

# Aqaba Tourism Marketing Company

A Model For Destination Marketing  
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**aqaba**  
RED SEA | WADI RUM · PETRA

[www.aqaba.jo](http://www.aqaba.jo)





# Situation Analysis

- Except for few charter operations, Aqaba currently is an add-on program at the end of a classical Jordan trip. Accordingly, the average stay will remain low.
- There is a lack of a private sector base in Aqaba capable of initiating more programs and more nights in Aqaba. Those present are mostly inactive in terms of promotion.
- Currently, Royal Jordanian is the only scheduled carrier servicing Aqaba. If a region is to be established as a destination it needs regular flights from key source markets.
- There are 3,000 hotel rooms coming to the market in the next few years; and they are mostly in the 5 and 4 stars categories.



## Situation Analysis (cont'd)

- No distinctive branding for Aqaba resulting the risk of loosing potential competitive edge and turning into another “low-end” Red Sea destination.
- No information within the international trade circles regarding current situation and future developments in Aqaba.
- Except for diving, there is no special interest programs to Aqaba, such as the profitable incentive travel and conferences markets.



## As a Result

- Occupancy rates will be too low and investors would not be interested in Aqaba as a destination.
- Aqaba will not be visible and thus real-estate sales and prices will drop or at least not pick up fast after the current financial crises.
- All commercial facilities in the City will suffer from lack of revenues and thus there will be no demand on commercial rentals.



# The Answer

A public-private sector partnership to market Aqaba destination in the international marketplace; and to provide strategic guidelines to the industry.





# Background

- Partners in Aqaba Development December 2008.
- Technical committee proposal in March 2009.
- Contributions by private sector and mega projects were cut by half.
- Final model was agreed by CEOs of the mega projects and hotels in Dec 2009.
- Founding Committee was established in January 2011.
- Still pending the approval of the boards and signature of the shareholding agreement.



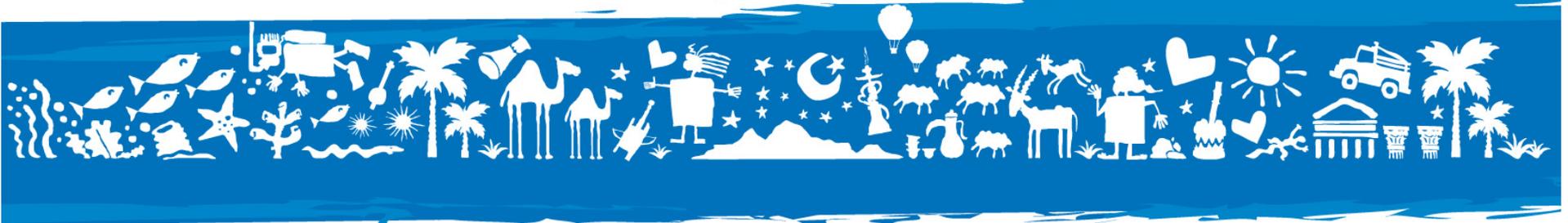
# Structure of the Proposed Model

- ASEZA/ADC and the Private Sector will enter into a five year agreement to market Aqaba
- A **private shareholding company** will be established to execute the agreement
- **Capital** will be around JD 1.5 million, payable year 1
- Around JD 17.5 m in firm commitments will be paid throughout years 1-5 in the form of revenue through **Service Agreements**
- Net profit should remain null as a result of expenditures (admin expenses and marketing programs)



# Financial Contributions per Shareholder

Partners	Capital Investment (Year 1)	Service Agreement (Year 1)	Total (Year 1)	Service Agreement (Year 2)	Service Agreement (Year 3)	Service Agreement (Year 4)	Service Agreement (Year 5)
ASEZA / ADC	500,000	1,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Category A1 Partners, Premier	200,000	125,000	325,000	422,500	464,750	511,225	562,347
Category A2 Partners, Platinum	140,000	87,500	227,500	295,750	325,325	357,857	393,642
Category A3 Partners, Gold	48,000	30,000	78,000	101,400	111,540	122,694	134,963
Category B1 Partners	24,000	15,000	39,000	50,700	55,750	61,325	67,457
Category B2 Partners	10,000	5,000	15,000	19,500	21,450	23,595	25,955
Category C1 Partners	4,000	2,500	6,500	8,450	9,295	10,224	11,246
Category C2 Partners	1,000	300	1,300	1,690	1,895	2,085	2,293





# Governance

- General Assembly
- Performance Assessment Higher Committee
- Board of Directors
- Committees
- Paid Staff & Outsourced Services



# Organization Structure

