



منتدى الاستراتيجيات الأردني
JORDAN STRATEGY FORUM

Tourism Sector

Jordan's Economic Vision Roadmap



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The Jordan Strategy Forum (JSF) is a not-for-profit organization, which represents a group of Jordanian private sector companies that are active in corporate and social responsibility (CSR) and in promoting Jordan's economic growth. JSF's members are active private sector institutions, who demonstrate a genuine will to be part of a dialogue on economic and social issues that concern Jordanian citizens. The Jordan Strategy Forum promotes a strong Jordanian private sector that is profitable, employs Jordanians, pays taxes and supports comprehensive economic growth in Jordan.

The JSF also offers a rare opportunity and space for the private sector to have evidence-based debate with the public sector and decision-makers with the aim to increase awareness, strengthening the future of the Jordanian economy and applying best practices.

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-  @JSFJordan
-  /JordanStrategyForumJSF
-  Jordan Strategy Forum

Amman, Jordan
 T: +962 6 566 6476
 F: +962 6 566 6376

This is an expert opinion report based on discussions and focus group meetings held by the Jordan Strategy Forum (JSF). The overall objective of this effort is to analyze different sectors (14) of the Jordanian economy and their respective challenges, and come-up with practical solutions and initiatives to enhance their competitiveness. Throughout this exercise, the JSF facilitated the focus group meetings, and supported the work-stream managers with any needed research and logistics.

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Work Stream Manager:

1. Ms. Lina Al Khaled

Work Stream Members (In Alphabetical Order):

2. Ms. Dima Anani
3. Mr. Essam Fakherldin
4. Mr. Fadi Sayess
5. Dr. Fawzi Hammouri
6. Ms. Maysa'a Shahateet
7. Mr. Nadim Mouasher
8. Dr. Ramzi Tabbalat
9. Ms. Rana Naber
10. Ms. Rudaina Haddad
11. Ms. Tania Sawabini
12. Mr. Yazan Khudairi

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1. Introduction

Tourism is Jordan's Oil - this is how tourism sector importance for Jordan's economy is described. Accounting for some 12%-15% of Jordan's annual GDP over the past 5 years and acting as Jordan's largest private sector employer, accounting for over 50 thousand in direct employment and over 150 thousand in indirect employment, tourism in Jordan has yet to reach its potential.

Traditionally, the Jordanian tourism sector has been serving the US and west European markets through inbound tourism programs covering Jordan's rich historical and archaeological scenes. Over the years, the sector continued to evolve following international trends, with different new segments emerging such as - faith-based tourism, culture and art, adventure and eco-tourism, Meetings, Incentives, Conferences and Events, among others, with the Asian, African and east European segments slowly increasing in arrivals. Meanwhile the Arab market appreciated Jordan's medical services mostly, as well as mild summer weather, and regional conferences. Domestic tourism has not been Jordan's strongest asset, but recent effects of the COVID-19 pandemic forced Jordanians to take bigger interest in exploring their own country, albeit complaining of service levels and high rates.

Jordan's top markets in arrivals are divided into approximately 70% Arab market (over 60% of which is comprised of Jordanians residing abroad who come yearly to visit family and friends), while the other 30% is led by Europe, followed by the Americas with Asia and Africa lagging behind. Visiting Jordanians account for 35%-40% of tourism expenditures, while Gulf nationals, other Arabs and other foreigners spend almost equally. Increased government support to European low-cost flights in the past 4-5 years aimed at enhancing access for European markets, though the relevant financial return of such support mechanism is not very clear yet and may need to be revised for better results, while possible expansion to other regions should be assessed. Results of 2021 show that recovery in number of arrivals as well as revenue was mainly achieved through visiting Jordanians and Arabs and just 13% came from other foreign countries.

The business scene is comprised in majority of MSMEs, including tour operators and travel agencies, souvenir producers and retail shops, restaurants, accommodation establishments, rent-a-car agencies, free-lance tour guides and community-based entrepreneurs and social enterprises. Tourism bus transport is operated through 8 large companies, and a good number of international hotel chains is distributed among the top tourism locations (Amman, Dead Sea, Petra and Aqaba). A number of big scale tourism projects recently emerged in Amman and Aqaba bringing on-board numerous luxury hotels. The Royal Jordanian Airlines is the national carrier offering connections to many

prime destinations but suffering from increasing yearly debt. A few smaller Jordanian airlines offer connections to regional destinations with reduced rates and charter operations, but also suffering from bureaucracy and no government support.

Tourism is a lucrative though volatile sector for investment due to Jordan's regional positioning, with a high concentration in the four top tourism locations. Incentives to attract tourism investments have been offered in different ranges, and local authorities have been engaged in planning and attracting foreign and local investors to their areas. However, there are numerous complaints of the quality of services offered to investors and the lengthy bureaucratic procedures that are required to set a project and beyond. Furthermore, access to finance for tourism investors is quite difficult due to the sector high-risk categorization by the banks, with higher interest rates and short pay back periods.

Quality tourism education and training needs to be urgently addressed, which is essential to ensure higher quality of services across all tourism establishments to help maintain Jordan's image as a top tourism and investment destination.

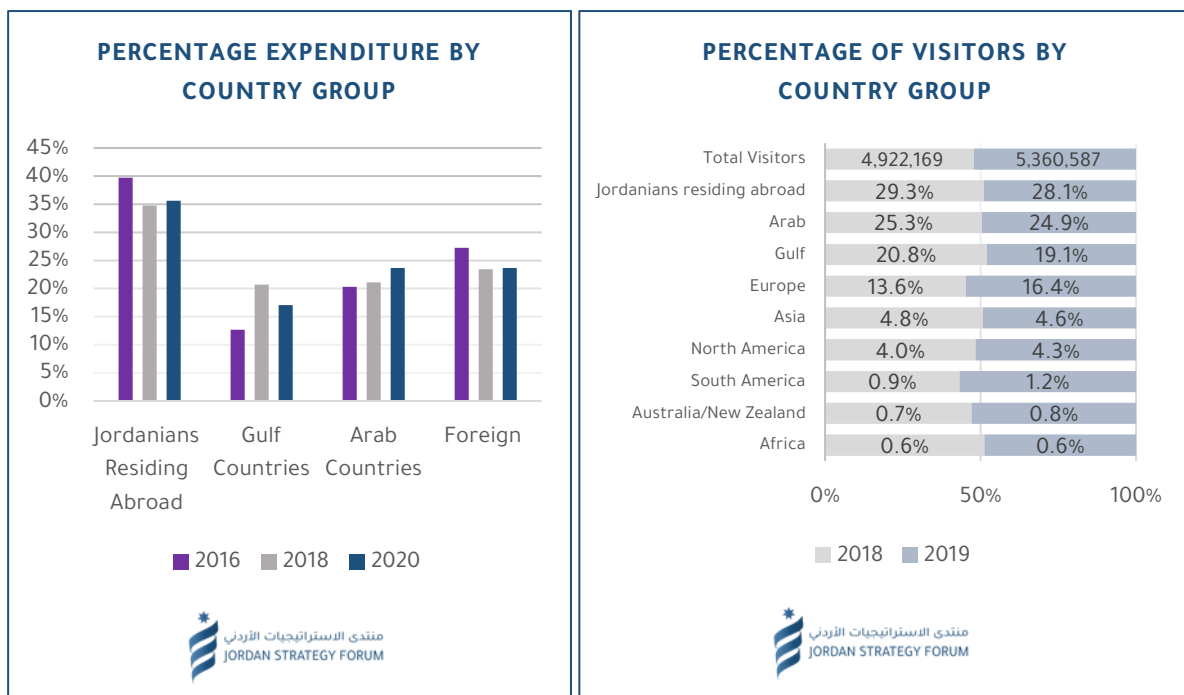
Meanwhile Ministry of Tourism and Antiquities role should be strengthened to act and perform as a prime economic ministry with adequate human and financial resources to ensure that investment in tourism remains a lucrative and attractive business.

2. Performance of the sector in the past 5 years & COVID-19

impact

Tourism is an important contributor to Jordan's economy and is prioritized by the government as a key sector for economic growth. The total contribution (direct, indirect, and induced) of tourism to Jordan's GDP was 15.8 percent of GDP in 2018 (equivalent to US\$7.2 billion), far greater than other countries in the region, and close to triple the average share of tourism across the Middle East and North Africa, which was 5.3 percent in 2019.¹ Although visitor arrivals have dropped significantly following the Arab Spring (over 8 million visitors received in 2010), numbers kept slowly recovering, and the year 2019 had proved to be the best year since, with overnight visitors reaching 4,488,407, up from 3,567,195 in 2016, according to Jordan's Ministry of Tourism and Antiquities (MoTA).

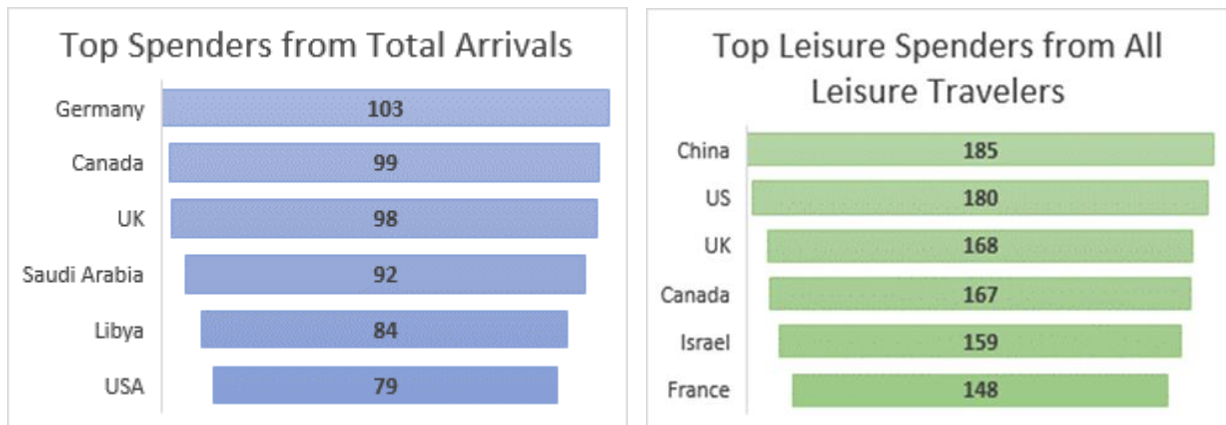
If we look at expenditure patterns in particular, we will notice that biggest expenditure is incurred by visiting Jordanians (35%-40%), while Gulf nationals and other Arabs, and other foreigners (US, EU, Asians, and non-Arab Africans) spend almost equally at around 20% per group, with some differences in some years which corresponds to percentage of visitors by country groups as shown below:



The above implies that arrivals from the 6 GCC countries are relatively high spenders with Saudi leading the group. If we look at daily spend per nationality published in the Jordan International Visitor Survey of 2016-2017, we notice that some countries show lower arrival

¹ "Country Private Sector Diagnostic – Creating Markets in Jordan". IFC. Volume II: Sector Assessments. P. 2.

numbers, but their economic impact is much greater per person than others, such as the US and Western Europe. This suggests that a strategy of attracting higher spenders will ultimately yield higher revenues. The 2 diagrams below show the spend per day of top visitors (who may not be arriving for tourism purposes), as well as daily spend for top visitors coming for leisure purposes:



These numbers should be updated through a new survey taking into account new routes operated by the Low-Cost Carriers (LCC). Understanding these numbers and the motives behind their visits will help address the constant debate on which markets should Jordan put a stronger marketing focus on - which clearly indicates that increasing numbers from higher spending markets will increase spend; thus, encouraging variety of airlines (low cost and regular) to access Jordan directly from Western Europe, China, US and Russia through various incentives (not subsidies) is key, with a fair distribution to all. While Eastern European markets have been actively targeted in the past five years through collaborative marketing with Ryan Air and direct subsidies, the economic effect of such investment (i.e., expenditure per nationality, tourism segment among other indicators, and not just number of arrivals) should be carefully assessed to determine the real economic impact of this investment. Bearing in mind that increased LCC linkage nearly killed the charter operations, which are important for tour operators to maintain. While the more stable markets of the GCC and other Arab countries remain a strong backbone for Jordan's tourism - (though different in nature than the foreign tourism and is less supportive to local communities), encouraging additional low-cost airlines in particular from those markets will ensure they remain and grow while also offering better connections for the growing Asian markets (using innovative and targeted promotion programs can ensure bigger interest in a variety of tourism segments from these markets). The new QAIA airport is a major investment and a top facility with multiple leading regional awards that deserves to be supported through increased traffic.

Investment opportunities in Jordan are presented and managed through a number of entities that offer a range of incentives slightly differing but generally focusing on Tax and customs incentives/exemptions, land and ownership benefits, access to markets (for industries), repatriation of capital, foreign labor, favorable land lease / rent rates. The 2016 investment law initially offered incentives only to hotels and recreational parks. In 2017 a prime ministerial decree offered additional incentives to restaurants in Amman and governorates (excluding ASEZ, Petra, and the centers of large cities) to attract investments to the governorates. Incentives include (a) total customs exemptions, (b) reduction in income tax from 20 percent to 5 percent for 10 years, and (c) reduction in sales tax from 16 percent to 7 percent. This benefit applies to restaurants, hotels, convention centers, and recreational parks.²

The Travel & Tourism Competitiveness Index report of 2019 assessed the investment climate in Jordan through a number of enabling criteria in terms of readiness and



effectiveness, and Jordan's scores (and rankings) were unfortunately poor.³

Government investment in the tourism sector totaled JD613.9m (\$866m) in 2016, or 8.8% of total country-wide investment, and it was predicted to increase by 5.2% in 2017 and by 6.1% per annum until 2027.⁴ A clear Tourism Investment strategy in general is required, to direct both public and private sectors, that offers a better understanding of the sector needs and in line with the newly launched Jordan Tourism Strategy 2021-2025, addressing existing and future product gaps and needs. Coordination between ASEZA, PDTRA, MOTA and other entities tasked with investment promotion is important to ensure benefits are spread and diverse. Focus on public private partnerships will allow government to better leverage its resources and will ensure that private sector quality eye oversees quality implementation. Financial climate and support to MSMEs is also a major factor that is currently hindering tourism investment, in addition to bureaucratic processes. Despite the apparent big number of new 5-star and some 4-star hotels, the average occupancy levels

² "Country Private Sector Diagnostic - Creating Markets in Jordan". IFC. Volume II: Sector Assessments. P. 32.

³ [Tourism Sector in Jordan \(1\).pdf \(jsf.org\)](https://www.jsf.org/jordan-tourism-sector-in-jordan-1.pdf)

⁴ <https://oxfordbusinessgroup.com/overview/return-growth-new-attractions-and-international-connections-encourage-visitors-and-foreign>

remain just around 50% and less, which requires better planning to fill these rooms and make these investments worthwhile. Meanwhile 3-star and 2-star hotels have suffered even from lower occupancy rates, which calls for stronger support measures to encourage these businesses upgrade and enhance their services to provide the domestic market and the potential lower budget market from Europe and other regions with alternative and more affordable accommodation, yet with high quality service. In parallel, stronger marketing campaigns to reach potential customers are of utmost importance. Further investment in accommodation should be focused on smaller local boutique, eco-friendly, family-run or corporate, properties with a diverse geographic coverage, focusing on the North and the South.

Supporting investment in the medical sector through reduced operational cost, innovation and use of top modern medical equipment will help grow this crucial sector. Over a decade ago, medical tourism revenues in Jordan exceeded US\$1 billion, with more than 250,000 patients seeking treatment in the country⁵. Repositioning and further development of medical tourism should address growing competition and respond to the growing regional and global demand by a wide range of ages and travelers in near and far source markets, while also generating employment within and beyond traditional tourism supply chains.

From a labor perspective, the tourism labor market in Jordan is distributed across the country with a higher concentration in Amman 77%, Aqaba 10%, Dead Sea 7% and Petra 3% according to 2019 data from MOTA. Accommodation establishments and tourism restaurants equally employ 39% of workforce each, while travel agencies employ - 9%, tourist transport - 8%, guides - 2% and 3% for others (tourism shops, horse guides, diving centers, water sports and glass boats). Government and the informal sectors play an important role in tourism labor, but there are no published numbers in this regard. Similar to other sectors, tourism has lost qualified labor that is migrating for work especially to GCC countries, resulting in substitution with less qualified foreign labor with lower wages, thus affecting the quality and authenticity of the Jordanian offering. Other labor challenges include low level of qualifications (some 60% of tourism workforce are secondary graduates and below); Insufficient number of specialized graduates; big gaps in graduate language, digital, technical, and soft skills, suggesting the need to urgently revise, modernize and enhance current educational programs; poor sector perception by employees - long working hours, inadequate pay, little career prospects perceived by potential employees and little investment in career advancing training by employers. For an expensive destination, Jordan needs to maintain a high-level quality of service to justify the price.

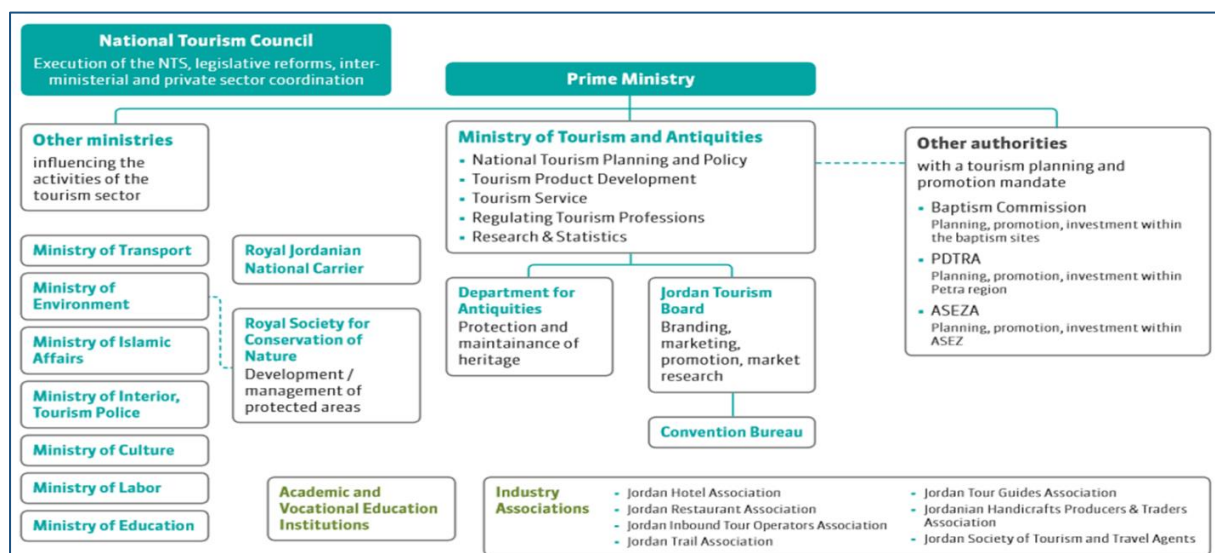
⁵ "Country Private Sector Diagnostic - Creating Markets in Jordan". IFC. Volume II: Sector Assessments. P. 19.

The COVID-19 pandemic has affected some 25% of direct tourism sector employees and has put a general halt on tourism's rapid development, with 2020 performance dropping by as much as 75% from 2019, according to MOTA. Many businesses have shut down through 2020 and 2021 and it is unclear yet how many may have recovered, if at all. To keep sector afloat government issued financial support schemes through the Social Security Corporation covering part of the employee salaries and worked in partnership with private sector through the government-subsidized domestic tourism program "Urdon Janneh" and the follow on "Transit Tourism" program which required those traveling to Saudi and other gulf countries to quarantine in Jordan for 2 weeks. With room occupancy rates on average at 40% in good times, during the pandemic this number has gone to less than 15%, so any kind of support was most welcome. At the same time the pandemic forced the sector to accelerate its digitization process and forced many companies to rethink their operations. As tourists slowly return to Jordan it is important that the sector at large continues to strictly conform with the new operational procedures issued by MOTA in 2020 to maintain travelers trust in the destination and allow slow return.

The Jordan Strategy Forum published a report in March 2021 titled "Jordan's Tourism Sector Post COVID-19 - Road map for Recovery" which described in detail the COVID effect on the sector and set some recommendations moving forward. Understanding new trends in consumer behavior, easing up business conditions, increasing competitiveness and investing in training and upskilling will all be essential to support sector recovery and ensure the quality of work remains at its best.

3. Stakeholders' Mapping for the Sector: Linkages & Overlaps

Tourism in itself is a large sector with a number of sub sectors that form its core. The regulatory framework of the Jordanian tourism sector includes six sub sectors, that are regulated under the provisions of the Tourism Law No. 20 for the year 1988 and its amendments and ensuing regulations. These include hotels, restaurants, travel agents and tour operators, tour guides, handicraft producers and sellers, tour guides and tourism transport companies. As such these sub-sectors have their own regulations, and mandatory associations that support MOTA in managing the sector. MOTA is also responsible for Jordan's extensive cultural and archaeological heritage which is being managed, preserved, and conserved through its Department of Antiquities arm. Furthermore, the Government of Jordan has set regional authorities in Aqaba (ASEZA), Petra (PDTRA) and the Jordan Valley and Araba Valley which are responsible for managing these areas including their tourism components. This results in certain overlaps and sometime confusions for private sector in regard to who is responsible for what. The graph below illustrates the tourism sector entities and linkages existing today⁶:



However, Tourism also affects and is affected by other entities and economic sectors that either support or hinder its operations. The working tourism group has identified nine such sectors:

⁶ GIZ Jordan - MSME Project. "Jordan Tourism Sector Analysis and Strategy for Sectoral Improvement". Maysaa Shahateet, Kai Partlae. May 2019.

Cross Sector Overlaps and Conflicts
Transportation and Logistics
ICT and Professional Business Services
Energy
Education
Financial Services
Creative Industries
Cross Sector Interlinkages and Synergies
Transportation and Logistics
ICT & Professional Business Services
Urban Development
Education
Trade and Online Services
Water and Environment

4. SWOT Analysis

The table below presents the results of the SWOT analysis compiled by the tourism working group against 7 primary criteria including: structural elements, infrastructure, marketing, legal/regulatory, services, HR and financial. The result of this SWOT is consistent with work done under the Jordan Tourism Strategy 2021-2025, which was just launched by MOTA, and the Sector Diagnostic report most recently launched by the World Bank. It becomes evident that the top priority for government is to update and simplify the existing legal structure to help innovation, competitiveness, conformity with new trends and restore confidence in the sector as a career of choice. It is also imperative that public apparatus responsible for managing and guiding the sector should itself be upgraded and trained to lead and support the private sector efficiently rather than hold it back.

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Diverse tourism product, ideal climate, political stability, safety, and security. Excellent geographical location, rich history, and culture. 2. There are laws regulating tourism in general (apart from the adventure sector). 3. Strong marketing scheme by government with focus on Low-Cost Carriers (LCC) and continuous promotional efforts by public and private sector through participation in local, regional, and international conferences and exhibitions to enhance Jordan's tourism position as a medical, cultural and MICE destination. 4. A good base of local employees with increasing engagement of women, youth and local communities in tourism and medical sectors (particularly experienced inbound tour operators, hoteliers, chefs and highly trained Doctors, HCPs and Medical Engineers). 5. Known for its Hospitality and generally good service level, with emphasis on advanced medical services at affordable cost. 	<ol style="list-style-type: none"> 1. Absence of reliable data and statistics to make evidence-based and informed decisions and lack of a sector database or information center (medical, hospitality, etc.). 2. Overregulated sector with conflicting laws and regulations between tourism and other entities, resulting in weak law enforcement and complex procedures on all levels. 3. High operating costs of medical and hospitality establishments and lack of support funds for tourism entities and NGOs result in uncompetitive service regionally 4. Insufficient funding of market research and marketing efforts in general, results in weak penetration efforts locally and internationally. 5. High turn-over results in shortage of qualified and skilled labor and difficulty in attracting new quality employees to the sector. 6. Limited experience in tourism sites other than visit itself, in addition to poor public hygiene due to lack of standards in public facilities/venues.

6. High-capacity modern airport and well-established road's network and accessibility to heritage sites.	7. Inadequate infrastructure limits development of new tourism products/projects/ destinations, resulting in limited room capacity outside Amman (e.g., Petra).
Opportunities	Threats
<ol style="list-style-type: none"> 1. Leveraging Jordan's position as a safe, secure and stable destination in the region to enhance its position and competitiveness among neighboring countries. 2. Simplifying existing laws and regulations and eliminating regulatory conflicts between different entities will encourage youth integration and innovation in the sector and will help salvage existing investments. 3. Wider exemptions and incentives for new and existing businesses, in addition to setting support programs for youth and innovative/strategic projects, will facilitate investment growth across the kingdom and encourage self-employment. 4. Strengthening research capabilities and sharing intel with sector will help Jordan's marketing efforts to become data driven, focused and shall create a steadier flow to minimize seasonality. 5. Introducing seasonal employment and setting specialized training academies that offer certifications to all tourism related personnel, and supporting their tourism career advancement, will help retain sector employees. 6. Digitization and promoting all possible services, activities, experiences and attractions, medical and wellness programs, locally and internationally, will help enhance the Tourist/Patient Journey, encourage domestic tourism, and support the overall Tourism and Healthcare sector. 	<ol style="list-style-type: none"> 1. The rise of regional competition with similar tourism products (such as Saudi, Turkey, Egypt, Cyprus, Gulf) aggravated by lack of public awareness on the economic importance of tourism. 2. Ease of doing business and attractive investment incentives/climate in neighboring and regional countries will lead to losing investors to them. 3. Closing of many businesses and Inability to attract new local and international investments as a result of generally low return on investment in the sector due to poor strategic planning and implementation. 4. Dispersity of local branding and strong marketing campaigns with considerable budgets among competitors in the region can minimize the effects of Jordan's branding and marketing efforts. 5. Growing tourism economies in the region (such as KSA and UAE) will result in further leakage of qualified Jordanian personnel leaving the sector with low quality substitutes without adequate training. 6. Failing to meet travelers' expectations regarding quality of service (this includes essential services at most sites and locations, food, toilets, safety, etc.), and Insufficient local infrastructure for Individual travelers (FITs) that are the main segment using low-cost carriers, as well as hard to find online information on fees, rates, tourism services in archaeological and natural sites, will ruin

<p>7. Redistribution of budgets among ministries and donor projects that affect tourism on different levels will allow completion of crucial infrastructural projects in a coordinated manner and without duplication and waste of resources.</p>	<p>Jordan's reputation and shy tourists away from Jordan.</p> <p>7. Poor transportation network between cities and sites and poor facility management at most tourism sites.</p>
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5. Strategic Objectives:

As a result of the above SWOT analysis the below top 6 objectives were identified:

Strategic Objectives
1. Upgrade key tourism sites/products/destinations and areas surrounding them to provide highest level of services/activities (Focus areas for a start: Petra site and adjacent city area, Faith themed sites with Baptism Site at its core, and Amman as a prime MICE hub)
2. Simplify regulations related to tourism operations to enhance Jordan's tourism product and offering
3. Minimize the skills and qualifications gap within the sector through provision of high-quality tourism, hospitality and entertainment education and training programs
4. Bring down operational costs of tourism and medical establishments (ex. by accelerating access to sustainable energy and encourage green economy processes, reduced taxation, etc.)
5. Expedite Tourism Sector Digitization with focus on both Public and Private sectors
6. Develop a better and more reliable tourism transport network to and within Jordan , that allows better connectivity, is tourist and environment friendly.

6. Initiatives (projects)

The below initiatives support the priority objectives identified by the working group. There are many other initiatives of course that the sector needs, however the tourism group focus was on immediate needs that can make a real difference in the immediate future and that are measurable in the long run. The implementation of these initiatives in some cases will require a short-term engagement (1-2 years), in other cases a mid-term engagement (3-5) and some a long-term engagement (5-10 year), however most of them require an early start to make a difference.

Initiative 1

Strategic Objective:

2. Simplify regulations related to tourism operations to enhance Jordan's tourism product and offering
3. Minimize the skills and qualifications gap within the sector through provision of high-quality tourism, hospitality and entertainment education and training programs

Initiative Name:

Improve the tourism business environment in Jordan to regain investor confidence

Target: Short Term to Mid Term

Short Description:

This initiative calls for reforming the business climate in Jordan's tourism sector through enhancing public policies and the enabling environment by addressing regulatory constraints, bureaucratic processes, eliminating gaps that hinder tourism operations in the different subsectors and throughout the tourism customer journey (i.e. from the moment of making a decision to travel to Jordan, through the booking and arrival journey, the experiences on the ground and dealing with the different stakeholders, to returning safely back home). There are discussions of a possible reform in some legislative areas - namely the companies licensing process - however the current initiative calls for a holistic revision of the legal structure that directly or indirectly affects doing tourism business in Jordan, with the aim of enhancing both private sector trust in the business and investment climate in Jordan, as well as that of travelers, who get a sense of trust in the system, safety and responsibility when traveling to and within Jordan. There are many legislations that can have an impact on businesses in the tourism industry that are not in principle tourism related, such as:

- Land use and urban planning
- Health and food safety
- Hygiene and cleanliness of the premises and employees

<ul style="list-style-type: none"> - Regulations for seasonal labor - Environment - Types and classifications of establishments - Infrastructure requirements <p>Legislations usually affect all citizens and businesses. Depending on the type of legislation, it can have a direct effect (by its binding nature) or indirect (with the recommendations or legislative trends that it marks).</p>
<p>Expected Outcome:</p> <ul style="list-style-type: none"> - Improved business tourism shares in GNP and GDP - Reduced unemployment rate - Enhanced destination competitiveness - Ensured Protection of travelers/consumers rights
<p>Partners - Ministry of Tourism and Antiquities primarily +</p> <p>Due to the fact that the future initiative involves different areas in the country, it is believed that all ministries have a role to contribute to the future of the industry. Furthermore, tourism associations also have a role to contribute but some reforms need to be made within the associations to assist shaping the future of the industry. It is also advisable to create a single point of contact in form of consortium or chamber of tourism to take the future role further.</p>

Initiative 2

Strategic Objective:

1. Upgrade key tourism sites/products/destinations and areas surrounding them to provide highest level of services/activities

Initiative Name:

Amman Convention Center

Target: Mid to Long Term

Short Description:

This initiative calls for Investment in a top-class high-capacity Convention Center in Amman. This initiative supports the new Jordan Tourism Strategy 2021-2025 target of increased MICE tourism to Jordan (Meetings, Incentives, Conferences and Events) in the mid-term. MICE tourism is one of the most lucrative niche tourism products and many neighboring destinations have managed to position themselves as regional MICE hubs which helped them increase tourism numbers and receipts. Jordan offers good quality but low-capacity facility in the Dead Sea, and one is soon foreseen in Aqaba, but none of them are useable for example by pharma conferences due to their seaside location (compliance/ anticorruption regulations by the international pharmaceuticals association FCPA (USA) & ABAC (UK)). Unfortunately, Amman the capital, and a prime tourism location with majority of population and biggest number of 5 star hotels, lacks a high-capacity state of the art convention center, which restricts the efforts of the Jordan Convention Bureau (established under the Jordan Tourism Board in 2017) and results in loss of lucrative business opportunities by private sector. Such a facility presents a major milestone for Amman's investment scene and can help address the constant low occupancy in Amman's hotels.

Expected Outcome:

- Amman becomes a MICE hub in the Levant region with increased tourism revenues, increased job opportunities, prolonged length of stay and higher occupancy rate in hotels of all categories through an increased number of tourists.

Partners - Ministry of Tourism and Antiquities, Ministry of Investment, Greater Amman Municipality (GAM), Ministry of Finance, Ministry of Planning and International Cooperation.

Initiative 3

Strategic Objective:

2. Simplify regulations related to tourism operations to enhance Jordan's tourism product and offering.
4. Bring down operational costs of tourism and medical establishments (ex. by accelerating access to sustainable energy and encourage green economy processes, reduced taxation, etc.)

Initiative Name: "Enhance, Upgrade & Support Medical Tourism Services in Jordan to Increase Number of Medical Tourist Patients and Strengthen Sector Competitiveness - Encourage Foreign and Local Investment in the Medical Tourism Sector"

Target: Short to Mid Term

Short Description: This initiative calls for a holistic approach to solve prime areas hindering Jordan's positioning as a top medical tourism destination and ensure that no further losses are incurred and allow Jordan to restore its image as a truly outstanding medical destination in the region. This initiative also fulfills Jordan Tourism Strategy 2021-2025 top priority goal of developing Medical Tourism. The Private Hospitals Association (PHA) has identified the primary challenges that are negatively affecting private health sector workflow including lack of trained competent staff, high cost of the rapidly developing medical equipment, high cost of operation and maintenance and the inability to further invest by existing entities due to the very high level of taxation, visa restrictions to top nationalities seeking medical services in Jordan, many of which are now lost to competitors including Turkey, Tunisia, India, Egypt and Germany. To overcome these challenges the PHA is calling for specific steps that will help in this process including:

- 1- Amend and approve the Private Hospitals Regulation No. (54), compensating for the shortage of trained competencies of nurses in private hospitals and allowing private hospitals to increase the proportion of foreign nurses (the quota for which could be reduced when a good pool of qualified employees is readily available).
- 2- Create education incentives for female nurses in particular and other top required medical specializations in general to lessen the gap in qualified and skilled personnel.
- 3- Financial support to the sector through funding opportunities and reduction of taxes and government fees related to sales tax on equipment, medical supplies, income tax and other operational expenses to enable private hospitals to re-invest and upgrade their operations.
- 4- Revise the process required for obtaining visa for "restricted nationalities" that are considered top medical customers for Jordan, and potentially for other nationalities.
- 5- Introduce and encourage quality certification schemes for medical personnel.

Expected Outcome:

- Raised ability of private hospitals to keep pace with the rapid development of medical technology by encouraging investments in the sector, thus resulting in better quality of services and higher ability to perform all kind of treatments, operations, and diagnostics.
- Increased number of patients coming for treatment to Jordan as an important destination for medical tourism, and stronger trust in the system by locals.
- Integrated marketing plan for all medical tourism hospitals led by facilitated visa procedures for medical tourists in cooperation with tourism sector service providers.
- Better employment opportunities for qualified trained personnel in the medical field, especially women, and increased contribution to GDP.

Partners - Prime Ministry and Cabinet, Ministry of Health, Ministry of Legal Affairs, Ministry of Investment, Ministry of Labor, Ministry of Finance, Ministry of Health, Civil Service Bureau, Nurses and Midwives Association, Ministry of Interior

Initiative 4

Strategic Objective:

1. Upgrade key tourism sites and areas surrounding them to provide highest level of services/activities (2 Priority Focus areas: Petra site and adjacent city area, Faith themed route with Baptism Site at its core and Amman as a MICE hub)

Initiative Name:

Develop and introduce a new private sector led model to revamp tourism experiences and services at key archaeological/heritage sites.

Target: Short Term to Mid Term

Short Description:

This initiative calls for a serious and well-structured private sector engagement in managing services and experiences in and around heritage sites. Heritage/cultural tourism is the key driver for Jordan's tourism, with iconic sites of universal value such as Petra, Jerash, Baptism Site and Amman Citadel/Amphitheatre at the forefront, with many other. The tourism offerings on those sites are generally weak. The visitor services, utilities and amenities are not up to standard. Tourism experiences and activities are very limited on and around these sites. This does not only lead to less than satisfactory visitor experience, but also limits the potential of increased spending and lengthened stays. Private sector role is in management and delivery of tourism services and experiences on site through PPP transactions that may take any of the following forms:

- Outsourcing site development and management in its entirety through a long-term Management Contract.
- Outsourcing visitor services and experiences to the private sector, while sites upgrades are done by Government.

This effort can be achieved through:

- Creation of a lucrative, responsible, and sustainable PPP model
- Assessment of legal environment
- Site-specific studies where the model will be applied
- Depending on the model, site-specific physical upgrades might be needed from Government prior to private sector engagement
- Create a functional government body for PPP management, with high caliber employees.

Expected Outcome:

- Enhanced site presentation and visitor experience.
- Expanded visit and expenditure through high quality tourism activities and tailored experiences.
- Enhanced access to information and interpretation.
- Enhanced image and visitor impression.

- Better marketing and outreach.

Partners - Authorities that are responsible of heritage sites, including: Ministry of Tourism and Antiquities, Department of Antiquities, Petra Development and Tourism Regional Authority, Aqaba Special Economic Zone Authority, The Baptism Site Commission, as well as Ministry of Finance and Jordan Investment Commission

Initiative 5

Strategic Objective:

5. Expedite Tourism Sector Digitization with focus on both Public and Private sectors

Initiative Name:

National Tourism Portal - Develop a national B2B information portal for tourism sector with high quality research and statistical databases

Target: Short to Long Term and needs to start immediately

Short Description:

This initiative calls for Investment in a national tourism portal that links data information, tourism trends, market information, educational programs, scholarships and funding opportunities, employer and employee information, job seekers and providers, accreditation, and certification programs - all in one location and accessible to all and continuously updated by the various relevant parties. It should also be used to collect continuous data surveying Jordan's international visitors to better understand their interests, spending patterns and trends. The latter will streamline the efforts of Department of Statistics in performing entry and exit visitor surveys and will allow to use digital algorithms to reach visitors online and get updated results in a quicker way.

Expected Outcome:

- Enable proper planning and crisis management due to a better understanding of tourism trends, sector shortages and gaps, better understanding of our main feeder markets including their interests, age, average spending, length of stay, main markets, identifying actual tourists (rather than any visitors that check-in at hotels as the current count is done).
- Easily accessible tourism information and programs related to education, career benefits, advancement programs, employment opportunities, funding programs and grants.
- Tourism alert and communication platform - a single place where any tourism alert information or special communication is posted by the authorized personnel by-passing the bureaucratic and long process of government correspondence to communicate with the sector.
- Potentially connected to e-government and allows for a one stop shop e-licensing and investment planning and processing.

Partners - Ministry of Tourism and Antiquities, Jordan Tourism Board, Department of Statistics, Central Bank, Ministry of Planning and Cooperation, Ministry of Higher Education, National Sector Skills Council for Tourism & Hospitality, Vocational Training Organization, Tourism Associations, Tourism Educational Establishments, TVSDC.

Initiative 6

Strategic Objective:

3. Minimize the skills and qualifications gap within the sector through provision of high-quality tourism, hospitality and entertainment education and training programs

Initiative Name:

Create Tourism Education Certification and Accreditation programs for public and private sector employees in the tourism sector

Target: Short to Long Term but needs to start immediately

Short Description:

This initiative calls for the establishment of an accreditation program for the tourism sector through short term courses with certifications for public and private sector employees, to help fill the gap between the education sector and actual market needs in tourism. There is already a fair base for hospitality education (hotels and restaurants) in Jordan on VTC level and higher, however there is a huge gap in other sectors such as adventure tourism, tour operators' business, product development, tourism marketing, tourism management, IT for tourism, English for tourism, site management, sustainable management for destinations, trails maintenance, hospitality for local communities, digital marketing for small businesses in tourism, leadership, among others. The idea of this initiative is to create a series of different certification level short courses that can be taken by existing employees and/or migrating employees to the sector, in order to create entry level programs as well as career development programs which can be taken separately or combined to enhance the level of knowledge and skills in the sector and help minimize the existing gaps.

Expected Outcome:

- Bigger pool of qualified tourism employees in both sectors that are able to progress, innovate and support sector development, thus providing more qualified employees that fit sector needs.
- A high-level education base that will require less effort from the private sector in creating on the job training programs, and thus allowing more efficient employment. This base will also encourage employees from other sectors to look upon tourism as a career of choice.
- More opportunities for career progression in non-hospitality sectors through a variety of vertical and horizontal progression plans.

Partners - Ministry of Tourism and Antiquities, Jordan Tourism Board, Ministry of Planning and Cooperation, Ministry of Higher Education, National Sector Skills Council

for Tourism & Hospitality, Vocational Training Organization, Tourism Associations, Tourism Educational Establishments, TVSDC.

Initiative 7

Strategic Objective:

3. Minimize the skills and qualifications gap within the sector through provision of high-quality tourism, hospitality and entertainment education and training programs

Initiative Name:

Create Private Public Partnership for Tourism Vocational Training Centers

Target: Short to Long Term

Short Description:

This initiative calls for the engagement of private sector entities (primarily hotels and restaurants, since VTC curriculum focuses mainly on hospitality) in offering technical and financial support to tourism VTCs through introduction of private sector days, internships, supporting revision of curriculum to cover existing gaps in current graduates, benefit from supply of necessary equipment to VTCs that help high level training of students, consider VTCs for their CSR programs to create learning environments that are top class and closest to their future employment locations, support TOT programs for VTC faculty, English language practice, among other.

Expected Outcome:

- Enhanced quality of education and reduced skills gap from VTC graduates.
- Increased private sector savings for on-the-job training programs as well as induction period for these graduates
- Better opportunities for graduates due to better qualifications.

Partners - Ministry of Tourism and Antiquities, Ministry of Planning and Cooperation, Ministry of Higher Education, National Sector Skills Council for Tourism & Hospitality, Vocational Training Organization, Tourism Associations, Tourism Educational Establishments, TVSDC.

Initiative 8

Strategic Objective:

6. Develop a better and more reliable tourism transport network to and within Jordan that allows better connectivity, is tourist and environment friendly.

Initiative Name:

Remove accessibility barriers for all airlines willing to fly to Jordan by making operational cost more competitive

Target: Short Term

Short Description:

This initiative calls for revising the marketing scheme currently offered for airlines flying into Jordan and expanding offers made to Low-Cost Carriers to include international regular carriers as well, by reducing departure tax and introducing more fixed schemes among other. Jordan is critically positioned on the cross routes of major continents and has historically played a major role in linking various destinations. Its own tourism industry has also been highly dependent on this connectivity and strategically everyone agrees that better air access to Jordan will help boost the tourism economy. Furthermore, with the recent upgrade and regional awards received by the 2 primary international airports - QAIA in Amman and the KHA in Aqaba, Jordan will need to ensure that this investment remains viable. However, Jordan's departure tax scheme is among the highest in the region and any incentives today are only given to low-cost carriers. By revising this scheme and introducing a smaller departure tax in general, and by being selective on which destinations to reduce it for even more, or waive it completely, we can then better target those destinations we want to encourage. This could be through low cost or regular airlines, and it should go in line with the national marketing strategy to help attract markets that are strategic to Jordan. In 2019, 50% of additional traffic came through Ryan Air, which has a specific marketing scheme that allows offering lower rates and therefore gain more traffic (Ryan Air brought in 350,000 passengers in first 8 months of operation). In order to avoid offering different schemes to different airlines, unifying the approach will help in the longer run bring more traffic and therefore more return. The result is higher revenues in all spheres of the economy, and not the least to government. So, this initiative calls for a revision of the currently offered marketing scheme to be less subsidy oriented, but more cost reduction oriented, through reduction or removal of departure tax as one of the prime options. It is also crucial to mention that local airlines should receive at minimum a similar support from government or even higher to ensure their competitiveness. Royal Jordanian Airlines should remain a strong interface of Jordan's tourism and travel segments and should be supported in all possible ways.

Expected Outcome:

- Higher connectivity of Jordan to many destinations that represent strategic feeder markets for Jordan's tourism industry and therefore better positioning for Jordan
- Reduced air fare rates which will increase traffic through Jordan inbound and outbound and will result in bigger revenues for government and return on capital investment of the 2 airports
- Positioning Jordan as a central hub and increase its use as a cargo destination, resulting in increased commercial and financial benefit to shipping and storage sectors

Partners - Ministry of Transport, Ministry of Finance, Ministry of Tourism and Antiquities, Civil Aviation Regulatory Commission, Central Bank, Ministry of Planning and Cooperation, QAIA, AQJ, ADJ.

Initiative 9

Strategic Objective:

5. Expedite Tourism Sector Digitization with focus on Public and Private sectors

Initiative Name:

Introduce a digital online ticket reservation and booking system for all heritage sites including tourism and archaeological sites, museums, art exhibitions and venues that are owned by government

Target: Short term

Short Description:

This initiative calls for Investment in a digital system that links all tourism sites, museums and events locations managed by MOTA (or even other government institutions as a second stage) into one electronic system, with online reservation and payment features. Such a system will foremost help organize the tourist flow into any given location through introduction of visiting time slots. Such a system can create many benefits for both government and the private sector. For government - It will enable government to do quicker analysis of upcoming tourist flows and thus be prepared for any possible emergencies; It will ease and quicken analysis of past visitations and patterns for decision making purposes and will support the monthly statistical reports that can easily be generated through the system avoiding human errors and be shared with the industry; It will also ensure that no illegal actions are taken such as possible entrances without payments. From a private sector perspective - this will be an easier option for tour operators so they don't need to send money with the tour guide to pay for a group; the system should also include an incentive scheme for tour operators that will include free entrances for every number of tourists booked to a site (sites with lower visitations can have bigger incentives to promote visitation). From a traveler perspective - since the trends now are including more self-guided tours and arrangements and since we are encouraging low cost and other carriers, such an online system will help travelers book their visit online without hassle and again without overcrowding the sites. On the other hand, this system will in assessing the feasibility of the Jordan pass in its current format and make it more flexible in terms of which sites should be promoted more than others in the Jordan pass combination. Last but not least, this system could be a PPP opportunity where government would rely on the private sector know-how in its operations.

Expected Outcome:

- Better understanding of the booking trends, nationalities, and better management of traffic when higher tourism numbers return

- More sustainable management of sites and entities with high demand and the potential to better distribute load in high seasons and for less visited sites
- Support the Jordan Pass digital passport through a mobile QR code or other system, to better understand Jordan Pass usage and needs to enhance, and influence JTB and private sector promotional efforts
- Easier connection with the national statistics system/portal
- Will allow tour operators, schools and other entities book in advance and pay online without the need to carry big amounts of money
- Will ensure a smoother and low risk flow of tourists and visitors on high demand days.
- Will support new PPP models

Partners - Ministry of Tourism and Antiquities, Jordan Tourism Board, Ministry of IT, Department of Statistics, Central Bank, Tourism Associations, PDTRA, ASEZA, Baptism Site Commission, other.

Initiative 10

Strategic Objective:

1. Upgrade key tourism sites/products/destinations and areas surrounding them to provide highest level of services/activities

Initiative Name:

Proclaim The Jordan Trail as a National Product that is Managed and Financed through a Public-Private Partnership

Target: Short to Long Term but needs to start immediately

Short Description:

This initiative calls for announcing the Jordan Trail as a national product, that is supported and nurtured by government and is managed and developed by the private sector, through the already existing Jordan Trail Association. The Jordan Trail has become an iconic product of Jordan as a Sustainable tourism flagship product, similar to the nature reserves that are managed by the RSCN, with multiple international awards and recognition, and great benefit to local communities. The Jordan Trail Association has been supported by some donor organizations throughout its fabulous journey since 2017, however being responsible for such a magnificent and large product that crosses 54 villages from North to South, makes it voluntary non-profit nature very difficult to sustain, and thanks to COVID the association's survival is at a serious risk. The small amounts received as membership fees are in no way enough to sustain the incredible work done to date. Furthermore, the current trail has the potential to grow and diversify into sub-trails linking the Jordan Trail with the nature reserves for example or diversify into new areas. Therefore, it is important that a budget is allocated from government for the trail development and maintenance, and to support the association in maintaining its current efforts and support future development to encourage sustainable family businesses to be set and nurtured along the trail. Next phase of trail development should also include sustainability certifications and standards that are promoted to suppliers and service providers as well as users.

Expected Outcome:

- Strong flagship product for Jordan as a sustainable adventure destination that will maintain Jordan's positioning in this segment.
- Create employment through new investment opportunities in micro and small businesses along the trail for diverse local communities and Jordanians at large and support existing ones.
- Create a stable organization that will continue overseeing trail maintenance, future development, capacity building of potential businesses, follow on sustainable and environmentally friendly practices along the trail, and keep promoting it along with JTB and private sector.

- Increased number of visitors and length of stay in Jordan with authentic local experiences.

Partners - Ministry of Tourism and Antiquities, Jordan Tourism Board, ASEZA, PDTRA, JVA, Araba Valley Authority, Ministry of Planning and Cooperation, Ministry of Finance, Ministry of Investment, local communities, Tourism VTCs

Initiative 11

Strategic Objective:

1. Upgrade key tourism sites/products/destinations and areas surrounding them to provide highest level of services/activities

Initiative Name:

Adopt National Sustainability Management Criteria and Certification Scheme for Destinations and Stakeholders through cooperation with International Certification Schemes

Target: Short to Long Term

Short Description:

This initiative calls for adoption of a national tourism sustainability scheme (part voluntary, part mandatory), which can grow into a local certification, or can rely on a shortlist of preferred existing voluntary certification schemes. Sustainability requirements are becoming a major element in tourism development, as well as growing demand of responsible consumers. In a country like Jordan with very little resources, sustainability practices should be the norm, not a trend. Such a scheme will require clear management systems, legal compliances, adopting various KPIs (energy, water, paper use, sustainable suppliers, etc.). As legal and regulatory revisions are made for other areas in the sector, the sustainability elements should be agreed at this stage and reflected. These should apply to tourism destinations within Jordan from operational and maintenance perspectives, but also through the tourism value and supply chains. 3rd party audits (through TOT courses for local auditors) should be a key component of such development, to consult government and private sector on best practices and approaches.

Expected Outcome:

- Financial benefits through reduced waste and through more business from responsible travelers
- Positive image to the country and a guarantee that tourism will remain resilient and competitive
- Preserved environment and natural resources for future generations

Partners - Ministry of Tourism and Antiquities, Ministry of Environment, Jordan Tourism Board, ASEZA, PDTRA, JVA, Araba Valley Authority, Ministry of Planning and Cooperation, Ministry of Finance, Ministry of Investment, Ministry of IT Tourism Associations, private sector at large.

7. General Recommendations

Cultural tourism has been Jordan's bread and butter for many decades. Although it is well established in general, it still deserves more attention through **allowing private sector engagement** in managing many elements of the cultural/historic tourism experience. Government's role should remain focused on the sites preservation and conservation and working closely with the private sector to revive the sites to their historical glory through various innovative digital and physical experiences, local community engagement and re-enactments.

However, going forward cultural tourism alone will not suffice. The greatest opportunities for Jordan are in further developing three segments: **adventure, faith-based, and medical tourism**. This recommendation comes from the recent sector diagnostic report issued by IFC, based on "analysis of demand trends, Jordan's tourism resources and assets, and the need to spread tourism more widely across the country for greater economic and social benefit. Jordan needs to undertake targeted and focused product improvement and development with an emphasis on improved quality and on price and value so it can achieve high-impact breakthroughs" the report concluded.⁷ These segments are also priority segments in the Jordan Tourism Strategy 2021-2025. This does not mean ignoring all other segments, but rather prioritizing efforts for several years until the time is right for focus on other segments.

Jordan is already well positioned in the **adventure market**, being in the top 20 list of the Adventure Tourism Development Index of 2018, however it is severely unregulated and requires urgent regulatory ground and human technical expertise to ensure that this positioning grows higher. Furthermore, the Jordan Trail should become a nationally supported and nurtured product that will help Jordan maintain its positioning as a top sustainable hiking and trekking destination, while benefiting and supporting the local communities around it through jobs and new opportunities.

On **the medical side**, Jordan's regional position as a leader in the field is declining. It needs to retrieve that glory through enhanced regulatory and taxation environment, through a strong collaboration between public and private sectors, which will help restore national and regional patients' confidence, and will encourage further investment and technical

⁷ "Country Private Sector Diagnostic – Creating Markets in Jordan". IFC. Volume II: Sector Assessments. P. 13.

upgrading of the sector. It also needs to reposition itself as a medical destination not only on the Arab arena, but in other countries as well. To do this Jordan needs to focus on a select number of niche medical segments that would truly differentiate it in European and possibly Asian markets and pursue wide ranging international insurance agreements to reach a wider audience.

From a **faith perspective**, the Baptism Site should become an iconic site like Petra, that serves as a nucleus for any biblical trails and programs. The site in itself requires significant improvement, expanded offering and quality experiences to attract more visitors. This is also true for other biblical and Islamic sites that have the propensity to attract more visitors, through better experiences and routes between sites, in addition to strong branding, technical capacity of tour operators and tour guides to offer such experiences. The increased network of low-cost carriers seems like a favorable support to this niche market.

The recently announced **Tourism Fund** could be used as an investment (grants) fund, in addition to an emergency fund to help support private sector recovery and encourage further sustainable and quality development.

While it is advisable to focus on a few high potential niche products in the short term as mentioned above, there are however **common segment needs that require immediate government attention and investment** - sustainable transport and connectivity to cultural, adventure, religious and other locations, and enhanced accessibility and digital connectivity for all kind of tourists to all primary and select secondary locations, while encouraging and incentivizing sustainable practices for private sector - all are key elements that need to be immediately addressed to support the sector recovery and further development.

Last but not least, **public sector employees' capacity, as well as that of private sector**, are top catalysts for tourism sector success. No strategies or development plans will be useful or efficient if no serious effort is made to reform tourism education and upgrade the technical knowledge and ability to respond to the everchanging international trends - quickly and efficiently - among both sectors. Tourism technical capacity and skills should become priority recruitment requirement for public sector employees, to ensure that qualified people are managing this vital sector, and that quality service becomes a key value in the service delivery process.



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