Museum • Tombs of Chatby • Fort Qaytbay • Mosque of Abu al-Abbas • Fine Arts Museum • beach, sun and sand 	<p>15th century AD</p> <p>modern Egyptian art</p>
Day 8	return to Cairo and depart		

57

Table VI-5

Turkey's Tourism Resources

<u>Day</u>	<u>City/Location</u>	<u>Site/Attraction</u>	<u>Comments</u>
Day 1 Arrive	Istanbul	<ul style="list-style-type: none"> • Topkapi Palace • Sancta Sophia • Blue Mosque • Roman Hippodrome • Museum of Turkish and Islamic Art • Cistern Basilica • Mosque of Sultan Suleiman the Magnificent • Kariye Cami • Dolmabanace Palace • Byzantine cistern • Museum of Ancient Oriental Art • covered bazaar • Yedikule Castle • Anadolu & Antiquities forts • Calatat Tower • Museum of Antiquities • Aynalikacak Pavilion 	<p>treasury, harem quarters</p> <p>6th century AD</p> <p>Church of St. Saviour in Chora 19th century Baroque 336 columns - 527 AD</p> <p>4,000 shops</p> <p>18th century AD Arsenal Palace</p>
Day 2	Istanbul	(see above)	
Day 3	Bursa	<ul style="list-style-type: none"> • Ottoman architecture • Ulu Cami • Museums • Turkish baths • covered market • Yesil Cami • Yesil Turbe • Muradiye Mosque 	<p>tilework, gardens</p> <p>Great Mosque</p> <p>ethnographic & archaeological</p> <p>silk shops</p> <p>Green Mosque</p> <p>tilework tomb</p>
Day 4	Canakkale/ Hisarlik	<ul style="list-style-type: none"> • archaeological site 	<p>site of ancient Troy</p> <p>ruins of nine settlements</p>
Day 5	Izmir	<ul style="list-style-type: none"> • bazaar • Kemeralti Mosque • Sadirvan Mosque • Hisar Mosque • caravanserai • archaeological museum • Agora • Kadifekale • Seven Churches of Asia 	<p>shopping</p> <p>17th century AD</p> <p>marketplace</p> <p>Castle on Mt. Pagus on in Izmir, others nearby</p>

58

Table VI-5

Turkey's Tourism Resources
continued

<u>Day</u>	<u>City/Location</u>	<u>Site/Attraction</u>	<u>Comments</u>
Day 6	Ankara	<ul style="list-style-type: none"> • Ulus • Hisar • Alaeddin Mosque • Temple of Augustus • Roman Baths of Caracalla • Haci Bayram Mosque 	old city citadel
	Ankara	<ul style="list-style-type: none"> • Grand National Assembly Museum • Julian's Column • Aslanhane Mosque • ethnographic museum • Kemal Alaturk Mausoleum • Museum of Anatolian Civilizations 	4th century AD includes museum bronze and gold objects from ruins of Alacahoyuk
Day 7	Cappadocia	<ul style="list-style-type: none"> • landscape • Kaymakli and Derinkuyu • Goreme Valley • Zelve Valley • Ihiara Valley 	rock pinnacles, ravines, rock-carved dwellings rock-carved cities churches carved out of the rock, frescos monastery and churches carved in rocks churches with frescos
Day 8	Cappadocia	(see above)	
Day 9	return to Istanbul and depart		

59

SECTION VII

**INTERNATIONAL-QUALITY TOURIST HOTEL
ROOMS AVAILABLE IN THE REGION**

60

SECTION VII
INTERNATIONAL-QUALITY TOURIST HOTEL
ROOMS AVAILABLE IN THE REGION

Average Jordan hotel rates at present do not represent any significant competitive advantage over hotels in other countries of the region. The average rate for international class hotels in Jordan is \$94 per night (published rates) compared with \$97 per night in Israel, \$173 in Syria, and \$110 in Egypt. Jordan's average rate was pulled down by the lower average rates available in Aqaba (\$62) compared to Amman (\$100).

In the case of Israel, average rates were lowered by Jerusalem's \$86 per night average. However, average rates in other parts of Israel are high compared with Jordan—average rates in Tel Aviv are the highest (\$123) followed by rates in Eilat (\$116). There does not appear to be a competitive advantage of significance of either of these countries over the other in terms of average hotel rates. Although the average room in Jerusalem is about 9 percent cheaper than in Amman, this is not enough of a difference to shift market share, by itself, from Amman to Jerusalem. Location of hotels relative to sites to be visited will likely be the determinant of hotel city selection rather than price.

Average hotel prices in Syria are quite high compared with prices in Jordan and Israel. The average room per night in Syria is \$173, 84 percent higher than in Jordan and 78 percent higher than in Israel. Among the three capital cities in Jordan, Syria, and Israel, clearly Jerusalem (\$86) would have a big competitive edge over Damascus (\$201) as would Amman (\$100) if price were to be a determinant of locational choice.

Egypt's average hotel rate, at \$110 per night, is 17 percent higher than Jordan's (\$94) and 13 percent higher than Israel's (\$97). However, Cairo is too far from Jordan to be considered as a potential competitor for visitors selecting a base of operation for sightseeing in the region.

When considering choice of specific hotels in the region, Israel with all of its hotels classified as international quality, offers about eight times the selection of properties as Jordan does and about five times as many as Syria offers to choose from. In terms of number of hotel properties, Jerusalem alone has twice the number of hotel rooms as in all of Jordan and Eilat has almost 2,000 more rooms than Jordan does. Clearly, Israel has a very well-developed domestic tourism market because it only receives about twice the number of international visitors as Jordan. Even though Israel appears to be well stocked with hotel rooms, it is reported that as many as 10,000 new hotel rooms are anticipated. Although Jordan may someday rival Israel in numbers of international tourists, it is clear that the scale of the two economies are sufficiently different that Israel will always have the edge in number of hotel rooms.

Table VII-1

Hotels in Selected Eastern Mediterranean Countries - 1993

Country	No. of Rooms (all hotels)	No. of Rooms (international)	Average Occupancy (%- 1987-1991)	Average Room Rate (US \$)	International Arrivals (thousands - 1990)
Jordan	7,730	3,600	46%	\$94	572
Amman		2,930		\$100	
Aqaba		590		\$62	
Petra		83		\$88	
Israel	29,340	29,340	52%	\$97	1,063
Jerusalem		7,300		\$86	
Tel Aviv		6,170		\$123	
Eilat		4,890		\$116	
Syria	13,360	5,570	33%	\$173	562
Damascus		3,720		\$201	
Aleppo		550		\$110	
Palmyra		260		\$180	
Egypt	53,960	19,040	60%	\$110	2,411
Cairo		11,180		\$116	
Luxor		2,170		\$85	
Aswan		780		\$87	
Turkey	94,380	39,260	46%	\$104	4,799
Istanbul		10,980		\$148	
Ankara		2,870		\$111	
Antalya		5,260		\$100	

Source: World Tourism Organization and
Hotel & Travel Index, ABC International Edition

62

ANNEX A

JORDAN TOURISM FACT SHEET

63

ANNEX A
JORDAN TOURISM FACT SHEET

	1987	1988	1989	1990	1991
INTERNATIONAL INBOUND TOURISM					
Visitors (thousands)	1,898	2,391	2,278	2,633	2,228
Tourists - overnight visitors (thousands)	477	608	639	572	436
Cruise passengers (thousands)	2	2	2	4	na
ARRIVALS BY REGION					
Africa (thousands)	619	800	683	799	665
Americas (thousands)	47	48	48	39	24
Europe (thousands)	100	108	127	117	58
Eastern Asia/Southeastern Asia/Ocean (thousands)	29	27	25	55	16
Southern Asia (thousands)	17	19	19	25	24
Western Asia (thousands)	1,064	1,366	1,356	1,366	1,436
ARRIVALS BY MODE OF TRANSPORT					
Air (thousands)	240	257	259	252	166
Road (thousands)	1,246	1,564	1,588	2,095	1,632
Sea (thousands)	412	570	430	284	427
LENGTH OF STAY					
Average length of stay (nights)	4.0	4.6	5.1	5.2	5.1
ACCOMMODATION					
Hotels and similar establishments (no. of rooms)	7,336	7,265	7,458	7,598	7,733
Hotels and similar establishments (no. of beds)	13,652	14,308	15,134	15,348	15,624
Occupancy (percent)	53	na	49	43	40
TRADE					
Exports - excluding tourism (million US\$)	932	1,036	1,098	1,063	902
International tourism receipts (million US\$)	579	626	546	511	317
International air fare receipts (million US\$)	259	293	205	277	187

Source: World Tourism Organization

ANNEX B

**DESCRIPTION OF REQUIREMENTS FOR A
MARKETING COORDINATOR CONSULTANT**

65

ANNEX B
DESCRIPTION OF REQUIREMENTS FOR A
MARKETING COORDINATOR CONSULTANT

66

Draft

Description of Requirements for an Marketing Coordinator Consultant

The contract period will be four months, sixty days in Jordan, thirty days home leave while video production company is completing field work, thirty days in Jordan and/or at video production facilities in another country.

Specific Tasks:

- The contractor shall assess the needs of MOTA/JTB for marketing and sales support materials including:
 1. a Tour Planning Guide aimed at providing tour packagers and tour operators with all the information they need to organize theme-related tours to Jordan for the package-tour market,
 2. a series of rack brochures (approximately 4" x 8 1/4" format) promoting various themes and suggested routes, to be printed in Italian, English, German and French, to be used in generating markets by selected travel agents to sell independent travelers and to be distributed in Jordan to encourage extended stays,
 3. travel promotion posters for distribution to selected travel agents in generating markets and for in-country use, and
 4. a video (approximately 54 minutes) promoting travel to Jordan to be used in sales calls on tour operators, travel agent seminars, distribution to television stations in generating markets for public service broadcast in segments (13 1/2 minute and 27 minute modules) or in its entirety.
- The contractor will, in consultation with the JTB Organizational Development Consultant and the Secretary General, identify specific materials to be developed, collect data and information required to produce print and video materials and write sales messages and other text for print materials and develop scripts needed for video field work and sound track production.
- The contractor will, in consultation with the JTB Organizational Development Consultant and the Secretary General, identify potential vendors needed to produce video and print products. The contractor will also supervise production of print and video product development including scouting video filming locations, developing video shooting guidelines (video field work script), supervising start of video production field work (first week of shooting), directing video editing (in video

67

production vendors facilities), and supervising sound track production. The contractor may have to travel to video production facilities in the vendors country of origin.

- The contractor will, in consultation with the JTB Organizational Development Consultant and the Secretary General, develop a tourism promotion earned media communications strategy and support system including:

1. a scheduled communications program strategy for distribution of earned media and other releases to distribution lists to be developed by the contractor including the criteria to be used to identify and distribute periodic news-worthy information to the various lists developed.

2. a master trade communications distribution list ("Trade List") for Jordan's key generating markets including tour operators, tour packagers, selected key travel agents, trade publications, travel writers and publishers, etc. to be used for news releases intended to promote travel to Jordan,

3. a general media communications distribution list ("Consumer List") for Jordan's key generating markets and the major cities in the top 20 tourism generating markets in the world for the distribution of news releases intended to build awareness of Jordan's tourism assets,

4. an in-country list of Jordan's travel trade ("In-Country Trade List") to be used for news releases and/or a periodic newsletter intended to promote cooperation with JTB and MOTA tourism programs and initiatives (off-season promotions, distribution of tourist traffic to new or underutilized areas, etc.) and

5. an in-country media list ("In-Country Media List") for the distribution of news releases intended to build public support for tourism as an instrument of economic development and to encourage Jordanians to travel within the country.

- The contractor will train JTB and/or MOTA staff in the development and distribution of communications through the above distribution system.

Reports/Products:

- The contractor shall prepare, within the first 30 days of the contract period, guidelines for a communications strategy for staff preparation and distribution of JTB/MOTA communications and news releases including release frequency recommendations by type and audience.

68

- The contractor shall prepare, within the first 30 days of the contract period, a master travel trade communications distribution list ("Trade List") including name of organization, key contact, mailing address, telephone number, fax number, and description of trade segment coverage.
- The contractor shall prepare, within the first 30 days of the contract period, a general media communications distribution list ("Consumer List") including key contact, mailing address, telephone number, fax number, and description of trade segment coverage.
- The contractor shall prepare, within the first 30 days of the contract period, a master travel trade communications distribution list ("In-Country Trade List") including name of organization, key contact, mailing address, telephone number, fax number, and description of trade segment coverage.
- The contractor shall prepare, within the first 30 days of the contract period, a general media communications distribution list ("In-Country Media List") including key contact, mailing address, telephone number, fax number, and description of trade segment coverage.
- The contractor shall prepare, within the first 30 days of the contract period, a staff training needs assessment report including a recommended program coordination training program and suggested schedule.
- The contractor shall develop, within the first 60 days of the contract period, a concept mock-up of a Tour Planning Guide including proposed written text, procurement criteria for services needed to produce the Guide (photography, illustration, graphic design, typesetting, printing, etc.) and shall identify potential vendors for such services.
- The contractor shall develop, within the first 60 days of the contract period, concept mock-ups of a series of rack brochures (approximately 4" x 8 1/4" format) promoting various themes and suggested routes, to be printed in Italian, English, German and French including proposed written text, procurement criteria for services needed to produce the brochures (photography, illustration, graphic design, typesetting, printing, language translation services, etc.) and shall identify potential vendors for such services.
- The contractor shall develop, within the first 60 days of the contract period, concept mock-ups of a series of travel promotion posters for distribution to selected travel agents in generating markets and for in-country use including proposed written text, procurement criteria for services needed to produce the posters (photography, illustration, graphic design, typesetting, printing, etc.) and shall identify potential vendors for such services.

69

- The contractor shall develop, within the first 60 days of the contract period, a concept for a video (approximately 54 minutes) promoting travel to Jordan including a proposed filming (video) schedule and scripts needed for video field work and draft script for sound track production.
- The contractor shall develop, within the first 105 days of the contract period, a final sound track script, in cooperation with video production company vendor, for approval by the JTB Organizational Development Consultant and the Secretary General.
- The contractor shall submit a final report no later than 30 days after the conclusion of the contract period including all reports described above as well as a section covering training evaluation and describing the training provided during the course of the contract, an evaluation of that training and recommendations of further training needs.

Minimum Experience Required

The contractor shall be a tourism promotion consultant with a minimum of ten years experience in marketing and public relations.

The consultant should possess excellent writing and communications skills and must be experienced in the following areas:

- working for/with national tourism organizations and the private sector;
- developing tourism-related print communications programs and materials including art direction;
- working knowledge of electronic media production;
- script writing and media production supervision;
- vendor contracting and contract supervision;
- staff development and training; and
- program scheduling and coordination.

70

ANNEX C

LIST OF CONTACTS

71

ANNEX C
LIST OF CONTACTS

Government of Jordan

Dr. Mohammad Adwan, Minister of Tourism and Antiquities
Dr. Ghassan R. Mufleh, Secretary General, Ministry of Tourism and Antiquities
Mr. Safwan R. Batayneh, Economic Advisor to the Prime Minister

USAID

W. Thomas Oliver, Director, USAID/Jordan
Donald Reese, Director, Program & Acting Deputy Director, USAID/Jordan
H. Peter Delp, Director, Trade, Investment & Production
Alonzo L. Fugham, Private Sector Officer, Trade, Investment & Production

Carl Dutto, Director, Water, Environment & Agribusiness
Charie Lenzen, Cultural Resources Specialist, Water, Environment & Agribusiness
Khalid A. Al Naif, Senior Consultant, Trade, Investment & Production
Michael Foster, Project Support & Monitoring

Private Sector

Khalil Talhouni, National Development & Supply Co. & Venture Capitalist
Tim Somerset Webb, President, Abercrombie & Kent Overseas Ltd.
James R. Berkeley, Managing Director, Abercrombie & Kent Egypt
Basil Jardaneh, Chairman of the Board, Royal Jordanian & Managing Director,
... Jordan Investment & Finance Bank

Rajai Kossous, Chief Economist, Investment Department,
... Jordan Investment & Finance Bank
Adnan M. Mufti, Chairman and General Manager,
... Jordan Express Tourist Transport Company
Munir Nassar, International Traders
Aref Abdel Rahman, Managing Director, Arab Falcon Travel & Tourism

Imad Malhas, Managing Director, Pan East Tours
Nihad Safieh, Blue Bell Tours
Chawki Ayoub, General Manager, Hotel Inter-Continental Jordan
Charles A. Barker, General Manager, Forte Grand Amman

J. Richard Lyon, General Manager, Amman Marriott Hotel
Faik Bisharat, Managing Director, Bisharat Tours Corporation
Abdulaziz Kabariti, Director, The Nabatean Hotels Co.
Ali Bilbeisi, Joint-Managing Director, Associated Services Agencies

Khalil A. Adwan, General Manager, Adwan Tours
Rashad Othman, Managing Director, Jordan Marketing Corporation
Osama Rashed Manna', Business Development Manager, Jordan Marketing Corporation
Ms. Michelle Hijazi, Sales executive, Hotel Inter-Continental

Non-Profits

Dr. Pierre M. Bikai, Director, American Center of Oriental Research (ACOR)

ANNEX D

PROPOSED WORK PLAN

**ANNEX D
PROPOSED WORK PLAN**

Proposed Work Plan for Thomas G. Lloyd

March 14, 1994 Draft

Monday, March 14

Develop draft work plan.

Review collected documents and secondary source materials on current tourism environment in Jordan and other Eastern Mediterranean countries.

Tuesday, March 15

Meet with Alonzo Fulgham, Trade, Investment & Production and Peter Delp, Trade, Investment & Production to discuss:

- project objectives,
- draft work plan,
- review current USAID views on tourism environment,
- organizations and individuals to be interviewed,
- interview with Susan Wood, candidate for USAID assignment,
- availability and qualifications of Dr. John Hunt and Kristin Hunt for potential USAID assignment, and
- pre-arrival discussions with U.S. travel trade and nine formal interviews with U.S. tour operators .

Collect project-relevant secondary source materials.

Courtesy calls on Director, USAID/Jordan and other Mission staff.

Meet with Donald Reese, Acting Deputy Director, USAID, H. Peter Delp, Trade, Investment & Production, Carl Dutto, Director, Water, Environment & Agribusiness

Meet with Dr. Cherie Lenzen, USAID, Water, Environment and Agribusiness

Wednesday, March 16

Meet with Alonzo Fulgham

Meet with Mr. Munir Nassar, International Traders

Meet with Mr. Aref Abdel Rahman, Arab Falcon Travel & Tourism

Meet with Mr. Nasri Atalla, former Secretary General, Ministry of Tourism

Meet with Mr. Imad Malhas, Pan East Tours

Meet with Mr. Nihad Safieh, Blue Bell Tours

Thursday, March 17

Meet with Mr. Chawki Ayoub, Inter-Continental Hotel

Mr. Faik Bisharat, Bishartat Tours Corporation

Meet with Mr. Charles A. barker, Forte Grand Hotel

Meet with Mr. Richard Lyon, Marriott Hotel

Continue comparative analysis

Friday, March 18

Open

Saturday, March 19

Begin analysis of historic travel patterns to Jordan, Syria, Israel, Egypt and Turkey.

Begin review of tourist resources in Jordan, Syria, Lebanon, Israel, Egypt and Turkey.

Meet with Mr. Abdulaziz Kabariti, The Nabatean Hotels Co. and Mr. Ali Bilbeisi, Associated Services Agencies

Continue comparative analysis

Sunday, March 20

Meet with Dr. Mohammad Adwan, Minister of Tourism and Antiquities.

Meet with Dr. Ghassan R. Mufleh, Secretary General, Ministry of Tourism.

Continue comparative analysis

76

Monday, March 21

Meet with Mr. Rashad Othman and Mr. Osama Rashed Manna', Jordan Marketing Corporation

Meet with Mr. Khalil A. Adwan, Adwan Tours and Mr. Richard Lyon, Marriott Hotel

Meet with Ms. Shaden Halazun, USAID

Continue comparative analysis

Tuesday, March 22

Meet with Mr. Khalil Talhouni, National Development & Supply Co.

Meeting with Ministry of Tourism and Antiquities to discuss:

- GOJ current and planned promotions,
- GOJ current and planned tourism development,
- GOJ's current capacity to deal with rapid changes in market demand levels,
- The tourism private sector's capacity to deal with rapid changes in market demand levels,
- GOJ policies and regulations which potentially limit or constrain Jordan tour development, multi-country tour development, cross-border tourist flows, new market entrants in air service and tour operation, international investment, etc
- GOJ's current policies on further tourism development at Aqaba and the Dead Sea, potential changes in current development policy under increased demand pressures,
- Capacity limitations at Petra, Jerash, the Desert Castles, etc. and acceptable strategies for maintaining visitor levels within each site's carrying capacity,
- Possible strategies for maintaining price stability under excess demand conditions.

Meeting with Department of Antiquities to discuss capacity limitations at key historic tourist sites currently, estimates of carrying capacity of each key site (if available), possible

development strategies for expanding current capacity, and potential threat to antiquities from high visitor traffic levels.

Continue analysis of travel patterns, hotel capacity, hotel occupancy rates, tourist resources, market trends, etc. for selected countries in the region.

Wednesday, March 23

Prepare, in consultation with USAID, a position description for a Marketing Coordinator for earned media.

Begin preparing a draft situation analysis on the tourism environment in Jordan and other selected Eastern Mediterranean countries.

Thursday, March 24

Finalize draft situation analysis on the tourism environment in Jordan and other selected Eastern Mediterranean countries and submit to Alonzo Fulgham for distribution to key USAID staff.

Brief selected USAID staff on findings up to this point.

Friday, March 25

Open

Saturday, March 26

Continue situation analysis on the tourism environment in Jordan and other selected Eastern Mediterranean countries.

Sunday, March 27

Open

Monday, March 28

Open

Tuesday, March 29

Open

Wednesday, March 30

Open

Thursday, March 31

Open

Friday, April 1

Open

Saturday, April 2

Meet with key USAID staff to develop possible futures scenarios based on assumptions about evolving political conditions and likely tourism market responses to such changes.

Meet with MOTA and selected USAID staff to develop three alternative futures scenarios based on assumptions about evolving political conditions and likely tourism market responses to such changes.

Sunday, April 3 Begin preparing draft strategy report (assessment of possible near-term market conditions and economic implications for Jordan and the Middle East).

Monday, April 4 Continue preparing draft strategy report (resource analysis of selected Eastern Mediterranean countries, Jordan's comparative advantages, market opportunities - independent and partnership).

Tuesday, April 5 Continue preparing draft strategy report (analysis of possible in-country implications of various levels of increased international arrivals).

Wednesday, April 6 Continue preparing draft strategy report (analysis of possible in-country implications of various levels of increased international arrivals).

Thursday, April 7 Continue preparing draft strategy report (assessment of existing GOJ promotion, development and regulatory policies).

Friday, April 8 Open

Saturday, April 9 Continue preparing draft strategy report (recommendations for policy options for dealing with alternative future tourism market conditions).

Sunday, April 10 Finalize draft strategy report and submit to Alonzo Fulgham for distribution to USAID and MOTA.

Prepare debriefing remarks.

Monday, April 11 Formal debriefing of USAID and MOTA.

Tuesday, April 12 Revise draft report.

Wednesday, April 13 Revise draft report.

Thursday, April 14 Finalize draft strategy report.

Friday, April 15

Open

Saturday, April 16

Prepare a "highlights" report on the projects key findings and submit to Alonzo Fulgham.

Sunday, April 17

Depart for USA 12:25 am