



JORDAN: GROWTH AND OPPORTUNITY

**L O N D O N 2 0 1 9**

**الأردن: نمو وفرص**

## **Growth Sectors: Tourism**

Conference session 14.30 February 28 2019

## **Growth sectors: Tourism**

Accounting for nearly 10 per cent of global GDP, the tourism sector is an economic powerhouse that can improve the lives of millions. In recent years, demonstrating Jordan's resilience to external shocks, tourism has become one of the key drivers of economic growth and is becoming one of the largest employers in Jordan: tourism accounted for over 20 per cent of Jordan's GDP in 2017, supporting 7.3 per cent of Jordan's total registered employment, and is forecast to reach 22.3 per cent of GDP in 2027, creating significant additional employment.

Jordan's fast-growing tourism sector involves many promising niches and high-potential investment opportunities. Jordan features some of the world's most unique and iconic cultural and natural assets such as: Petra - one of the seven wonders of the world and one of the five UNESCO World Heritage Sites that Jordan hosts; the Dead Sea - the lowest point on earth known for its wellness qualities; the Baptism and other numerous ancient sites; Wadi Rum desert where Hollywood movies such as "The Martian" and "Star Wars" were filmed; the award-winning Jordan Trail spanning the length of the country and many other unique sites including an array of developing eco- and adventure-tourism, turning the country into a rich destination with a wide range of tourist attractions. Furthermore, Jordan's rich variety of numerous medieval mosques and churches and 34 religious sites add to the Kingdom's attractiveness as a popular faith based tourism destination.

Jordan is recognised globally for its unique variety not only of locations but its appeal to a wide range of luxury, adventure, wellness/health and eco- travellers and its yearlong season. It is often listed as one of the best destinations to visit by numerous world-renowned travel and tourism publications such as the National Geographic Traveller Magazine's 2018 list of the 21 must-see destinations, which included the Jordan Trail, and the Lonely Planet's Top 10 countries to visit in 2019.

In addition to the traditional/classical travel market, Jordan has many specific niche tourism products that have been developed to meet the needs of the growing diverse traveller. Jordan is considered to be one of the Middle East's most preeminent health tourism destinations with further growth likely to materialise in the upcoming years as a result of various government initiatives and a marketing focus on key health tourism feeder markets. This has led to increased health tourism numbers from Yemen, Sudan, Saudi Arabia and other Gulf Cooperation Council (GCC) countries. According to the Medical Tourism Index 2017, medical tourism (one component of the Health Tourism offering) alone attracts at least 250,000 patients to Jordan per year, generating 40 per cent of the country's overall tourism revenues. Jordan provides the complete package for Health tourism, offering a highly skilled, multi-language-speaking workforce, related infrastructure such as luxury hotels, ancillary services such as the Dead Sea and Ma'an Springs wellness centres, as well as the modified visa service provided by the Government of Jordan (GoJ) to facilitate fast and easy entry to the country.

Jordan is continuously claiming a greater share of the Meetings, Incentives, Conferencing, Exhibitions (MICE) field, due to the increasing number of 5-star hotels and world-class facilities such as the King Hussein Conference Centre at the Dead Sea. Additionally, Jordan is already host to the World Economic Forum and major international industry conferences. The investment pipeline for this sector has been prioritised based on their projected contribution to the expansion and improvement of tourists' sites, infrastructure, and medical facilities in Jordan. See Annex 1 for a list of prioritised projects.

## **The Investment Environment: Implemented Reforms**

In recent years the Jordan Tourism Board (JTB), has worked hard to change the perception of Jordan to potential travellers from all over the world. The shift or change in perception of Jordan and its tourism sector has not only helped increase the number of tourists that visit Jordan each year but has positioned Jordan as one of the “must visit” destinations to regional and international travellers. Most importantly this perception change has increased investor interest in various tourism related sectors.

The JTB considers “User Generated Content” as one of its most important tools in its marketing arsenal. This content which is created by travellers has not only helped market Jordan’s well known destinations but has also helped highlight the existence and importance of various meaningful sustainable community driven activities, which provide travellers with a truly authentic Jordanian experience. Such experiences have been highlighted in the “Meaningful Travel Map of Jordan”. Meaningful experiences allow local community engagement and provide vital revenue outside of traditional workforce roles. This content helps showcase that Jordan is a safe place for travel, which is always on the minds of travellers when considering a new and unique destination.

The GoJ is committed to increasing real numbers of tourists as well as investment in the sector through accessibility. A critical step in this was waiving visa fees for all non-restricted nationalities coming through Jordanian tour operators whether traveling individually or in groups. The visa fee is waived on the condition that the traveller spends a minimum of two consecutive nights in Jordan. Additionally, In January 2019, a streamlined medical tourism classification was approved by the Cabinet. Moreover, the GoJ has invested in the Jordan Pass, a single point entry for a combined visa and access to historical sites.

Aside from visas and passes, transportation from Europe to Jordan has also been made more accessible by attracting low cost carriers such as Ryanair, EasyJet, and Norwegian Airlines to fly to both Amman and Aqaba. The JTB has also signed various agreements with charter companies such as Peagus, Coral, and TUI to increase visitor numbers to Aqaba throughout the year from the Russia market.

In recognising the potential of tourism to the economy, the GoJ are increasing their global reach, for example by setting up an office in China for JTB Board to promote tourism in the Asian markets.

## **The Investment Environment: Planned Reforms**

GoJ are planning additional policy measures to improve the investment climate and are supporting the development of the sector from the human capital perspective, to further build the capacity of its human resources, building a pipeline of service providers capable of attracting the global market, the JTB is currently in the process of further developing its existing academy for both local and international tour guides. Such an academy would help improve the calibre of services. A development program like this would help diversify the type of experiences such guides could offer to visitors from around the world. This would in turn help tour guides to be able to offer endless number of tourism packages to meet the ever-changing needs of the more destination-aware traveller. On a more holistic note, the GoJ has established the Sector Skills Organisation, which is an employer-led body that promotes skills development in the sector, through to the Hospitality Training institutes in the country’s main cities.

Regarding medical tourism specifically, in 2019, GoJ is committed to establishing the Jordan Medical Tourism Council with an action plan to position Jordan as a competitively priced hub for medical

tourism. Additionally, GoJ plans to further the accreditation of hospitals: of 116 hospitals, only 26 are accredited by Healthcare Accreditation Council and 8 have Joint Commission International Accreditation.

## **Opportunities**

There are also an increasing number of opportunities for the private sector to engage directly in Jordan, for example, the Jordan Development Zone is developing the cable car project in Ajloun and the Dead Sea cornice and is acting as a “business enabler” by promoting USD 300 million of investments for the private sector including hotels, chalets, retail shops and restaurants. Additional projects, such as Aqaba’s High Lake Resort to be built on 650,000 m<sup>2</sup> of land north of Aqaba’s coast with an expected cost of USD 687 million and the Sports City Camps in Aqaba offering a multi venue sports complex with an expected cost of USD 286 million are currently being developed.

Other forthcoming investment opportunities include the cable car (Teleferik) in Wadi Rum, which will provide passengers with the opportunity to experience the natural beauty of the region from a birds eye view. Such a project will not only help create jobs for the local community but also provide visitors with a unique experience. There is also the need for additional resorts and spas in the Debeen region of Jordan, which would increase the number of visitors seeking wellness or holistic authentic Jordanian tourism products, which are not only eco-friendly but also sustainable and help local communities.

It is also important for Jordan to highlight the untapped potential of the Dead Sea region. Spas and resorts could diversify their packages to ensure that they are not only in line with international standards but have also been customised to highlight the uniqueness of the destination as a whole. The region offers many investment opportunities as it is still lacking services, which are essential to today’s travellers, such as malls, restaurants, waterparks, and night life activities.

Alongside opportunities in the sector itself, there are ancillary services required to service Jordan’s tourists, transport for example. In recent years, the need for a train from Amman to Aqaba has become almost essential. This mode of transport would not only help tourists in their commute from the capital to our Red Sea port but also provide them with a unique travel experience. Tourists could engage in various activities along the way which would not only increase their length of stay but also help create opportunities for communities on the route.