
CHAPTER - 5

TOURISM IN JORDANIAN ECONOMY

5.1 An Overview of Jordanian Economy

Economic performance does play significant role in the development of tourism. Economic growth has a close relation with the progress of tourism. A broad infrastructural base supportive of productive activities are always needed in the growth and development of tourism. The development of tourism in any given location requires that several key elements come together to produce the right conditions. These may be summarised under three headings: (a) resources and attraction; (b) infrastructure; and (c) investment labour and promotion.

Tourism is a resource industry, dependent for its basic appeal upon nature's endowment and society's heritage. The natural appeal of a locality may rest upon one or more of its physical attributes: the climate, land forms, landscapes, flora or fauna; whilst socio-cultural heritage may draw tourists seeing to enjoy centres of learning or entertainment, to visit places of interest or historic significance or to view buildings or ruins of buildings. In addition to the natural and social endowments of an area, the industry will typically seek to develop the resources and attractions base to tourism through the construction of specific, often artificial, tourist attractions.

Tourism development requires infrastructure, primarily in the form of accommodation, transportation services and public utilities. Transportation developments need to take account of the needs for external linkages (ports, airports, international rail terminals, etc.) to allow tourists to gain access to their destinations, as well as that allows for circulation within the destination areas (local roads, vehicle hire services, etc.). Accommodation developments may reflect particular market segments at which the destination is being targeted (e.g. luxury hotels for discerning international travellers). Accommodation developments also require cheaper or flexible forms of accommodation viz. apartment blocks, villa development, time shares or caravan and camping sites.

For development of tourism area, sources of capital investment, labour and appropriate structures for marketing and promoting the destination are needed. Infrastructural developments and the formation of artificial attractions require investment, and the operation of the industry at the destination requires pools of labour with appropriate training and experience. In most development contexts, such needs are met by combinations of private and public investment, with governments typically playing a greater role in the promoting of destinations, in infrastructural improvements involving transport and public utilities, and in some cases in employment training.¹

However, the above aspects of tourism development are not possible without sustainable economic development and attainment of higher levels of self-sufficiency in the production of goods and services. A strong economic base supports the establishment of tourist destination and helps in promoting the tourism activity. Recently, the Jordanian economy enjoyed positive traits demonstrable in the socio-political environment of the economy with a relating high degree of stability, based on the moderation of domestic policies and the establishment of pluralism and democracy. The negative side of the Jordanian economy is represented by the relative scarcity of natural resources, especially water (Map: 5.00) and energy, the relatively small size of the population and the high percentage of population growth and subsidization. This situation reduces the productive base resulting limited job opportunities along with low productivity of the working individual. It also causes a low-income level and a small investment market. Hence a short and brief appraisal of economic performance of Jordan would not be out of context here.

Jordan started its development drive during early 1950s. Jordanians socio-economic drive, from the beginning, did face variety of challenges and constraints. Foremost among these are its limited natural resources and the adverse impact of Zionist aggression by

1. Stephen Williams, *Tourism Geography*, (London, 1998), pp.86-89.

occupation of Palestine in 1948 and thereafter. The forced emigration of Palestinians in 1948 created problems with respect to emergency relief, and the provisions of employment opportunities and socio-economic services. However, despite these challenges Jordan succeeded in setting up of productive base and basic infrastructure. Institutional and administrative framework for development was upgraded. Private sector was encouraged to participate in financing and implementing large-scale projects.²

During sixties Jordan's economy started showing recovery. Jordan to give definite direction to the economy adopted planning policies and introduced a five year plan for the economic and social development aimed at reducing the deficit in the trade balance and the dependence on foreign assistance, increasing GDP by 7% annually and lowering the level of unemployment. At a time when economic indicators pointed to a realization of these targets, the 1967 war disturbed the economic programmes and created new social and economic problems. The occupation of the West Bank in 1967 (Map 2.33) deprived Jordan of an important part of its natural and economic resources, adversely affecting its development and diverting resources to military expenditure and armament.

The seventies highlighted the ability of Jordan's economy to respond to change manifested in a capacity to absorb investments and realize high economic growth rates. The real annual growth rate of GDP grew and this was principally brought about an enormous rise in remittances by Jordanians working abroad, an increase in Arab official aid and an increase in domestic exports, especially to other Arab countries.

During eighties the Jordan economy suffered on account of new economic and political developments and changes in neighbouring Arab countries. The level of economic performance went down and switched to sluggish growth. On economic front recession in the world

2. Ministry of Planning, Hashemite Kingdom of Jordan, *Five Year Plan for Economic and Social Development*, 1986-1990, pp.2-3.

oil markets influenced the economy of Jordan. Political events, viz. Iranian Revolution, the Iraq-Iran War, Soviet intervention in Afghanistan and Seizure of Grand Mosque, all have far reaching implications on Jordanian economy. The performance of economic sectors was varied and generally marked by a slower pace.

The beginning of the 1990s witnessed political and economic developments at both the regional and international levels that affected the economic and social situation in Jordan. On the international level the demise of cold war and the disintegration of the socialist camp, new economic order, globalization and free market economy accompanied by the increased number of the multinational companies, flow of international investments and capital movement impeded the desired economic growth and performance.

On the regional level first Gulf war considerably deported the Jordanian workers from the Gulf countries, resulted the adverse impact on the economy. The crisis disrupted the economic programmes and created new social and economic problems, declined exports and Arab financial aid freeze. In addition, negative impact of the crisis cut across the sectors of tourism, transport and transit trade. In order to avoid the negative implications of these developments and to address the structural imbalances in the national economy Jordan adopted remedial measures and launched an amended economic adjustment programme for the period 1992-1998. The effort made helped in allocating to a large degree the impact of the crisis on the various economic indicators in the 1990s. Jordan pursued its endeavours to reduce unemployment rates and contain inflationary pressures by keeping them with moderate limits. During this period Jordanian economy made steady progress at moderate pace.

However, the severe drought of 1999 worsened the adverse effects of Jordan's macro economic performance. Economic activity was also affected by the state of uncertainty that accompanied the illness and eventual death of the late His Majesty King *Hussein*. The assumption of constitutional powers by His Majesty King *Abdullah-II*,

who gave the economy his highest priority, was clearly effective in containing and overcoming these unfavourable circumstances.

The overall economic performance during 2000-2002 periods improved despite the continued unfavourable regional conditions i.e. The *Al-Aqsa Intifada* (uprising) and events of 11 September 2001. Jordan witnessed high growth rates, putting behind its several years of lacklustre and relatively uneven growth. The adverse impact of these events has been mitigated somewhat by a reform process, opening the economy further through the elimination of trade barriers and increasing productivity growth. The result has been the remarkable performance marked by rapid growth, record exports and low inflation.

The US military campaign against Iraq in March 2003 caused hardship for the Kingdom and GDP growth rate at constant 1994 prices fell by 3.2 percent. The economic consequences of Iraq war were immediate. Regionally, tourist trade plummeted and threatened to seriously derail the country's nascent economic recovery. However, government managed to cope with regional and international developments. The outcome was achieved through implementing a set of policies aimed at stimulating growth and ameliorating the adverse effects of regional instability and the global economic slowdown.

In 2004 the desired growth was achieved and GDP reached 7.7%. Jordan made steady progress and continued on the path of real growth despite the uncertainty that overshadowed the region on account of the general political developments. Government efforts paid dividends and Jordan's macroeconomic performance adjusted with the newly emerging realities. And overall budget deficit maintained its previous year's level of 7.4 percent of GDP.

In 2005, the Jordanian economy successfully achieved a high growth rate in the real GDP exceeding the population growth, reaching 7.2 per cent as compared to 7.7 per cent in 2004. GDP at current market prices, increased by 1.6 per cent above its 2004 level to reach JD 1292 (US \$ 1705). At constant prices it grew by 1.3 per cent against 1.2 per cent in the previous year. The positive economic

performance in 2005 reflects the ability of the Jordanian economy to adapt unfavourable shocks and to overcome their negative impacts.

An overview of Jordanian economy explains that it has passed through various phases and recorded steady progress. It may be mentioned that Jordan's tourism showed little progress but it has the enough resources to utilize in favour of tourism development Jordan's natural endowments are the biggest asset for growth and development of tourism. Jordan's productive base combined with natural endowments may make Jordan an important tourist destination in the world. However, Jordan requires a coherent tourism development policy and planning strategy to achieve this goal.

5.2 Tourism in the National Economy

Tourism has increasingly come to be seen by government and private sector alike as a major source of economic and regional development. As *Lord Parry (1988)* observed, "Tourism is no longer seen as incidental development but as a fundamental economic resource"³. As tourism emerges from the shadows of economic policy to a centre-stage position, it has become imperative to evaluate its role in economic development. Much of the attention on the economic dimensions of tourism has concentrated on the contribution of tourism to the balance of payments and its potential to reduce levels of overseas debt. The balance of payments measures focuses on direct tourist expenditure. However, because of the broad nature of the tourism industry some of the potential economic contributions of tourism to the national economy may be understated. In order to overcome this problem, *Baretji (1982)* recommended the use of a broader concept of 'tourisms' external accounts (Chart: 5.00)." More recently the world Travel and Tourism Council (*WTTC 1996*) and Access Economies (*1997*) have recommended the adoption of "Tourism Satellite

3. Lord Parry, "The nature of tourism as an economic resources", in *The Roles of Government in the Development of Tourism as an Economic Resource*, (ed.) D. Meswan, seminar series no (Townville,1988). pp.5-15

Account”* to more accurately measure the direct and indirect contributions of tourism to the economy.

Chart: 5.00

Tourism External Accounts

Expenditure	Receipts
Expenditures by tourist abroad	Expenditures ‘at home’ by foreign tourists
Transportation	Transportation
Investment (outward)	Investments (inward)
Dividends, interest and Profits paid out	Dividends, interest and profits received
Commodity imports (tourism induced)	Commodity exports (tourism induced)
- Capital goods	- Capital goods
- Consumption goods	- Consumption goods
Salaries repatriated abroad	Salaries sent from abroad
Training	Training
Publicity and promotion	Publicity and promotion
Miscellaneous services	Miscellaneous services

Source: Baretji R., “*Tourism external account and the balance of payments*”
Annals of Tourism Research, Vol.9, No.1, p.62. (New York, 1982)

In addition to the economic linkages suggested by *Baretji (1982)*, calculations of the economic contribution of tourism to the national economy must also consider the role of domestic tourism and the emergence of demand for new types of goods and services. However, while the balances of payments justification for tourism is extremely significant, much attention is also paid to the potential employment benefits that may arise from tourism development.

By far the majority of tourism research has focused on the potential economic benefits that tourism can bring to a nation or a specific region. Special attention is generally placed on tourism as a

* Tourism Satellite Account: A separate account from main National Account.

tool for regional development. In order to determine the specific impact of tourism, government and private industry frequently undertake economic impact studies which ascertain the effects of tourism development.⁴

Economic impacts can be classified as being primary or secondary in nature. Primary or direct impacts are those economic impacts which are direct consequence of tourist spending, such as on transport, accommodation, food and drink, shopping, services etc. Secondary impacts may be desirable as being either indirect or induced. Indirect impacts are those arising from the re-spending of money in the form of local business transactions. This expenditure on tourism arise from the fact that the trades directly involved in tourism, in order to meet the demands of tourists, must purchase from other trades and industries those goods and services e.g. food stuffs, furnishings, sporting equipments and facilities, which are needed to produce the things demanded by tourists.⁵ Induced impacts are those arising from the additional income generated by further consumer spending e.g. the purchase of goods and services by hotel employees. Thus, as *Richards (1972)* has pointed out, there are two sets of links between tourists spending and the economy, first the broad consumption items which have a direct effect and, second, the links between the trades and directly involved in tourism and those trades and industries which supply the tourist trades with goods and services. It will now be clear that “the full impact of tourism on the economy is not just through expenditure on the front-line tourist trades. It embraces all those other industries which have been called upon it various stages of the process to supply goods and services. The output produced by these other industries outside the direct tourism sector are in a very real sense due to the needs of the tourists who spent the money in the first

4. Richards, G “*How Important is Tourism in Real Terms*”? *Catering Times*, August, No. 3, (USA, 1972).

5. H. Robinson, *A Geography of Tourism*, (Britain, 1976), pp.120-124.

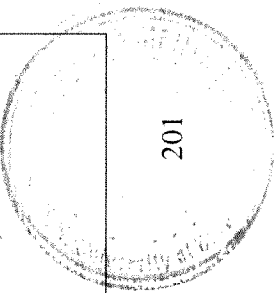
place and set the whole thing going.⁶ In sum, the tourism multiplier is a measure of the total effects (direct plus secondary) which result from the additional tourist expenditure.⁷

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6. Richards, G. "How Important is Tourism in Real Terms"? *Catering, Times*, August, No. 3, (USA, 1972).
 7. Archer, B.H., "The value of multipliers and their policy implications" *Tourism Management*, (UK, 1982), Vol., 3, p.237.

Chart: 5.01
The Relationship between the Tourism Sector and the other Sectors
Needs of Tourism from the Other Sectors

S. No.	Sector	Sector Activity	Needs of Tourism from the Other Sectors
1.	Industry	<ul style="list-style-type: none"> • Handicrafts (Small Scale Industry) • Light Industry • Heavy Industry 	<ul style="list-style-type: none"> ☞ Garments, local goods, souvenirs, local antiquities , handicrafts ☞ Light industrial equipment, consumption products ☞ Means of transportation, electric devices, cars, planes, trains, caravans, motorcycles
2.	Transportation	<ul style="list-style-type: none"> • Means of transportation • Roads , Railways, traffic facilities 	<ul style="list-style-type: none"> ☞ Travel by sea: ships, boats, Ferries and cruise ships Travel by road: trains , tourist buses , cars rental, taxis caravans, motorcycles, camels and horses Travel by air : planes ☞ Good paved and asphalted roads, traffic instructions and services, Gas, petrol
3.	Agriculture	<ul style="list-style-type: none"> • Livestock Products • Agricultural Products 	<ul style="list-style-type: none"> ☞ Leather and Clothing , Yoghurt, milk, pets, butter, Dry <i>Karaki</i> yoghurt (<i>Jameed Karaki</i>) ☞ Fruits and vegetables, flowers, natural medicinal herbs, grains, Tobacco

		<ul style="list-style-type: none"> • Lands 	<ul style="list-style-type: none"> ☞ Decoration Flowers, Parks, Forests, Animal Zoos, Wildlife , Bird Watching, 4x4 Safaris (Desert Safaris)
4.	Trade	<ul style="list-style-type: none"> • International and Foreign Trade • Domestic Trade 	<ul style="list-style-type: none"> ☞ Duty free Zones, Import and Export Regulations ☞ Specified markets, General markets, malls, supermarkets, mini-markets, stores, hypermarkets
5.	Finance	<ul style="list-style-type: none"> • Customs • Investment Regulations • Monetary Fund System 	<ul style="list-style-type: none"> ☞ Special economic zones ☞ Foreign Investment Incentives and facilities ☞ Money Exchange, Stock Market, Currency
6.	Construction	<ul style="list-style-type: none"> • Housing & Buildings (Accommodation Sector) 	<ul style="list-style-type: none"> ☞ Hotels/motels, Guest Houses/bed and breakfast, Farmhouses, Apartments/ Vilas/Flats/Cottages/Gites, Condominiums/time share resorts, Vacation villages/ holiday centres, Conference/ exhibition centres, Static and touring caravan/camping sites, Marinas, youth hostels, chalets, premises, Friends and Relatives Resorts, Restaurants tourist campsites, services centre, eco-villages



		<ul style="list-style-type: none"> • Archaeological and historical Sites • Bridges and Boundary Crossings 	<ul style="list-style-type: none"> ☞ Tourism staff recruitment, renovation, preservation, conservation, protection ☞ Regulations, instructions, customs and immigration, taxes, tariffs transportation facilities, means of transportation
7.	Services	<ul style="list-style-type: none"> • Tourism education • Social Activities • Health and Environment 	<ul style="list-style-type: none"> ☞ Tourist guides, travel agencies, brochures, maps, Guide Books, Information Kiosks, Customer Hotline, Horse Guides, gyms, golfing, diving ☞ Political stability, hotel management, local cuisine, carnivals , cultural festivals and folklore ,music ,native life and customs, national festivals ☞ Heath services , health centres, physical therapy centres, wildlife reserves, pollution control, preservation of nature, health resorts or spas

Empire

		<ul style="list-style-type: none"> • The role of the Government 	<p>☞ Planning, regulations, promotion and marketing, professional development for tourism staff, tourism police, health insurance, Information and Visitor Centres weather updates, calendar, photo library, foreign exchange rate updates, embassy and consulate information, Airline Information, Museums, Galleries, Cinemas.</p> <p>☞ Theme parks, Museums and galleries, National parks, Wildlife parks, Gardens, Heritage sties and centres, Sports/activity centres, City sites, shopping, Entertainment, outdoor parks, Beaches, Cultural event, Historical sites, Game parks, Wildlife Adventure.</p> <p>☞ Tour operators,, Tour wholesalers/brokers, Retail travel agents, Conference organizers, Booking agencies (i.e. accommodation), incentive travel organisers, JTB, NGO's, Media, Signage, Arrival and Orientation, Souvenir outlets, Ministry of Tourism and Antiquities, Information and Visitor Centres and Jordan Tourism Board.</p>
		<ul style="list-style-type: none"> • Attraction Sector • Travel Organization Sector 	
8.	Public Facilities and Premises	• Telecommunications	<p>☞ Post Offices, mobiles, internet service, land telephones, fax, International telex, Courier Services, Arabic and English Jordanian Newspapers and Foreign Publications, media, word of mouth</p>

		<ul style="list-style-type: none">• Water	<ul style="list-style-type: none">☞ Sewage Drainage , Sewage Treatment Plant, Water Distillation , Water Purification, Sea Water Treatment, Desalination of Sea Water, Water Pumping
		<ul style="list-style-type: none">• Electricity	<ul style="list-style-type: none">☞ Housing lighting, archaeological sites lighting street, Illumination, etc.
		<ul style="list-style-type: none">• Health Centres	<ul style="list-style-type: none">☞ Clinics, hospitals , pharmacies, physical therapy centres

Source: Self Prepared.

The chart: 5.01 explains the interrelationship between the Tourism Sector and other Economic Sectors. The other sectors of the economy play vital role in growth and development of tourism industry.

The tourism industry has witnessed dramatic changes in terms of facilities, administration and planning. Tourism is quite dependent on the other economic sectors and can never prosper without the heavy reliance on these sectors. Providing tourists with the proper tourism services are not the sole responsibility of the Ministry of Tourism, but they are also the responsibility of all the economic sectors collectively. The tourist product is a composite one that does not materialize into a reliable product without the proper promotion and marketing. For example, tourist sites are never visited by tourists unless they are given the appropriate promotion and marketing and given the proper attention by the authorities concerned mainly the Ministry of Tourism and Antiquities through providing the tourist sites with recreational facilities such as hotels, infrastructure, telecommunication, security, political stability and means of transportation, etc.

5.3 Tourism Sector in Jordan

Travel, from the very earliest historical period, has had a fascination for man: the urge to discover the unknown, to explore new and strange places, to seek changes of environment and to undergo new experiences. Travel to achieve these ends is not new, but tourism, as we understand the term today, is of relatively modern origin. Tourism is distinguishable by its mass character from the travel undertaken in the past. Rapid growth in mass movement of people annually from their home location to some other temporary location for a few days or weeks is the phenomenon of the period following the Second World War. In recent decades, Tourism has witnessed development and has become an important tool to establish links and relations among people and nations. Tremendous progress in the field of transportation and communications has further helped in the

growth and development of tourism activity. The concept of tourism has also expanded to include economic and development aspects which contribute to bringing about prosperity and stability to the nations, especially the developing ones.

The importance of international tourism to Jordan's economy has been increasing rapidly since the establishment of modern Jordan in 1946. Now tourism is a major industry and economic sector in Jordan. It is an important prime mover of the Jordanian economic – tourism is to Jordan as oil is to the Gulf Cooperation Council (GCC) countries. Recognizing the immense potential in this respect, the government has been making every effort to provide the services and facilities necessary for a solid foundation for the development of tourism. The tourism sector is after workers' remittances, the largest source of foreign exchange earnings.

Jordan has an abundance of archaeological, historical, religious and tourist sites of great importance. It enjoys a temperate and varied climate as well as a central geographic location which enables it to attract tourist of different interests and backgrounds from various parts of the world. The tourism and antiquities sector has witnessed significant development encompassing several areas; expansion of hotel capacity, establishment of rest houses and development of tourist and archaeological locations such as *Aqaba*, *Petra*, the desert places, *Dhiban*, *Jerash*, *Azraq*, the *ma'in* hot springs and the shores of the *Dead Sea*.

Tourism is a sector that Jordan should priorities and invests in as central contributor to its future economic success. To secure this potential it will be necessary to put in place a strategy, together with the policy instruments, an action plan and investment environment that support its implementation.

The tourism sector in Jordan is becoming more and more important in terms of economic contribution to the overall economic production. Archaeological and natural sites are the main pillars of this sector, among

other pillars such as superb service and peaceful atmosphere. Economic tourism indicators exhibit the rapid growth of the tourism sector. This growth poses higher demands on the both public and the private sector to jointly develop infrastructure and associated services as incubators for tourism products and attractions, yielding an integrated tourism economy in Jordan. The following Table: 5.00 shows the main indicators of Tourism Sector. In short the structure of the Jordanian economy is such that the chronic trade deficit is a menace. The recognition of this weakness in the structure of the economy has motivated the Government in recent years to look for alternative sources of foreign exchange earnings. Accordingly, tourism has been designated as one of the most promising of such sources.

Table: 5.00

Main Indicators of Tourism Sector

1996-2006

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Number of arrivals (million)	4.3	4.3	4.5	4.8	4.6	5.2	5.5	5.3	5.0	5.8	6.6
Gross tourism income / GDP at cut in prices (%)*	12.5	12.3	11.6	11.6	9.9	9.1	12.7	12.0	13.4	13.1	13.2
Value added of tourism sector at current prices (JD million)**	265.2	256.8	259.4	279.7	266.4	265.4	365.5	386.7	494.2	535.4	609.8
Value added/GDP at current basic price (%)	6.3	5.8	5.5	5.8	5.1	4.9	6.3	6.1	7.0	6.8	8.5
Outstanding credit facilities extended by licensed banks (JD million)	53.6	70.0	108.7	140.5	155.2	171.0	173.5	172.8	154.9	181.2	195.1
Outstanding credit facilities extended by the IDB*** (JD million)	19.6	29.6	39.4	43.4	32.5	33.5	33.6	32.9	32.0	34.0	32.5

Number of hotels	324	336	380	422	452	472	461	458	463	468	476
Number of rooms	11,493	12,109	13,704	16,181	17,485	19,247	19,400	19,700	20,000	20,800	21,600
Room occupancy ratio (%)	46.8	43.6	37.9	34.9	39.5	30.5	32.0	34.2	45.2	NA	42.0
Employees in hotels	6,947	7,815	8,510	9,378	9,785	11,446	10,300	10,500	10,700	12,900	13,500
Employees in tourism sector	15,196	16,438	17,550	20,569	21,515	22,864	21,300	22,100	23,500	29,400	31,100

* Gross tourism income according to the balance of payments date.

** Central Bank of Jordan Estimates.

*** Industrial Development Bank

Sources: Monthly Statistical Bulletin/Central Bank of Jordan, 2002, 2005 & 2006

Ministry of Tourism and Antiquities / Industrial Development Bank

5.4 Tourism Role in Jordan's Economy

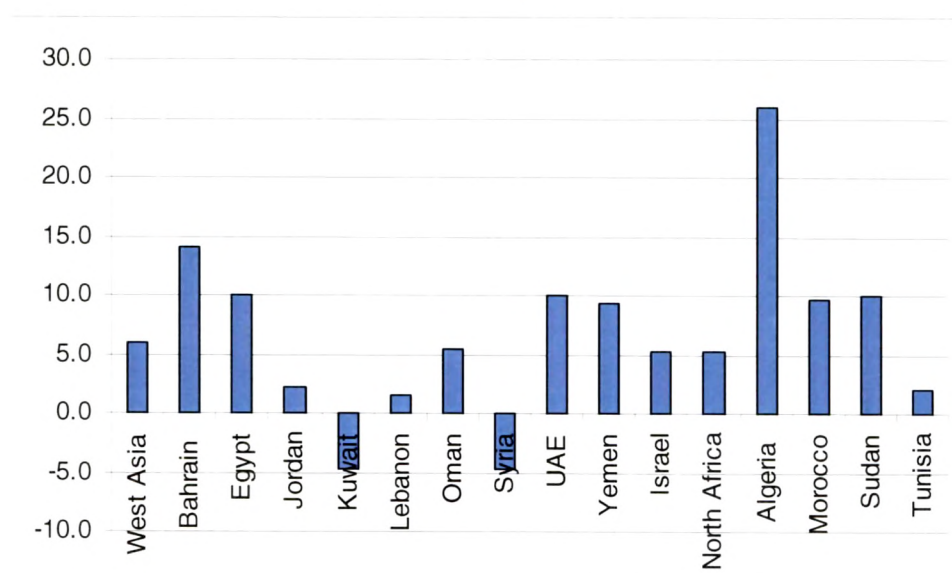
Tourism is a major industry and economic sector in Jordan. The tourism sector is, after workers' remittances, the largest source of foreign exchange earnings. In order to determine the accurate contribution of tourism to the national economy, it is essential to calculate the contribution of tourism in the GDP, to evaluate its role in the balance of payments and its potential to reduce levels of overseas debt, and its relative importance in creating employment opportunity. There are three separate elements in the tourist expenditure of any country: (i) the domestic expenditure i.e. the money spent by national on holiday making within their own country; (ii) expenditure by foreign tourists within the country in which they are taking a holiday; and (iii) the expenditure incurred by nationals who holiday abroad. The receipts from tourism in the first two cases are of a credit kind and are reflected in the national income accounts. Tourist expenditure by nationals abroad is, however, of a debit nature, since the tourist is taking money out of the country. Income from foreign tourism adds to the national income and hence is an important expenditure in the overall financial reckoning. Receipts from foreign tourists may be calculated in terms of percentage in relation to gross product.

There is no doubt that the political turmoil such as *Al-Aqsa Intifada* (uprising) and the events of 9/11 adversely affected the tourism sector in Jordan during 2000 and 2001 where tourist receipt fell by 9 percent and 3 percent respectively. During 2003, the war on Iraq took place which caused a major interruption on the growth of Jordanian tourism. These political factors also adversely jeopardised world tourism and especially West Asian tourism. Before 9/11 however, tourism was progressing remarkably well in West Asia, Jordan witnessed a decline in tourist receipts during the period 2000-2001 by 4 percent. From 2002 to 2003 tourist receipts actually reached JD 577.7, an increase of 3.7 percent compared to a year earlier.

Tourist receipts have been steadily increasing between the years 1996-1999 at an average rate of 5.2% per annum, but this increase came to

an abrupt end in 2000 and 2001. Nevertheless, tourist receipts increased by an impressive 12.3 percent between 2001 and 2002, the regional instability between 2000 and 2003 caused a major interruption to the growth of Jordanian tourism and, registered a slowdown of this sector. However, despite adverse circumstances, tourist receipts in Jordan increased in the last two years due to the increase in the arrival of Arab tourists and Gulf area. In terms of tourism receipts, in many regards a more critical indicator than arrivals, Jordan's average annual growth rate between 1995 and 2000 as can be seen in figure: 5.00 was just 2.1 percent – well below West Asian average of 6.5 percent.

Figure: 5.00
Average Annual Growth Rates (%)
International Tourism Receipts
1995-2000



Source: National Tourism Strategy, 2004 – 2010

Situated between occupied Palestine to the west and Iraq to the east, Jordan in the past few years has often had a hard time in promoting its tourism industry because of political instability in Iraq and tense relations with Israel. While tourism in Jordan has been one of the biggest beneficiaries of the peace process, it has also been the most vulnerable to

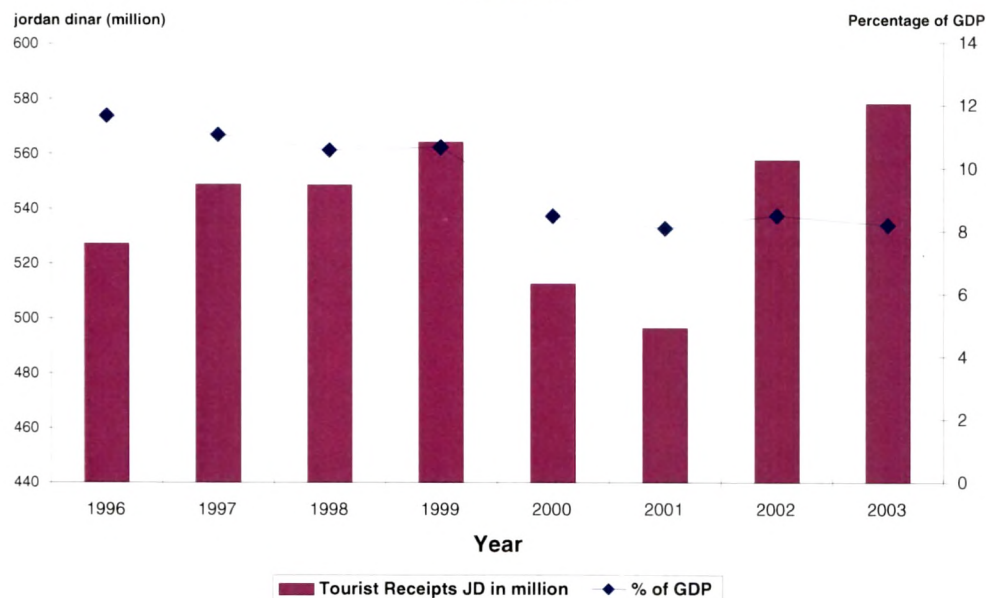
its collapse. Central Bank of Jordan estimates of travel receipts in 2001 indicate yet another 3.2 per cent decline to JD 496.1 million making the total decline of 12 per cent during 1999-2001. Preliminary figures for 2002 indicate a turnaround, with tourism income up 12.4 per cent to JD 557.4 million over its level in 2001. Performance of tourism sector was slow in 2005 as value added of 2005 at current prices grew by only 8.3% compared to a significant growth of 27.8% in 2004. Consequently, the sectors relative importance to GDP at current basic prices declined by 0.2 percent point compared to 2004 levels to reach 6.8 per cent in 2005. The following Table: 5.01 indicates tourism relative's importance to GDP at current basic prices.

Table: 5.01
Relative Importance of Tourism to GDP
1996-2003

Year	Tourist Receipts (in million JD)	% of GDP	Total GDP (million of JD)	Value added of tourism (million JD)
1996	527.2	11.7	4982.4	265.2
1997	548.8	11.1	5192.4	256.8
1998	548.5	10.6	5,680.9	259.4
1999	564.0	10.7	5,723.9	279.7
2000	512.4	8.5	5912.9	266.4
2001	496.2	8.1	6,363.3	265.4
2002	557.3	8.5	6,778.5	365.5
2003	577.7	8.2	7,203.6	386.7

Source: Central Bank of Jordan, Various Annual Reports, 1999, 2002 and 2005.

Figure: 5.01
Importance of Tourism to GDP
1996-2003



5.5 Tourism and Balance of Payments

Expenditure by foreign tourists and expenditure by nationals on tourism abroad are vital because they affect the balance of payments. Income from foreign tourism adds to the national income and as an invisible export, may offset a loss on the visible trading account and be of critical importance in the overall financial reckoning. External expenditure on tourism may be a drain on the economy and to check the outward flow of money from the national income, governments sometimes fix a limit on the amount of money allowed for foreign tourism. The Balance of Payments shows the relationship between a country's total payments to all other countries and its total receipts from them. In other words, trade deficit or balance of payment may be defined as a statement of income and expenditure on international account. Payments and receipts on international account are of three kinds: (i) visible balance of trade relating to the imports and exports of goods; (ii) invisible items, relating to services such as shipping, insurance and; (iii) capital transfers. The receipts from foreign tourism form an invisible export, similar to the other "invisibles" which come from transportation and shipping, banking and insurance etc.

Tourism is very useful means of earning as its contribution in reducing trade deficit is significant. It is a major earner of foreign currency. It is an important economic activity as foreign exchange receipts from international tourism constitute extremely significant in influencing the balance of payment without rival as a sources. Clearly, therefore, receipts from international tourism may assume great significance in Balance of payment calculations.⁸

In Jordan, tourism is an important sector of economy because it has potential to contribute to the balance of payment. The structure of the Jordanian economy is such that the chronic trade deficit is offset by the transfer of private funds, mostly by expatriate Jordanian working abroad and official aid by foreign countries. Hence, Jordan's economy is affected by external conditions over which it has little control. Jordan has limited natural resources and the size of the national economy measured by the GDP is relatively small. The small size of domestic market impedes the diversification of manufactured goods. Services sectors account for 70% of GDP, and the remaining sectors make 30%. The GDP at constant basic prices grew by 7.2% in 2005 as compared to 8.0% in 2004 and, at constant market prices recorded a growth of 7.2% against 7.7% in the previous year. The relative importance of service producing sectors to GDP at constant basic prices decreased from 65.4% in 2004 to 64.9% in 2005. Table: 5.02 shows the relative importance of economic sectors to GDP at constant basic prices. With the exception of phosphate and potash, Jordan lacks significant natural resources of an exportable nature.

8. El-Roudan Obaid et. al, *Tourism Economics in Jordan: Essential Facilities and Marketing*, Amman, Jordan, 2000, p.12.

Table: 5.02
The Relative Importance of Economic Sectors to GDP at Constant Basic Prices
1996-2006

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, hunting, forestry and fishing	5	4.4	4.8	3.7	3.8	3.5	3.8	4.1	3.9	3.8	3.9
Mining and quarrying	2.9	3.1	3.1	3.1	2.9	2.9	3.1	2.9	2.6	2.4	2.0
Manufacturing	13.4	14.3	15.1	15.6	15.8	15.9	18.7	18.5	19.9	20.6	21.3
Electricity and Water	2.5	2.6	2.6	2.6	2.6	2.7	2.6	2.6	2.7	2.7	2.5
Construction	7.0	5.9	4.6	4.7	4.5	5.4	5.5	5.3	5.5	5.6	5.8
Total Commodity - Producing Sector	30.8	30.3	30.2	29.7	29.6	30.4	33.7	33.4	34.6	35.1	35.5
Trade, restaurants and hotels	14.4	14.7	12.6	12.4	12.9	11.8	11.0	11.0	10.9	11.1	11.0
Transport, storage and communications	14.8	14.6	16.8	18.00	17.8	17.7	17.2	17.2	18.4	18.5	18.1
Finance, Real estate and business services	20.1	20.1	20.6	20.6	20.6	19.8	19.9	19.6	18.7	18.3	18.6
Producers of government services	17.3	17.2	17.1	17.2	17.6	17.3	16.6	16.5	15.6	15.1	14.8
Other services	2.6	3.1	2.7	2.2	1.5	3.0	1.6	1.8	1.8	1.9	2.0
Total services sectors	69.2	69.7	69.8	70.3	70.4	69.6	66.3	66.6	65.4	64.9	64.5
GDP at constant basic prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Based on the department of statistics data.

Source: Central Bank of Jordan, Annual Reports, Arabic Version, 2000, 2002 and 2006.

The situation is worsened by the scarcity of arable land and water resources, forcing the country to be a net importer of food (Map: 5.01). Further, the Iraq conflict, *Al-Aqsa Intifada* and the events of September 11 critically jeopardised the Jordanian tourism sector. All these factors influenced the overall performance of the Jordanian economy. Consequently, the chronic trade deficit and the vulnerability of the balance of payment of Jordan further increased and will remain inevitable for some time to come. The weakness in the structure of economy encouraged government and planners in recent years, to take initiatives for alternative sources of foreign exchange earnings. In view of this, much emphasis has been given on tourism as one of the most promising sources for generating of foreign currency.

This trade balance data of Jordan of the last few years showed deficit. In short, Jordan's economy suffers a chronic deficit in the balance of trade. It is clear that the chronic deficit is somehow offset by the transfer of private funds mostly through remittances of Jordanians working abroad as well as loans and assistances from foreign countries and world institutions. This situation has made the country extremely vulnerable to external conditions over which it has little control coupled with this is the fact that the relatively small size of the domestic market further checks the diversification of economy.

Jordanian current and capital transactions in 2005 with the rest of the world markets showed a different situation when compared to the 2004. The trade balance deficit in 2005 increased significantly by JD 1,161 million (48.5%) to reach JD 3,556 million. As a result, the ratio of trade balance deficit to GDP increased from 29.3% in 2004 to 39.0% in 2005. This massive increase in the deficit was a result of an increase in imports (fob) by 28.3% to reach JD 6,606 million, and an increase in exports (fob) by 10.8% to reach JD 3,050 million. The services balance deficit increased in 2005 by JD 122.5 million to reach JD 185.3 million, compared to a deficit of JD 62.8 million during 2004. Travel item (net) surplus increased by JD 35.1 million to reach JD 606.5 million. This surplus was attributed to an increase in travel receipts from foreign and Arab tourists as well as Jordanians residing abroad by 11.6%, 5.9% and 10.5% respectively.

Table: 5.03

Importance of Tourism Sector in Balance of Payment

1995-2005

S.No.	Item	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1.	Tourism Receipts (JD million)	462.5	527.2	548.8	548.5	564	512.4	496.2	557.3	577.7	942.8	1,021.4
2.	Domestic Export (JD million)	1004.5	1039.8	1067.2	1044.1	1051.4	1079.7	1352.4	1556.7	1675.1	2306.6	2570.2
3.	Re-exports (JD million)	236.6	248.4	234.2	231.5	247.4	265.6	274.4	407.2	509.8	446.4	479.3
4.	Imports (JD million)	2590.2	3043.6	2908.1	2719.9	2635.2	3218.1	3453.7	3599.2	4072.0	5799.2	7442.9
5.	Trade balance (JD million)	-1349.1	-1753.4	-1605.1	-1434.5	-1323.7	-1858.6	-1423.0	-12271	-1415.3	-2395.1	-3556.3
6.	% of tourism receipts to domestic export	46	50.1	51.4	57.9	52.8	50.4	28.4	28.2	29.9	24.7	25.1
7.	% of tourism receipts to income services	21.5	21.2	21.3	23.2	23.7	21.7	22.1	22.4	22.1	15.5	15.8

Source: Central Bank of Jordan, Annual Report, Various Issues, 1998, 2000 and 2005.

Figure: 5.02
Importance of Tourism Sector in Balance of Payment
1995-2005

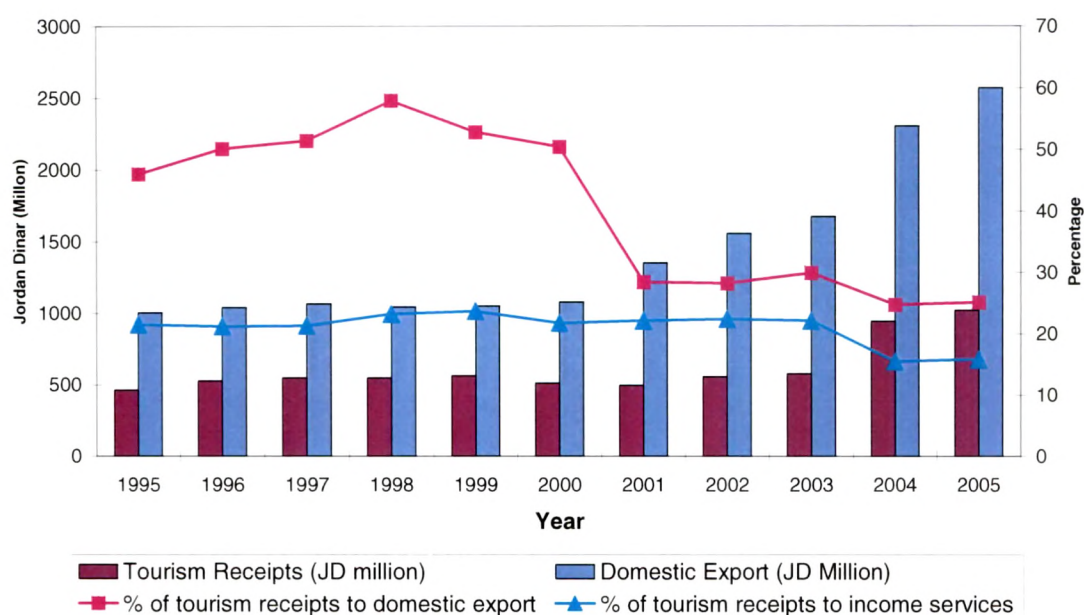


Table:5.03 highlights the significance of tourism in supporting the balance of payment, as the sectors revenues make about 50% of the national export during the period 1995-2000. Thereafter, significance of tourism sector in supporting the balance of payment went down sharply. The performance of tourism sector declined due to political turmoil in the region. Between 2001 and 2005, tourism sectors revenues constituted below 30% of the national exports. The cause of this sudden decline was spurt in national exports. Tourism is generally considered an important economic activity of the services sector. In Jordan, tourism contributed more than 21% of the revenues of the entire services sector during the period 1995-2003. Thereafter, the tourism sector recorded a slowdown in its performance. Hence in 2004 and 2005 the contribution of tourism in the entire services sector decreased to 15.5% and 15.8% respectively compare with 22.4% and 22.1% in 2002 and 2003.

Table: 5.04
Importance of Tourism Receipts to Export and Remittances
1995-2005

Year	Tourism Receipts (million of JD)	Percentage of Exports	Workers' Remittances (million of JD)	Percentage of Worker's Remittances
1995	462.5	46	871.7	53
1996	527.2	50.1	1094.8	48
1997	548.8	51.4	1173.5	47
1998	548.6	57.9	1093.8	55
1999	564	52.8	1179.8	48.8
2000	512.4	50.4	1308.2	39.2
2001	496.2	28.4	1426.0	34.7
2002	557.3	28.2	1513.7	36.4
2003	577.7	28.9	2273.0	25.8
2004	942.8	24.7	2280.2	41.7
2005	1021.4	25.1	1835.2	55.1

Course: Central Bank of Jordan, Annual Report, Various Issues, 1998, 2000 and 2005.

Figure: 5.03
Importance of Tourism Receipts to Export and Remittances
1995-2005

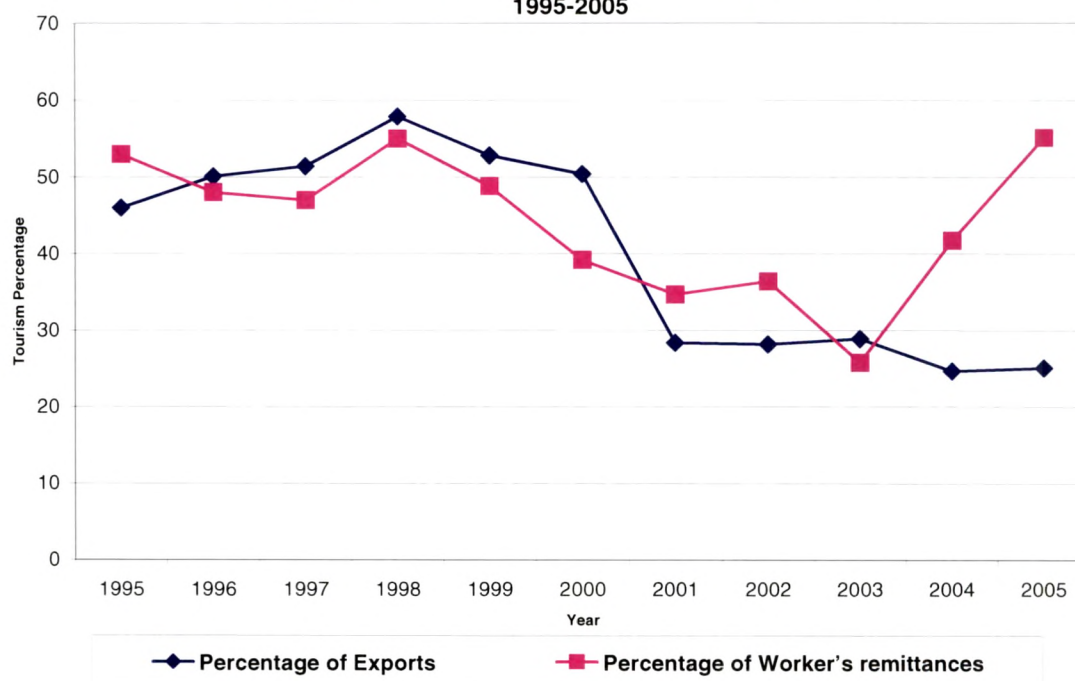


Table:5.04 explains the relative importance of tourism to workers' remittances. Revenues from tourism constitute a major portion of foreign exchange earnings and come in the second place after the workers' remittances in supporting the country's balance of payment. Percentage of tourism receipts to worker's remittances indicates downward trend since 1999 till 2003 as worker's remittances showed constant increase. In 1999 percentage of tourism receipts to worker's remittances was 48.8% compared with 55% in 1998. Since 1999 a serious decline has occurred in percentage of tourism receipts to workers' remittances which reached to 25.8% in 2003. Figures for 2004 and 2005 showed turnaround and percentage of tourism receipts to worker's remittances registered as 41.7% and 55.1% respectively, showing 15.9% and 29.3% increase in percentage. Thus we see that tourism sector constitutes an important economic activity after the workers' remittances in supporting the balance of payment with hard currencies.⁹

Table: 5.05 shows that income from tourism in Jordan steadily ascended during the period 1996-1999 because of spurt in tourist arrivals. During the

9. Central Bank of Jordan, Annual Report, Various issues, 1997, 1999, 2002 and 2005.

period 2000-2001, tourism income slid down on account of sudden decline in tourist arrivals. Again tourism income showed upward Trend and increased from JD 496.20 million in 2001 to JD 557.30 million and JD 577.40 million respectively. The contribution of tourism in the GDP at market prices that up from JD 4912.80 million in 1996 to JD 7015 million in 2004. However, percentage wise contribution in the GDP declined from 10.75 percent in 1996 to 8.23 percent in 2003. The apparent decline was due to increase in size of the country GDP. Payments of tourism sector during the period 1996-2003 exhibit fluctuations. It increased from JD 270.40 million in 1996 to JD 282.20 million in 1997. But it decreased to JD 250.30 million in 2001. In 2002 and 2003 it descended and reached JD 795.20 million and JD 267.50 million respectively. Hence, the improvement in income generated from tourism had led to tangible improvement of tourism balances which increased from JD 256.80 million in 1996 to JD 309 million in 2003 except during the period 2000-2002. The improvement in tourism balance was due to enhancement in bound tourism activity.

Table: 5.05

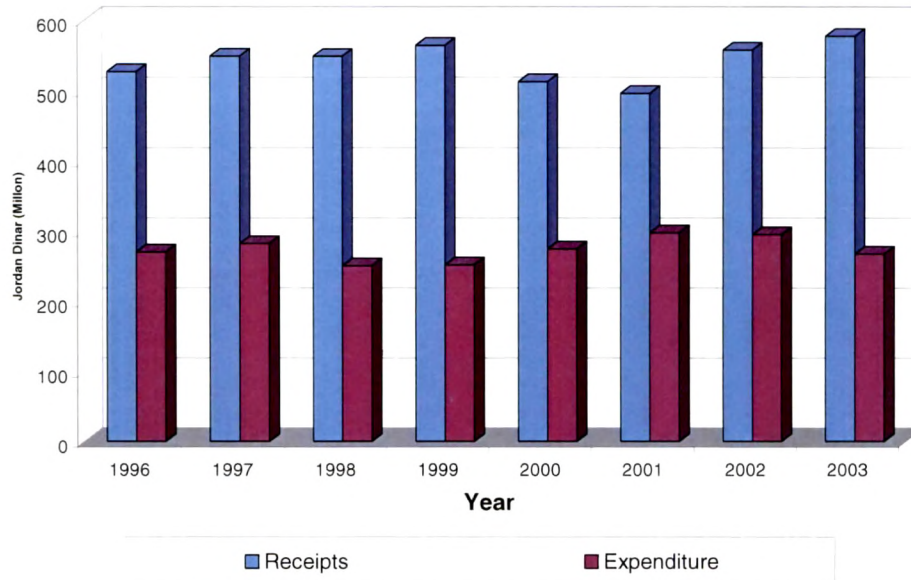
Tourism Receipts and Expenditures (million JD)

1996-2003

Year	Receipts	Expenditure	Balance (Net)	%Change Receipts	GDP At Market Prices	% Receipts to GDP
1996	527.2	270.40	256.80	15%	4912.20	10.73%
1997	548.80	282.20	266.60	4.10%	5137.50	10.68%
1998	548.50	250.40	298.10	-0.05%	5609.80	9.78%
1999	564.10	251.90	312.20	2.79%	5767.40	9.78%
2000	512.40	274.30	238.10	-9.17%	6002.40	8.54%
2001	496.20	297.80	198.40	-3.16%	6260.00	7.93%
2002	557.30	295.20	262.10	12.31%	6590.00	8.46%
2003	577.40	267.50	309.90	3.61%	7015.00	8.23%

Source: Central Bank of Jordan, Annual Report, Various Issues, 1998, 2000 and 2005.

Figure: 5.04
Tourism Receipts and Expenditures (Million JD)
1996-2003



5.6 Employment

Undoubtedly, one of the main justifications by government and industry for the development of tourism is the establishment of new jobs. As *Roche* noted, “probably the main political and social stimuli and motivations for developing a tourism industry at all derive from its assumed potential to generate employment.”¹⁰ The tourist industry is a labour-intensive service industry and so is a valuable source of employment. It employs large numbers of people and provides a wide range of jobs which extend from the unskilled to the highly specialised. Moreover, it should be emphasised that tourism is also responsible for creating employment outside the industry in its more narrowly defined sense and in this respect, says *McIntosh*, “it scores noticeably over other forms of new industry.” A typical discussion of the employment benefits provided by tourism is provided by *Brown (1985)* who claimed that:

One of the most important characteristics of the tourism industry is its relative labour intensity in an age of great technological advancement and declining relative demand for labour. The industry and those industries closely aligned with it (which also tend to be labour intensive) provide many jobs

10. H. Robinson, *A Geography of Tourism*, (Britain, 1976), pp.128-129.

both for the unskilled and highly skilled, and it has the potential to provide many further jobs, a large number of which can be introduced with minimum delay.

Those who supply goods and services to those directly involved in tourism equally are beneficiaries from tourism; such induced employment includes, for example, those involved in the construction industry, in furnishing and equipment industries and in farming and food supply. Thus, tourism and travel encourage other sectors of the economy and are expected to embolden other economic sectors to employ more people, especially in the sectors of retail sales, construction, industry, communications, and of course, hotels and recreational centres. Tourism sector helps in creating new job opportunities in countries that adopted plans for sustainable development in tourism.¹¹

Jordan is one of the countries which suffer high unemployment rates i.e. 16 percent. The rapid increase in population have created several problems for the country viz., shortages in food, water, housing, and employment opportunities, as well as strains on the education system and the urban infrastructure. Tourism is a labour intensive industry that has high job multipliers, and the potential to create direct and indirect job opportunities. The labour force engaged in various economic sectors shows that productive sectors including, agriculture, industry, electricity and construction employ about 30% of the Jordanian labour force whereas, the services sector accounts for 70% of labourers. The expansion of tourism activities has created thousands of new job opportunities, an important sign of progress in a country suffering chronic unemployment. Major tourism areas such as hotels, restaurants, and support services generated over 5,000 jobs during the period 1994-1998. According to the latest available data from the Ministry of Tourism and Antiquities, direct employment increased from 11,152 jobs in 1994 to 22,110 jobs in 2003. There were about 23000, people working directly in tourism industry by the end of 2003, an increase of 2.8% from the employment level in 2002. During 2002 due to political situation, the number

11 Brown, G., "The tourism industry in Australia", in J. Dean & B. Judd, (eds) *Tourist Development in Australia*, (Canberra, 1985). pp.8-11

of employees fell by 6% compared to 2001. Back in 1993 there were 8,105 employees working in tourism which increased to 15,196 in 1996 and reached 20,557 labourers in 1999. This trend continued and in 2003 tourism employment increased to 22,110. Between 1993 and 2003 employment in tourism sectors has increased by approximately 173%. During 2005, the number of tourism employees increased significantly by 25.1% as opposed to 5.4% in 2004, reaching 29,400 employees. This significant increase in tourism employment was due to boom the sector witnessed in the period 1994-1995. This was represented in more numbers of tourists who visited Jordan, especially from Israel, and a surge in investment in tourism represented in the construction of new hotels in the wake of the conclusion of the peace treaty between Jordan and Israel in 1994.¹²

Hotel industry plays vital role generating employment in tourism sector and accounts for about 47% of the total labourers in tourism industry. The rest of the labour force is distributed among other services provided for tourists such as travel agencies, car rental enterpriser, transport companies, and handicraft shops. There is no single source of data on total employment in the tourism sector. Tourism activities are included in the broad category of commerce, comprising the wholesale and retail trade, hotels and restaurants with its share of employment at around 10 per cent. The percentage of non-Jordanian hotel workers represented only 6.55% of the total hotel employment by the end of 2004. Moreover, the number of hotel employees in 2005 measured by 20.6% compared to 1.9% in 2004, reaching 12.9 thousand employees. These employees constitute 43.9% of the total number of employees working in the tourism sector (Table: 5.06).

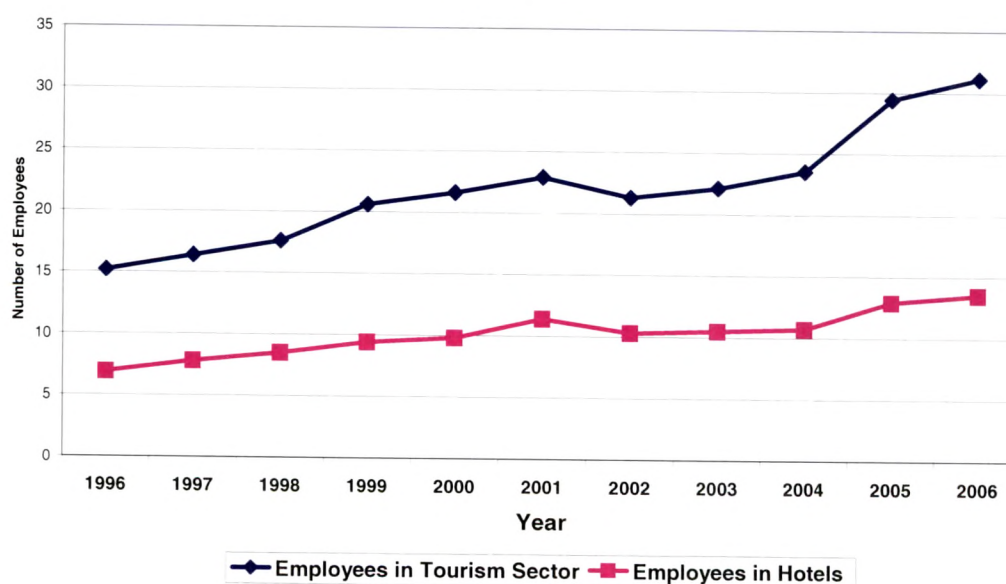
¹² Jane Manneh, *Tourism Sector Report*, (Amman, 2004), p. 5.

Table: 5.06
Employees in Tourism Sector in Jordan (thousand)
1996-2006

Measures	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Employees in Tourism Sector	15.2	16.4	17.6	20.6	21.6	22.9	21.3	22.1	23.5	29.4	31.1
Employees in Hotels	6947	7815	8510	9378	9785	11446	10374	10512	10746	12944	13.5

Source: Central Bank of Jordan, Various Issues.

Figure: 5.05
Employees in Tourism Sector in Jordan (thousand)
1996-2006



Tourism sector also provides indirect job opportunities. The estimations of indirect job opportunities differ due to various kinds of services or occupations. The number of such opportunities depends on the availability of infrastructure facilities, hotel occupation percentage, the volume of

imported products consumed by the tourists, the tourist's average stay in the country, in addition to some other factors.

5.7 Development of Tourist Arrivals

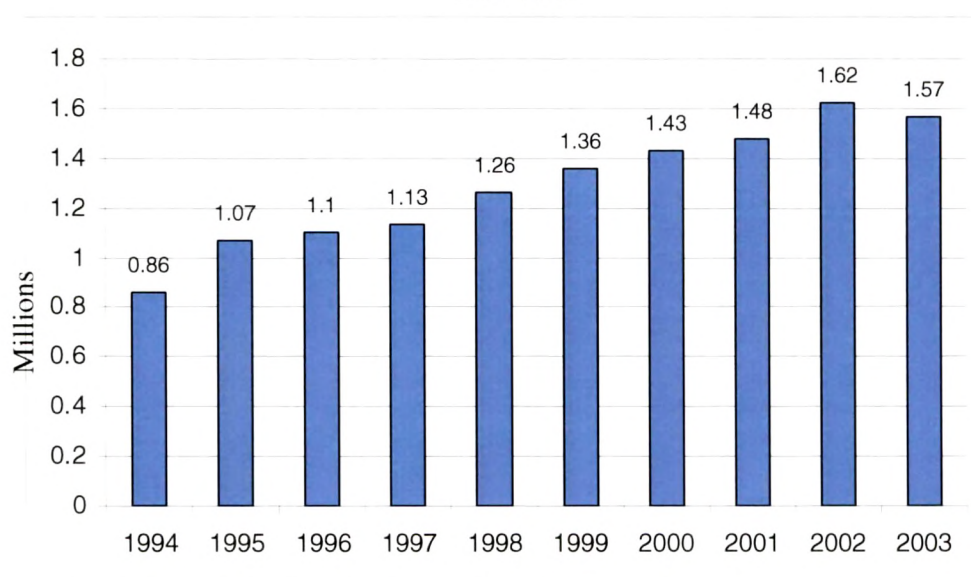
According to figures released by the Jordan Ministry of Tourism and Antiquities a total of 5 million visitors entered the kingdom in 2004. The tourism sector in Jordan has undergone radical restructuring in recent years. As a result of the prevailing atmosphere of peace and optimism following the signing of the peace treaty with Israel, Jordan embarked on an ambitious programme of tourism development to strengthen the role of the sector in the national economy. Despite the various challenges confronting the government in this regard, the tourism industry has emerged as a major economic sector with promising potential and opportunities, in particular for the private sector. Political and regional instability has no doubt stalled national efforts to attract international tourists in larger numbers. The number of international tourist arrivals in Jordan declined considerably in the wake of the second Gulf war during 1990-91, but the slump is not as devastating as had been feared. The country has experienced unprecedented rates of growth in terms of tourist arrivals and foreign exchange earnings. In fact, 1994 was the turning point for tourism in Jordan. The signing of peace treaty between Jordan and Israel in 1994 opened the door for Israeli tourist to visit to Jordan. Jordan enjoyed a boom following its peace treaty with Israel in 1994. That in some year's approximately ten thousand Israeli tourists arrived to Jordan representing only 1.25% of total tourist arrivals. In 1995 approximately 100,000 Israeli tourists visited Jordan with an increase of nearly eight fold from the corresponding figure in 1994. The total number of tourist rose by 25.2% in 1995, jumping from 558 thousand in 1994 to 10737 thousand in 1995. European and American tourists flocked into Jordan. This positive trend has continued despite political tremors in West Asia. Between 1996 and 2000 tourist arrivals in Jordan had shown no or little weakening.¹³

On an annual average basis, tourist arrivals reached 5.1 per cent in 2000, following 8 per cent in 1999, 11.4 per cent in 1998, 2.3 per cent in 1997

¹³ Jordan National Tourism Strategy 2004-2010. *A Sustainable Development Approach*, (Amman, 2004), pp. 6-8.

and 2.7 per cent in 1996 (Figure: 5.06). In 1998, tourist arrivals in Jordan increased by almost 12 per cent, the bulk of the increase coming from the Gulf States, particularly Saudi Arabia. The Gulf market grew by 28 per cent in 1998, a record year. This strong upswing grown in the tourism industry was adversely affected by a number of factors between 2000 and 2003. The number of European arrivals in 2001 was 36.5 per cent lower than in 2000, while those from the US declined by 41 per cent. In 2002, the number of visitors to Jordan from European plunged by 19.4 per cent, while the number of American tourists coming to Jordan saw a fall of 2.2 per cent. The beleaguered Jordan tourism sector generated somewhat better result in 2003, registering an annual increase of American and European tourists by 23.8 per cent and 9 per cent respectively.

Figure: 5.06
Total Arrivals
1994-2003



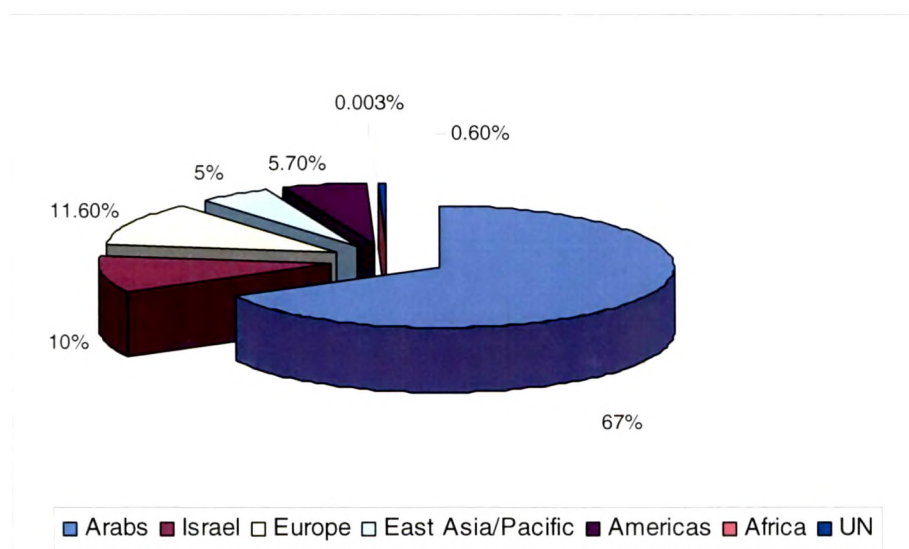
Source: Ministry of Tourism and Antiquities

The number of tourist arrivals to Jordan in 2002 reached 1.62 million, whereas in 2003 tourist arrivals declined to reach 1.57 million, registering a decrease of 2.04 per cent (figure: 5.06). But the decline was believed to be due to regional instabilities, causing drop of Arab visitors to Jordan by 7.5 per cent during the year 2003 and the number of non-Arab tourists coming from African countries fell by 9.5 per cent. The war on Iraq adversely affected

tourist arrivals in Jordan during 2003. From 2002 to 2003, tourist arrivals decreased 3.1 per cent, although receipts actually increased by 3.7 per cent.

According to World Tourism Organization (WTO) 11.6 per cent of tourists arriving to Jordan in 2003 were from Europe (Figure: 5.07), most of which came from France, Germany, United Kingdom and Spain. Tourists from Asia accounted for 4.9 per cent of total tourists (Figure: 5.07), mostly from Indonesia and Japan. Tourists from the Americans accounted for 5.7 per cent and the biggest share of 67 percent of total tourists arriving in 2003 was from Arab countries such as the Gulf areas. In 2003, Jordan received 161 thousand Israeli tourists, representing around 10 percent of total arrivals (Figure: 5.07).

Figure: 5.07
Arrivals by Nationality
2003



Source: Ministry of Tourism and Antiquities

The WTO tourism 2020 Vision forecasts show that international tourist arrivals are expected to reach over 1.56 billion by the year 2020. This demonstrates an annual growth rate of 4.1 per cent over the period 1995-2020. Forecast for international tourist arrivals to the West Asia show that there will be 68.5 million arrivals in 2020, which represents an annual growth rate of 7.1 per cent over the periods 1995-2020, and above the global growth rate of 4.1 per cent. The overall share of arrivals to the West Asia region is expected to

increase over the forecast period. The Tourism 2020 Vision study forecasts that there will be over 35 million out bound tourist arrivals generated from West Asia in the year 2020. This represents an annual growth rate over the period 1995-2020 of 5.8 per cent over 1.5 percentage points above the global average of 4.1 per cent. The Tourism 2020 vision study has indicated that nine of the thirty top emerging destination countries are in West Asia and North Africa region. All of them are Arab countries but Jordan is not amongst them.¹⁴

Jordan is visited by various people of various nationalities. Some of the important nationalities visiting Jordan are from the following countries viz. USA, Canada, Mexico, Argentina, European countries, Japan, Australia, Malaysia, Saudi Arabia, Kuwait, UAE, Bahrain, Qatar, Oman, etc. These are some of the countries from where people come to visit Jordan.

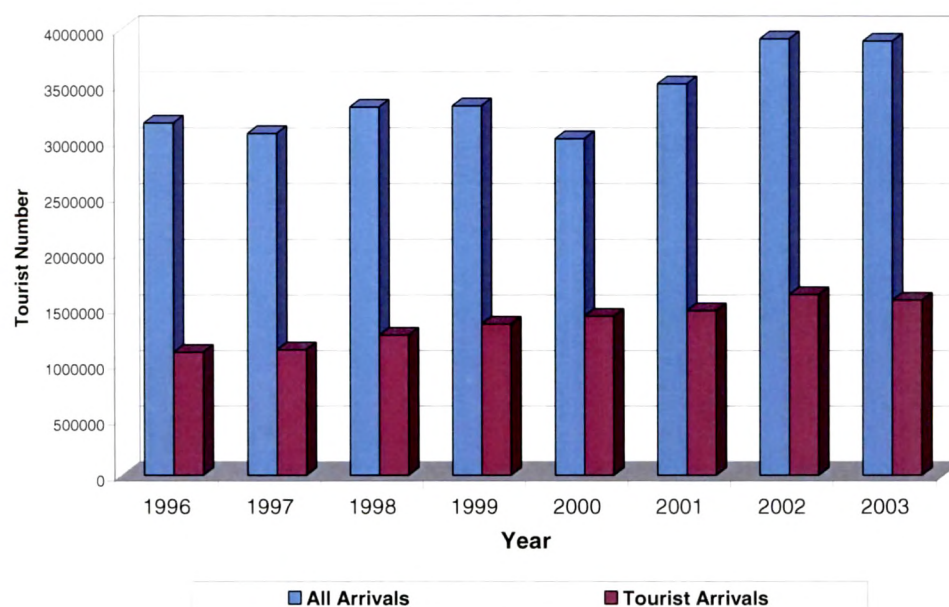
¹⁴ Marwan A. Kardoosh, *The Jordanian Economy into the Third Millennium*, (Amman, August 2003), pp. 95-97.

Table: 5.07
Tourist Arrivals and Receipts
1996-2003

Measures	1996	1997	1998	1999	2000	2001	2002	2003	% change 03/02
All Arrivals	3160815	3067892	3301065	3313656	3018644	3511581	3915856	3897477	2.0%
Tourists Arrivals	1102752	1127028	1256428	1357822	1426879	1477697	1621850	1572615	-3.1%
Tourism Receipt (million JD)	527.20	548.80	548.50	564.00	512.40	496.20	557.30	577.70	3.7%

Source: MOTA/Statistics Department.

Figure: 5.08
Tourist Arrivals and Receipt
1996-2003



The number of tourist arrivals in Jordan during post 11th September 2001 showed growth. Actually, arrivals increased from 2000 to 2001 by 1.5% but receipts fell 4 per cent (Table: 5.07). Recovery in both arrivals and receipts followed in 2002. In fact, over the past ten years and beyond, Jordan has not been among the top performers in the region. The average annual growth rate in tourist arrivals for West Asian region was 12.2% between 1996 and 2000. The world average for the same period was 7%. However, Jordan registered average annual growth for the same period of only 5.8%. This trend demonstrates that achieving high growth rate of 10 to 15% per year over the 2004-2010 would be quite a challenge for Jordan. Jordan's market share of West Asia's international tourist arrivals fell from 8.2% to 6.5% between 1995 and 2001. Clearly, Jordan has been underperforming relative to other destinations in the region.¹⁵

5.8 International Tourist Flow

The tourism sector in Jordan has witnessed radical restructuring in recent years. Jordan embarked on an ambitious programme of tourism development to strengthen the role of the sector in the national economy. The

15. Jordan National Tourism Strategy 2004-2010, pp.6-9.

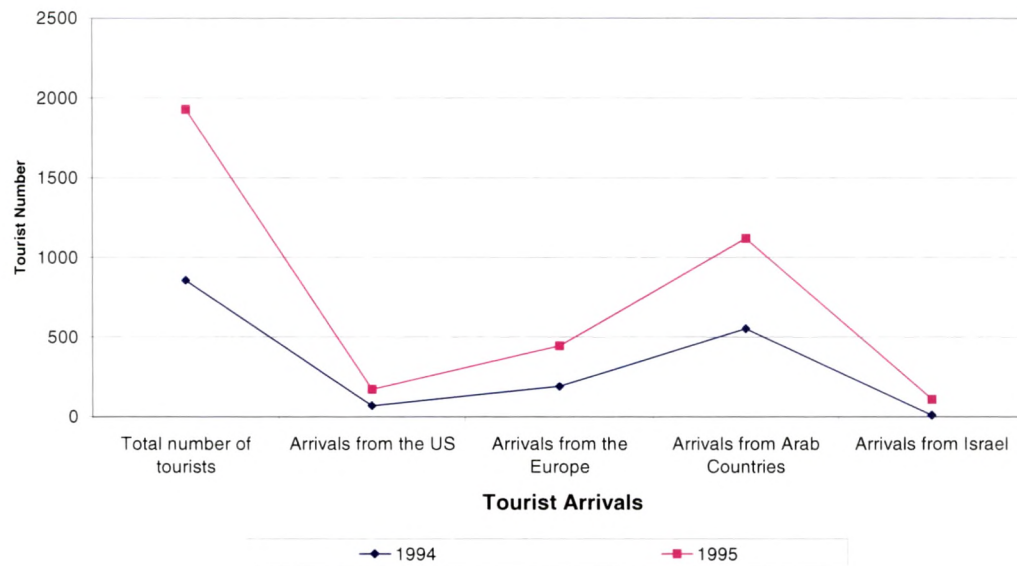
prevailing atmosphere of peace and optimism following the signing of the peace treaty with Israel further stimulated the tourism development programme in Jordan. Despite many challenges facing the government in this regard, the tourism industry has emerged as a major economic sector with promising potential and opportunities in particular for the private sector. Although government efforts to attract larger numbers of international tourists have been affected by political and regional instability, the country has experienced unprecedented rates of growth in terms of tourism arrivals and foreign exchange earnings. In fact, Jordan enjoyed a boom following its peace treaty with Israel in 1994. This event, no doubt, was the turning point for tourism in Jordan. The number of tourist arrivals jumped from 858 thousand in 1994 to 1073 thousand in 1995, registering an annual increase of 25 percent. Table:5.08 explains the peace effect on the Jordanian tourism arrivals during the years 1994-1995.

Table: 5.08
Tourist Arrivals “The Peace Effect” (thousand)
1994-1995

Region	1994	1995	Growth (in Percent)
Years			
Total number of tourists	857	1073	25.2
Arrivals from the US	70	103	47.1
Arrivals from the Europe	192	255	32.8
Arrivals from Arab Countries	553	567	2.5
Arrivals from Israel	11	100	809.1

Source: The Higher Council for Science Technology General Secretariat. *The Jordanian Economy into the Third, Millemium*, Second Issue.

Figure: 5.09
Tourist Arrivals “The Peace Effect” (thousand)
1994-1995



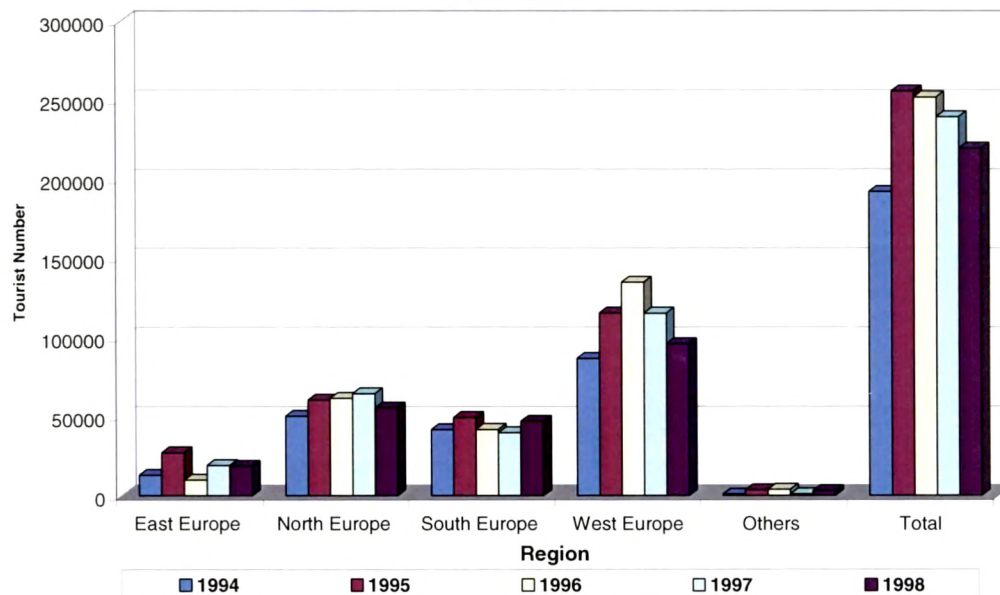
This positive trend has continued, despite political tremors in West Asia. In 1998, tourist arrivals in Jordan increased by almost 12 percent, the bulk of the increase coming from the Gulf States, particularly Saudi Arabia. The Gulf market grew by 28 percent in 1998. The European and American tourists are the most important in international tourism. The European market is a traditional tourism market for West Asia in general, and Jordan in particular. The number of Europeans who visited Jordan have increase over the past years, and reached 255 thousand in 1995. This accounted for 24 percent of the total number of tourists who came to the country in that year. However, the number of European tourists and their percentage to the total number of tourists declined in subsequent years. This percentage fell from 22.8 percent in 1996 to 21.2 percent in 1997, and reached 17.5 percent in 1998. Table: 5.09 shows European tourist arrivals to Jordan for the years 1994-1998

Table: 5.09
European Tourist Arrivals to Jordan
1994-1998

Region	1994	1995	1996	1997	1998
East Europe	12883	27128	9855	19093	18619
North Europe	50157	603012	61485	64386	55441
South Europe	41677	49268	41798	39767	46803
West Europe	86615	115274	134740	115201	95722
Others	874	3474	3942	964	2860
Total	192176	255496	251820	239411	219445
%	22.4	23.8	22.8	21.2	17.5

Source: Ministry of Tourism, 1999.

Figure: 5.10
European Tourist Arrivals to Jordan
1994-1998



Jordan is a traditional market for the US tourists who come to the country for different purposes, including visits to the holy sites, rest and recreation, adventures, and others. The number of the US tourist arrivals jumped from 70 thousand in 1994 to 109 thousand in 1998, registering an annual increase of 7.8 percent. Following Table: 5.10 depicts the moderate rather stable growth of the American tourists arrival in Jordan during the period 1994-1998.

Table: 5.10
American Tourist Arrivals to Jordan (thousand)
1994-1998

Items	1994	1995	1996	1997	1998
Tourist Arrivals	70	103	108	108	109
(%)of the tourist Arrivals	6.8	7.8	7.8	7.6	7

Source: Ministry of Tourism, 1998.

Israeli tourist started coming to Jordan following the peace treaty in 1994. Table:5.11 indicates Israeli tourist arrival figures for the year 1994-1998. In 1994 approximately 11 thousands Israeli tourist arrived to Jordan, representing only 1.25 percent of total tourist arrivals. In 1997, Jordan received 126 thousand Israeli tourists, showing around 13.20 percent of the total arrivals. The numbers of tourists coming to Jordan from Israel declined to 12.2 percent in 1998 compared to year earlier. This minor fluctuation occurred on account of regional political instability.

The Gulf market is the most important and main regional market for the Jordan touristic product. However, the Gulf market witnessed acute decline following the 1991 Gulf war. But it was reactivated, and the number of tourists from the Gulf rose. In 1994, Jordan received about 553 thousand tourist from the Gulf countries, representing 57.7 percent of the total tourists. The number of tourists from the Gulf countries increased to 772 thousand, constituting 61.40 percent of the total tourist arrivals. Jordan has strong historic and cultural relations with the Gulf States. Gulf tourists make the longest stay in Jordan. The average length of stay of the Gulf tourists in Jordan is 13.8 days with highest spending JD 1882. They usually visit for recreations, treatment and, visiting their relatives or to see the historic sites in the country. Inter-regional tourism is one of the essential activities for the sustainable tourism development. Inter-Arab tourism makes only 28 percent of the destinations of Arab tourists.

Tourists from South East Asia, Pacific and other areas to Jordan have also registered an upward trend. Official statistics show that the number of tourists from Japan rose from 7,300 in 1994 to 33,500 in 1997, representing 3

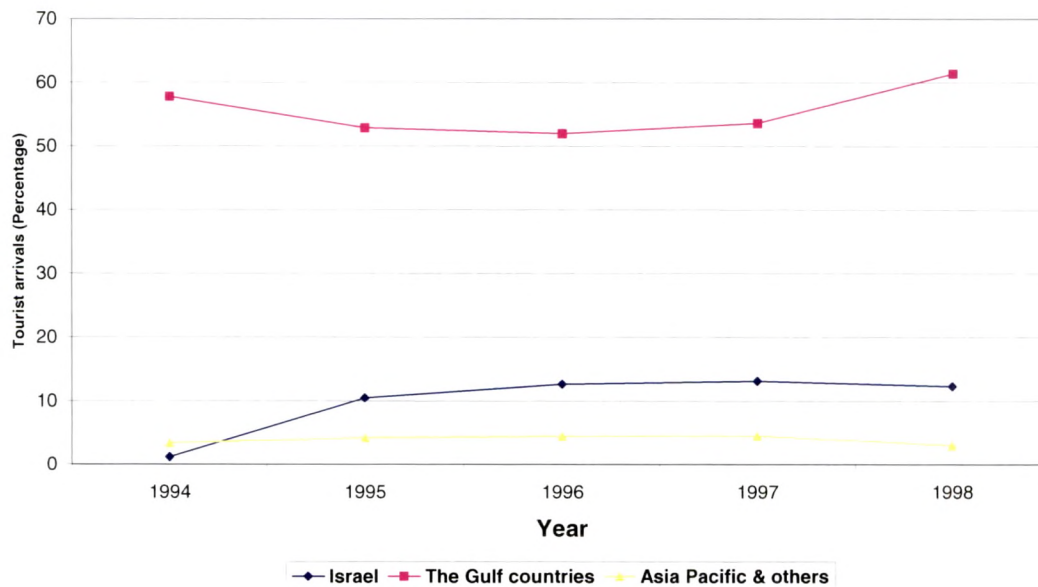
percent of the total tourists to the country. However, to economic crisis that hit South-East Asia in recent years has affected the tourism movement from these countries, accounting for only 2.9 percent in 1998. Thus, the number of tourists from Indonesia and Malaysia to Jordan fell from 26,00 in 1997, to 13,000 in 1998. Table: 5.11 exhibits the growth of tourists from South-East Asia and Pacific region to Jordan. Approximately 3.4 percent of tourists arriving to Jordan in 1994 were from South East Asia and Pacific region, most of which came from Japan, Indonesia, Malaysia, Australia and New Zealand. In 1997 tourists from South-East Asia and Pacific region accounted for 4.4 percent.

Table: 5.11
Tourists Arrivals in Jordan (Israel, the Gulf and Asia Pacific)
(thousand)
1994-1998

Region	1994	1995	1996	1997	1998
Israel	11	100	121	126	119
% of the total	1.12	10.45	12.62	13.11	12.27
The Gulf countries	553	567	573	604	772
% of the total	57.77	52.87	51.95	53.61	61.40
Asia Pacific & others	32	48	49	50	37
% of the total	3.33	4.15	4.43	4.44	2.94

Source: "Tourism in Jordan". Economic and Social Commission for Western Asia, United Nations, (New York, 2001).

Figure: 5.11
Tourist Arrivals in Jordan (Israel, The Gulf and Asia Pacific)
1994-1998



Between 1994 and the beginning of the 2000, growth in the number of visitors to Jordan had shown steady progress. On an annual average basis, it reached 5.1 percent in 2000, following 8 percent in 1999, 11.4 percent in 1998, 2.3 percent in 1997, 2.7 percent in 1996, 5 percent in 1995 and 2.3 percent in 1994.

However, this strong upswing growth in the tourism industry was suddenly broken off due to political turmoil such as *Al-Aqsa Intifada* (uprising) and the events of September 11-2001. These political events adversely affected the tourism sector in Jordan in 2000 and 2001. Tourist's income during these years dramatically dropped by 9 percent and 3 percent respectively. Amazingly, tourist arrivals increased during the same period as a result of a rise in intra-regional travel, mainly from the Gulf States.

The number of European arrivals in 2001 was 36.5 percent lower than in 2000. The number of American tourist, though far fewer, declined by 41 percent. The rise in Arab tourists, however, partially made up the decline, which increased 36 percent in 2001, from 770,795 in 2000 to 963,051 in 2001. On an annual average basis the number of tourists coming to Jordan, went up by 4 percent from 1, 426,879 in 2000 to 1,477,697 in 2001. Tourism in

Jordan, however, has been a relatively growing sector during the last five years and they currently make up 40 percent of all arrivals in Jordan. In the given background of regional and international tension four percent growth in 2001 seems to be quite satisfactory. Table: 5.12 illustrates the growth of tourist arrivals in Jordan during the period 1999-2003.

The number of tourist arrivals jumped from 1.48 million in 2001 to 1.62 million in 2002, registering an annual increase of 10.25 percent. Although tourist arrivals increased in 2002, the number of American and European visitors plunged by 19.4 percent and 2.2 percent respectively. The positive trend in regional arrivals continued in 2002, with Arab visitors up 17.5 percent compared with the previous year. Tourist arrivals from East Asia and the Pacific also grew from 41,955 in 2001 to 73,861 in 2002, showing an annual increase of 13.15 percent. Israeli visitors recorded the drop of 13.2 percent in 2002 compared to 2001. Visitors from African non-Arab countries also registered an average annual growth of 4 percent compared to 2001.

During 2003, the number of tourist arrivals declined by 3.04 percent mainly as a result of a drop of 7.50 percent in Arab visitors to Jordan during the same year. The number of non-Arab tourist coming from African countries also decline 9.51 percent. The second quarter of the year 2003 witnessed significant drop in tourist arrivals due to war on Iraq and the instability in the region. In the last quarter of the year 2003 tourism sector recuperated and registered a 10 percent increase in tourist arrival. Although tourist arrival in 2003 witness a downward trend, the number of American and European tourists have increased by 23.8 percent and 9 percent respectively. Europe's share in total tourist arrivals in 2003 constituted approximately 11.60 percent, the bulk of which coming from France, Germany, Britain and Spain. The share of Asia in total tourist arrivals accounted for about 5 percent, majority coming from Indonesia and Japan. Tourists from America constituted approximately 5.7 percent in total tourist's arrivals to Jordan in 2003, while share of Arab Countries such as the Gulf area accounted for 67 percent. Jordan received 161,075 Israeli tourists in 2003, representing around 10 percent of total tourist arrivals. The numbers of total tourist arrivals to Jordan reached 1.57 million in 2003, representing 3.04 percent decline

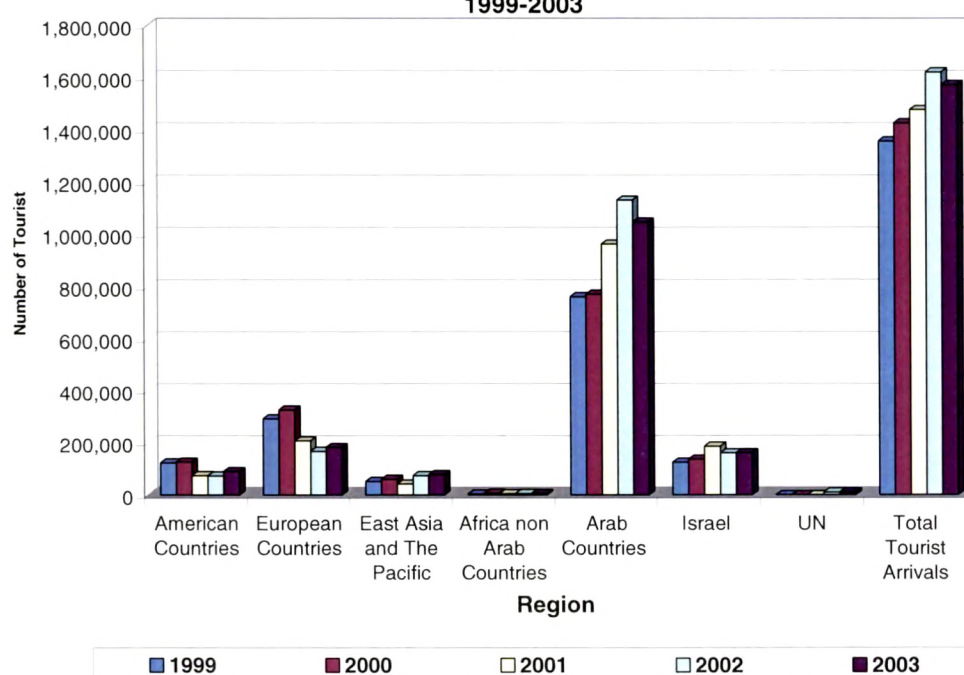
compared to previous year. Following Table: 5.12 indicates the pattern of tourist arrivals to Jordan by region.

Table: 5.12
Tourist Arrivals to Jordan by Region, 1999-2003

Item	1999	2000	2001	2002	2003	%change 03/99	%change 03/02
American Countries	123,525	126,411	74,568	72,919	90,251	-26.94%	23.77%
European Countries	292,757	326,574	207,332	167,181	182,247	-37.75%	9.01%
East Asia and The Pacific	51,603	59,990	41,955	73,861	77,621	50.42%	5.09%
Africa non Arab Countries	2,811	6,372	4,516	5,467	4,947	75.99%	-9.51%
Arab Countries	761,596	770,795	963,051	1,131,287	1,046,602	37.42%	-7.49%
Israel	125,528	136,737	186,275	161,705	161,076	28.32%	-0.39%
UN	-	-	-	9,430	9,871	-	4.68%
Total Tourist Arrivals	1,357,822	1,426,879	1,477,697	1,621,850	1,572,615	15.82%	-3.04%

Source: Ministry of Tourism/Information and Statistics Department.

Figure: 5.12
Tourist Arrivals to Jordan by Region
1999-2003



The spending pattern of tourists in Jordan is interesting and differs by region. Arab tourists spending pattern is different as compared to Western tourists. Arab tourists like or prefer to stay in motels and furnished apartments rather than hotels. They use either rental cars or bring their own car with them, instead of tour buses. Arab tourists like Jordan's familiar Arab culture, relatively cheap private health clinics, bargain shopping opportunities in *Amman's* markets, and Jordan's geographical location. Many of them are transit visitors arriving by road from Saudi Arabia and the Gulf countries on their way to neighbouring countries. Jordan, historic sites attract Western tourists. They are more interested in visiting archaeological sites like *Petra* and also like to know the Jordan heritage.

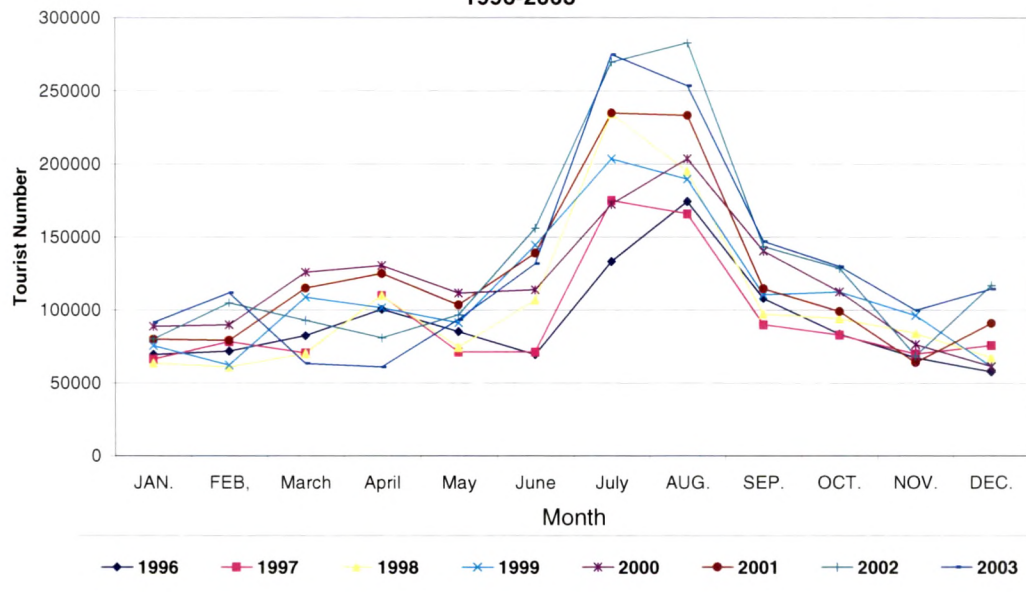
Table: 5.13 are concerned with the tourist who visit Jordan and stay for overnight and same day travellers. Table: 5.13 also depicts month wise flow of tourists as overnight and some day visitors during the period between 1996-2003. Tourists prefer to visit Jordan in the months of June, July, August, September and October. There is an increase flow of tourists in the month of July. Tourist do visit to Jordan during all the 12 months of the year though the flow may be little less than those in the peak months of the year. In 2003 Jordan received maximum number of tourists, approximately 274,846, in the month of July, whereas in April minimum number of tourists around 60,980 reached to Jordan.

Table: 5.13
Tourist over Night and Same Day Visitors by Month
1996-2003

Months	1996	1997	1998	1999	2000	2001	2002	2003	Change 03 / 02	% Share 2003
Jan	69456	66,398	63,454	75,463	88,761	79,953	80,014	91,594	14.5%	5.82%
Feb	71763	78,277	60,851	62,318	89,715	79,187	105,039	111,903	6.5%	7.12%
March	82393	70,444	70,094	108,886	125,994	114,932	93,006	63,447	-31.8%	4.03%
April	100414	109,956	109,856	101,533	130,420	124,952	80,939	60,980	-24.7%	3.88%
May	85221	71,230	74,401	91,272	111,691	103,442	96,792	93,528	-3.3%	5.95%
June	69440	71,230	106,638	144,537	113,796	138,847	156,200	131,787	-15.6%	8.38%
July	133217	175,031	234,141	203,502	172,520	234,832	269,667	274,846	1.9%	17.48%
Aug	174268	165,853	194,877	189,602	203,589	233,102	282,793	253,422	-10.4%	16.11%
Sep	107955	89,920	97,132	110,559	140,252	114,560	143,490	147,107	2.5%	9.35%
Oct	83529	82,898	93,926	112,396	112,421	98,959	128,550	129,743	0.9%	8.25%
Nov	67395	69,962	83,846	96,264	76,345	64,044	68,581	99,865	45.6%	6.35%
Dec	57701	75,829	67,212	61,490	61,375	90,887	116,842	114,393	-2.1%	7.27%
Total	1,102,752	1,127,028	1,256,428	1,357,822	1,426,879	1,477,697	1,621,850	1,572,615	-3.0%	100.00%

Source: Statistics Department / MOTA, Month Tourist

Figure: 5.13
Tourist Over Night and Same Day Visitors by Month
1996-2003



Generally February, November and December are the lean months from tourism activity point of view. In these months minimum number of tourists comes to Jordan. It may not be wrong to say that period between June to October is the best season for tourist willing to visit Jordan. In 2000, the number of tourists coming to Jordan in March and April were 125,994 and 130,420 respectively. The arrival of tourists in 2001 during these months declined to 114,932 and 124,952, representing 10.38 and 22.85 percents respectively. Month wise analysis of tourist flow in Jordan, in fact, does not provide a uniform pattern. Therefore, a definite inference is difficult to draw, ultimately peak and lean months with certainty.

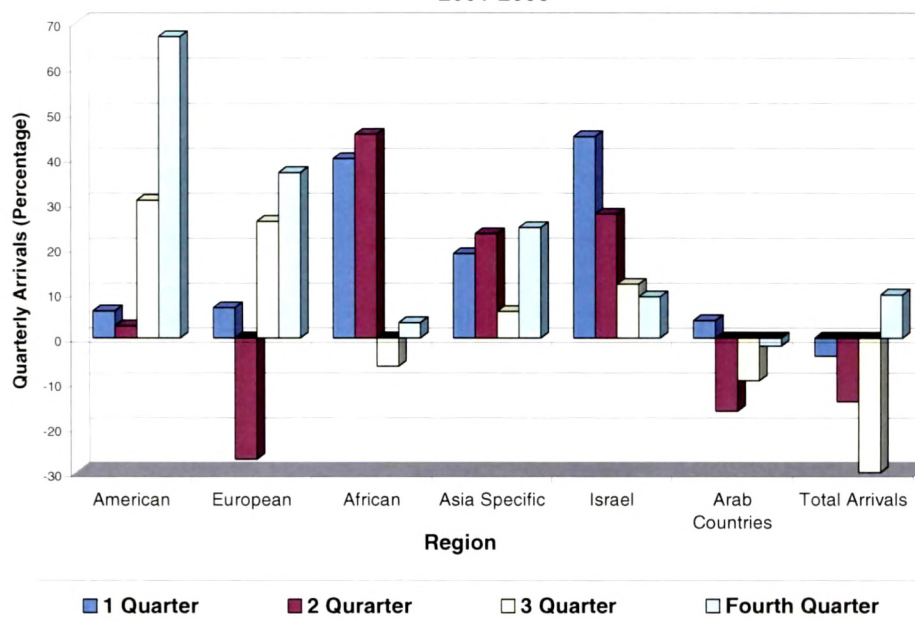
Table: 5.14 gives an account of tourist arrivals in different quarters of the year by region during the period between 2001-2003. Table: 5.14 demonstrates that second and third quarters of the years, understudy, are the most favourable periods to almost all the tourists of different regions. Tourist arrivals from the Arab countries to Jordan are highest in third and fourth quarters of the year 2003. In 2001 and 2002, tourists from Arab countries visited Jordan in second and third quarters of the years. Barring some instances, second and third quarters are the most preferable season for majority of the tourists of different regions.

Table: 5.14
Tourist Arrivals by Region in different Quarter of the year
2001-2003

Item	American				European				African				Asia Specific				Israel				Arab Countries				UN		Total Arrivals			
	2001	2002	2003	%	2001	2002	2003	%	2001	2002	2003	%	2001	2002	2003	%	2001	2002	2003	%	2001	2002	2003	%	2001	2002	2003	%		
Total	74,568	72,919	90,351	23.8%	207,332	167,181	182,247	9.0%	4,516	5,467	4,947	0.5%	73,851	77,671	77,671	5.09%	186,275	161,705	161,076	0.39%	963,051	1,131,28	1,046,80	7.50%	9,430	9,871	1,477,69	1,621,85	1,572,61	3.04%
4 th Quarter	10,597	15,481	25,859	67.0%	29,585	43,863	60,000	36.8%	840	1,249	1,291	3.4%	7,189	17,120	21,329	24.57	36,796	32,403	35,375	9.17%	168,88	201,31	197,73	-1.8%	2,538	2,411	253,89	313,97	344,00	9.6%
3 rd Quarter	21,184	23,571	30,805	30.7%	49,290	46,836	58,995	26.0%	1,271	1,541	1,444	-6.3%	13,656	25,054	26,535	5.91%	72,552	69,498	77,823	11.98%	424,54	526,91	476,64	-9.5 %	2,533	3,132	582,49	695,95	675,37	-3.0%
2 nd Quarter	23,468	20,144	20,691	2.7%	72,790	40,036	29,233	-27.0%	1,224	1,788	968	45.9%	17,365	18,771	14,416	23.20%	40,760	20,528	26,194	27.60%	217,63	230,33	192,70	-16.3%	2,271	2,086	367,24	333,86	286,29	-14.2%
1 st Quarter	19,319	13,723	12,896	-6.0%	55,667	36,446	34,019	6.7%	1,181	889	1,244	39.9%	9,745	12,916	15,343	18.79%	36,167	39,276	21,684	44.79%	151,99	172,72	179,51	3.9%	2,088	2,242	247,07	278,05	266,94	-4.0%

Source: Statistics Department/Ministry of Tourism and Antiquities

Figure 5.14
Tourist Arrivals by Region in Different Quarter of the Year
2001-2003

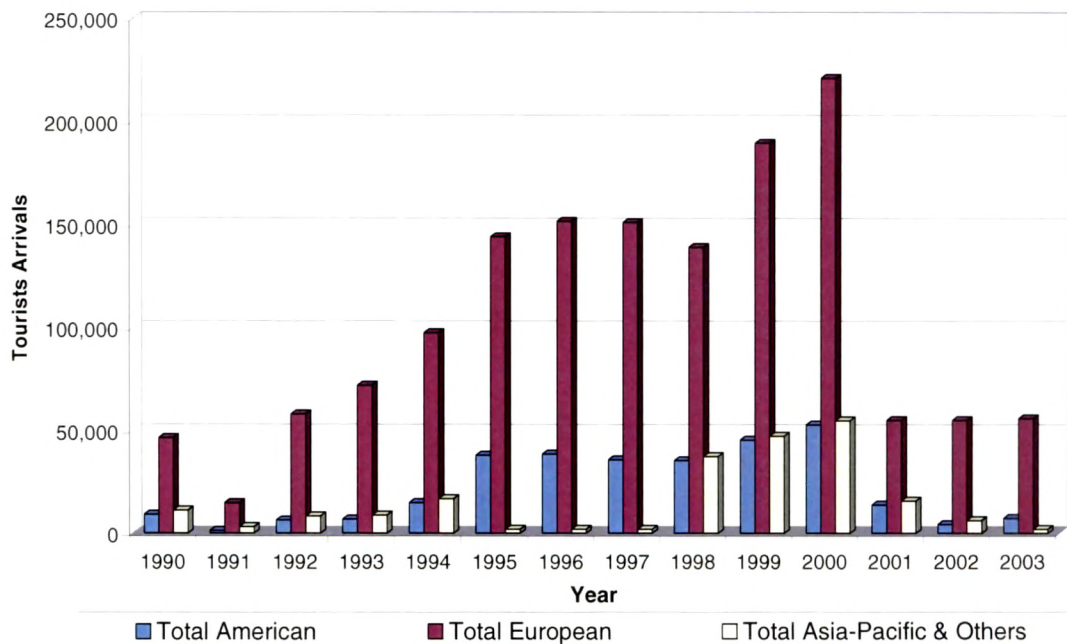


Tourist Arrivals on Package Tours: Package tour is an important segment of tourism activity. Package group holidays are economical and attractive socially. It provides more pleasure than individual and also secure. In package tour destination is predefined by the organizers and hence choice is limited. The number of tourists coming to Jordan on package group holidays in 2000 was 393,262 which declined dramatically to 195,636 in 2001, representing 48.75 percent drop in number of tourists. The number of tourist on package tours declined in 2002 25.46 percent compared to a year earlier. However, package holiday bookings increased by 17.4 percent in 2003 compared with previous year share of European tourists arrivals on package tour in 2000 was 56.28 percent of the total. In 2001 European share in package tour slightly declined to 54.81 percent whereas in 2002 and 2003 European tourist participation in package tour went down to 40.1 percent and 38.48 percent respectively. The share of American tourists in total package tour in 2000 was 13.48 percent, in 2001 and 2002 American tourists arrivals in package tour recorded a steep fall by 7.04 percent and 3.12 percent respectively. The share of American package tour market recuperated in 2003 slightly where it witnessed 5.07 percent of the total. Table: 5.15 illustrates the fluctuations in tourists arrivals on package tours during the period between 1990 and 2003.

Table: 5.15
Tourist Arrivals on Package Tours
1990 – 2003

COUNTRY	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
U.S.A.	8,440	866	4,635	5,504	13,045	31,738	33,257	31,191	31,054	40,089	46,742	11,873	3,425	5,568
CANADA	385	166	775	743	1,220	2,552	3,012	2,123	1,492	2,378	2,773	536	410	436
OTHERS	336	194	903	614	632	3,774	2,447	2,591	2,875	2,996	3,497	1,376	471	1,387
TOTAL AMER	9,161	1,226	6,313	6,861	14,897	38,064	38,716	35,905	35,421	45,463	53,012	13,785	4,306	7,391
FINLAND	7,446	2,152	1,911	1,880	2,310	1,320	144	585	636	1,334	419	122	68	
ITALY	10,787	4,030	19,691	20,183	19,879	21,157	18,592	23,769	25,547	41,653	48,565	14,842	4,509	3,527
GERMANY	8,190	1,317	7,359	11,529	18,114	28,439	40,884	33,820	22,298	26,812	31,261	16,779	7,328	3,660
AUSTRIA	4,338	256	2,206	3,297	5,455	7,155	11,242	8,088	5,740	8,922	10,403	3,201	1,387	922
FRANCE	4,224	719	4,352	8,267	14,052	19,248	24,427	27,185	28,708	37,840	44,120	21,124	8,074	5,343
U.K.	3,439	1,937	9,309	12,529	16,889	23,563	21,466	15,536	15,505	20,381	23,763	16,434	10,458	5,455
SPAIN	3,346	2,721	7,764	7,216	6,231	11,286	7,281	8,835	11,749	18,676	21,775	11,495	7,377	6,443
SWITZERLAND	606	95	177	700	1,305	2,868	3,707	3,803	6,871	5,768	6,725	3,164	1,413	1,770
YOGOSLAVIA			981	154		19			49					
NETHERLANDS			423	908	6,163	13,371	11,424	10,194	3,841	8,542	9,960	3,699	2,315	1,305
BELGIUM	448	103	1,039	1,527	2,710	4,244	4,066	6,230	7,005	9,294	10,836	5,459	1,209	601
SWEDEN	575	267	379	670	624	1,449	611	498	1,035	893	1,041	471	343	183
GREECE						1,960	1,197	1,684	1,242	1,734	2,022	1,445	504	611

Figure: 5.15
Tourist Arrivals on Package Tours
1990-2003



5.9 Tourism Receipt and Expenditure

Table: 5.16 explains the tourism receipts and expenditure from 2004 to 2007. In 2004 tourism receipt was 943 million Jordanian Dinars, representing 8.72 percent of GDP. Tourist receipts registered an upward trend between the years 2004-2006 at an average rate of 7.3 percent per annum. In 2005 tourist receipts increased to 1021 million JD, showing an annual increase of 8.2 percent, whereas in 2006 tourist income reached 116.1 million JD which accounted for 12.3 percent increase. Tourist receipt increase in first quarter of 2005 by 5.9 percent compared to the first quarter of 2004. In 2006, tourist receipt again witnessed growth of 5 percent in the first quarter in comparison to first quarter of 2005. In the same way the second quarters of 2005 and 2006 registered growth in tourist incomes by 15.5 percent and 17.9 percent respectively. In the third quarter of 2005 tourist income increased 10.08 percent compared to third quarter of 2004. The third quarter of 2006 witnessed a moderate growth by 4.27 percent as compared to third quarter of 2005. Tourist receipt increased by an impressive 34.8 percent in the fourth quarter of 2006 as compared to 2005, whereas it increased by 9 percent in the

fourth quarter of 2005 in comparison to 2004. Tourist receipts in Jordan increased in these years due to the increase in the arrival of Arab tourist from the Gulf area.

Table: 5.16 also illustrates the tourism expenditure during 2004-2007. From the Table: 5.16 it appears that tourism expenditures have been steadily increasing between the years 2004-2006 at an average rate of 6.16 percent per annum. Between the years 2004 and 2005 tourist expenditures increased from 371.4 million JD to 414.8 million JD, showing an annual growth of 11.5 percent. Tourist expenditure did show a moderate growth of 7 percent in 2006, compared to a year earlier. Expenditure, data indicate that tourism expenditure in the third and fourth quarters are higher than the first and second quarters of the years under study. Tourism expenditure is an important indicator of development of infrastructure facilities of this sector in the economy.

Table: 5.16
Tourism Receipts and Expenditures (million JD)
1994-2007

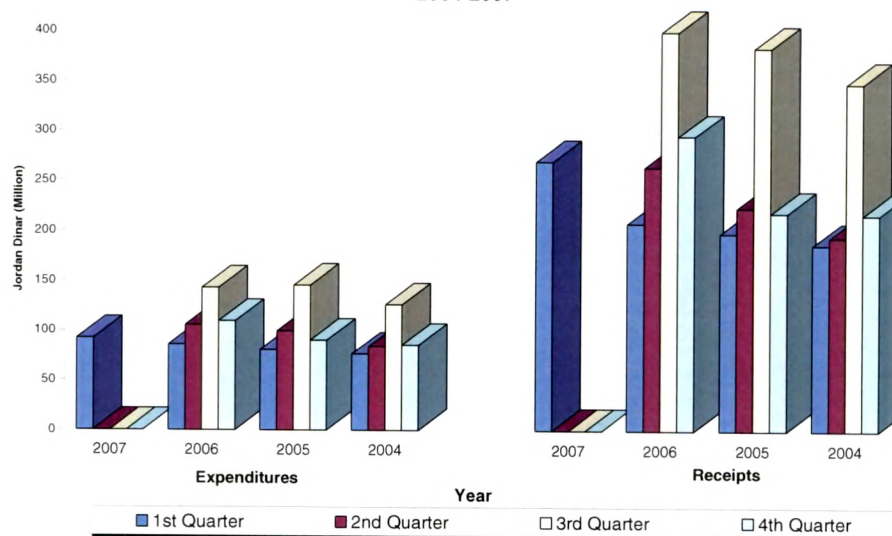
Month	%Relative Change 07/06	Payment				%Relative Change 07/06	Receipts			
		2007*	2006	2005	2004		2007 *	2006	2005	2004
January	1.8%	34	33.4	32.4	26.9		106.1	86.2	79.8	70.8
February	15.2%	29.5	25.6	23.6	27.4		76.9	54	57.1	61.8
March	7.9%	28.8	26.7	24.5	22.1		85.9	67.1	60.7	53.5
1st Qtr	7.7%	92.3	85.7	80.5	76.4		268.9	207.3	197.6	186.1
April	-100.0%		29.3	26.4	22.6			77.5	67.5	61.3
May	-100.0%		31.7	30.4	25.2			80	67.5	56.3
June	-100.0%		44.3	42.4	35.9			106	88.1	75.8
2nd Qtr	-100.0%	0.0	105.3	99.2	83.7		0.0	263.5	223.1	193.4
July	-100.0%		55.1	55.7	45.8			134.6	126.7	110.2
August	-100.0%		48.4	50.7	45.8			144.5	147.6	137.2
September	-100.0%		39.4	38.7	34.2			119.7	108.5	99.9
3rd Qtr	-100.0%	0.0	142.9	145.1	125.8		0.0	398.8	382.8	347.3
October	-100.0%		44.5	32.5	30.6			111.6	81.4	81.5
November	-100.0%		34.4	32.3	32.1			81.5	72.6	77.3
December	-100.0%		30.5	25.2	22.8			101.4	64.1	57.4
Fourth Qtr	-100.0%	0.0	109.4	90.0	85.5		0.0	294.5	218.1	216.2
Total	-100.0%		443.3	414.8	371.4			1,164.1	1,021.6	943.0

*Preliminary

Source: Central Bank of Jordan

Figure: 5.16

Tourism Receipts and Expenditures (JD Million)
2004-2007



5.10 Tourism Marketing

Marketing plays vital role in Tourism industry. Without proper marketing strategy, development of tourism industry is not possible. Marketing of tourism is highly specialized and many important factors should be taken into consideration when selecting the targeted markets of the promotion campaigns. These factors include language, climate, geographical proximity, culture, and rates of travels and spending for tourism. Marketing is typically seen as the task of creating, promoting, and delivering goods and services to consumers and business. Marketers are skilled in stimulating demand for industry's products and are responsible for demand management. Marketing people are involved in marketing ten types of entities, goods, services, experiences, events, persons, places, properties organisations, information and ideas. *Wahab Salah* (1975 & 1976) stresses on adopting the marketing process in tourism "in view of achieving tourism satisfaction, thereby fulfilling their objectives". The management should be in a position to realize that customer needs are more basic than a particular product. The management should also be sensitive enough to spot new product opportunities. Tourism marketing, essentially, has a professional approach consisting of the following four steps:

- I. Tourism User Identification
- II. Users Behaviour Identification

III. Tourism Product Identification

IV. Tourism Product Development

Every Tourist destination in the world has a “brand image”. The brand should be able to differentiate a destination from competing destinations. A strong brand is differentiated from others, has several strong advantages when compared to others, and has an attractive appeal to consumers. Developing a strong image for any brand require a carefully planned brand strategy based on:

- a. A unique brand personality
- b. Correct positioning strategies
- c. Product development, and
- d. Advertising and promotional activities.

Jordan’s positioning is recommended as a “*Boutique Destination*”, which draws its lead products and brand themes from its patrimony of heritage and nature, in the context of a secure, peaceful destination and a friendly welcoming environment for high yield visitors. Jordan will need to define its image in brand terms and then resource the task of re-establishing itself as a secure, safe, welcoming destination. Jordan in order to compete in the global tourism market place, then the country must offer its visitors something “special” and “unique”. The market logic is that Jordan should develop branded approach to its tourism marketing.

Jordan is striving to develop a modern tourism industry as its major source of revenue to foreign exchange. To accomplish this, it will have to actively promote the country’s tourism product in world market. This will require ambitions promotion programme and aggressive participation in international and regional tourism meetings and events. Unfortunately, the exposure of the Jordan tourism product in world is still inadequate and for less than that of Egypt and Israel. Moreover, the tourism promotion budget in Jordan is too small to make an impact on the world travel and tourism market. Prior to 1996, the annual marketing budget never exceeds US \$ 1.5 million. Serious efforts to promote the Jordanian tourism in world markets were taken after the establishment of the Jordan Tourism Board (JTB) in 1997. While the tourism promotion budget has now reached US\$ 5 million, a much greater

effort and a large input will be required. JTB receives around 90% of its budget from the government and 10% from the private sector. The board is responsible to identify and target potential new markets, coordinates the marketing of Jordan at international tourism fairs, commission and produce a wide range of brochures and other published promotional material, as well as act as an advisory body on a whole range of tourism related issues. By 2003, JTB had ten overseas representatives. These overseas offices are responsible to promote and develop Jordan's image as a special and unique destination from tourism point of view. There are, at present, seven offices in Europe, one in the US, one in the UAE, and one in Russia. The board is currently studying the possibilities of opening further office in Poland and Czech Republic for tourism market in East European countries. JTB has recently signed an agreement with China National Tourism Authority (CNTA) for "approved destination status". JTB has started a number of promotional activities to woo the Chinese markets. However, JTB also showed its willingness to establish direct flight from Jordan to China because air linkage is considered to be an important means for bringing in tourist to the kingdom. JTB every year invites about 800 media persons as guests for wide publicity regarding Jordan as a safe and interesting country. Currently tourism promotion budget of JTB has touched \$ 5.5 million and likely to increase \$ 11 million in near future. This will help JTB to launch various promotional activities in different tourist market of the world. The budget amount is very modest in comparison with that of other countries, even in comparison with that of Egypt and Israel. For example, Australia's annual expenditure of tourism promotion is about US \$ 88 million, that of Spain and the UK each at \$ 79 million, Egypt at \$ 21 million and Israel at \$ 32 million. Despite meagre marketing and promotional resources, the Jordanian Tourism Board has nevertheless organized campaigns to promote its tourism product in international and regional markets. It participates annually in major tourism promotional events in Europe, UK and US. The board organizes information and familiarization tours for international and regional TV and media persons, in addition to producing promotional material, such as films, videos and brochures, for distribution at tourism exhibitions and professional meetings related to travel and tourism.

Aqaba special Economic Zone Authority (ASEZA) is focusing on Jordan's "Golden tourism Triangle" which includes *Petra*, *Aqaba* and the *Dead Sea*. During the World Economic Forum (WEF) at the *Dead Sea*, King *Abdullah-II* announced the National strategy for Tourism. The main objective of the strategy was to encourage competitiveness of this sector and increase its contribution to the gross domestic product. The government also announced the reduction of taxes on stay at hotels from 16 percent to 7 percent. It is expected that this will help in attracting more tourists and provide 91,000 job opportunities. JTB is also trying to encourage the private sectors' contribution from less than a million Jordanian dinars to reach JD 3 million. Despite increasing government support for the promotion and marketing of travel and tourism, a greater effort is needed to bridge the gap between the present level of Jordan's tourism activity and that of major neighbouring tourism destinations.

5.11 Climate and Tourism

Climate plays an important role in attracting tourists to visit a certain country and discourage them to visit another. Tourists especially those who come from countries of cold climates seek to visit tourist destinations with moderate and cool climates in summer and warm tourist destinations in winter. In nearly every country there are certain times of the year when the weather is very encouraging for tourism and tourist activities. During such a period of time the number of tourist's increases in the country compared with the low number of tourists throughout the year. Every tourist destination has got its high season and low season as with regards to the number of tourists. Seasonality in tourism plays a major role in attracting more tourists to the country during the high season when the climate is very moderate for tourists. *Robinson (1976)*, defines seasonality as "The tourism sector is activated and the country witnesses an increase in the number of tourists during a limited period of time". Therefore, seasonality means that tourism is activated during a certain season of the year often known as the high season and it becomes idle and inactive during the other seasons often known as low seasons. (Maps: 5.02-A, 5.02-B, 5.02-C and 5.02-D) explain the comfortable and uncomfortable areas in deferent seasons in Jordan. During the high seasons the tourism sector in the country witnesses a high boom. During the high season the occupancy rates in hotels reaches 100% in certain

tourist destinations, restaurants, cafes, bars and tourist sites witness a drastic increase in the number of tourists. Travel agencies in the country increase their tours in the country to cope with the influx of tourists and souvenirs and antiques shops sell their items very quickly.

Choice of destination is also probably influenced by the image that a country has with regards to its political stability and internal security. But a major factor in both choice of destination and time of departure is surely climate. Tourists might be construed as making a decision to go abroad in order to gain some short-term climatic advantage.

Jordan is part of the Eastern Mediterranean weather system and boasts one of the world's most pleasant climates. There are marked seasonal contrasts, however, summers are dry and warm-to-hot and winters are wet and cool-to-cold, with occasional snow storms. In the highlands there are often strong, cool breezes and the low-lying areas such as the *Jordan valley* area enjoy pleasant, moderately cool winters. January is the coldest month and, although below-freezing temperatures are not unknown, the average winter temperature is above 7.2°C (45°F). The hottest month is August, when temperatures may reach 48.9°C (120°F) in the *Jordan valley*. In *Amman*, the average summer temperature is a pleasant 25.6°C (78°F). Rainfall is mostly during the winter months and ranges from 660 mm (26 inches) in the North-West to less than 127mm (5 inches) in the East of the country.

The high season in Jordan extends over two periods; the first runs from October through December, whereas the second high season commences in the middle of March and continues throughout May. Seasonality in Jordan has been confirmed by the Ministry of Tourism and Antiquities and all those who work in the tourism industry mainly travel agents, tourist guides and owners of souvenir shops, restaurants, cafes and rest houses in *Aqaba*, *Wadi Rum*, *Petra*, *Jerash* and other tourist sites in the country. The moderate warm weather in the first high season which comes in autumn and the cool and moderate weather in the second high season which comes during the spring attract foreign tourists from cold countries such as European countries, Canada, America and Australia. The low season in winter which runs from January throughout February witnesses a notable decrease in the number of tourists visiting Jordan due to the cold weather in this time of the year. By the same token, the summer low season which starts as of early June and continues throughout April also witnesses a drastic decrease in the number of tourists as a result of the very hot

weather in the kingdom in this time of the year. Thus, it becomes crystal clear that seasonality in Jordan occurs in the moderate weather seasons in autumn and spring with the peak season occurring in the spring, whereas the low seasons occur in very hot and cold weathers in both summer and winter.

Zreiqat (1999) argues that tourism seasonality in Jordan is attributed to several reasons including those related to the climate. Moreover, the insufficient promotional campaigns for tourist sites during the low seasons in comparison with the extensive promotional campaigns in the peak seasons further intensifies the existence of seasonality in Jordan. *Zreiqat* further elaborates that what intensifies the seasonality phenomenon in Jordan is the small number of attractive tourist activities in the kingdom during the low seasons compared with their great number in the high season. Therefore more attractive tourist programmes are to be organized during the low season such as a summer shopping festival, singing and dancing festivals, water sports in *Aqaba* and mountain climbing completions in *Wadi Rum*. *Zreiqat* argues those official holidays; school summer vacations, national holidays further deepens the existence of seasonality especially for domestic tourism.

Tourism seasonality in Jordan can be reduced through:

- Making better use of the diverse Jordanian topological and geographical nature and the climatic diversity in the country. In winter travel tours can be organized to the *Jordan valley* area, the *Dead Sea* and the Gulf of *Aqaba* where the weather there is quite moderate and warm in winter compared with the very cold weather in the other parts of the country. In hot summer, travel tours can be organized to cool places such as *Ajloun*, *Jerash* and *Umm Qais*.
- Intensifying the promotional campaigns for the tourist sites in the low seasons.
- Increasing the coordination between the Ministry of Tourism and Antiquities and classified hotels to boost the occupancy rates during the low season by giving tourists good offers such as a discount for using all hotel facilities, reduced check in fees per night and a bonus night stay in the hotel.
- Increasing the coordination between the Ministry of Tourism and Antiquities and Royal Jordanian Airlines to increase the number of foreign tourists visiting Jordan by offering those tickets at low prices during the low season.
- Promoting all types of tourism in Jordan especially those types of tourism that can be activated during the low season such as cultural tourism through

organizing more folklore festivals, archaeological tourism, medical tourism in the hot thermal springs in *Ma'in*, *Ifra* and the *Dead Sea* resorts and religious tourism by encouraging foreign tourists to visit the baptism site where Jesus Christ (PBUH) was baptized. (Map: 2.52)

- The Ministry of Tourism and Antiquities in cooperation with the Ministry of Youth can promote sports tourism through organizing different sports competitions such as water skiing, wind surfing, canoeing, and diving and other water sports in the Gulf of *Aqaba*, mountaineering and hot-air balloon shows in *Wadi Rum*. (Plates: 3.02-a to 3.02-x)
- Organizing shopping festivals to encourage Arab and foreign tourists to visit Jordan during the low season.
- Organizing cultural festivals similar to the *Jerash Festival* (has been renamed as *Jordan Festival* in 2008) for Culture and Arts during the low season.

Among the benefits of getting rid of seasonality is expanding the period of the high season to become all year round, reducing the crowdedness in tourist sites which negatively affects archaeological sites through sound and dust pollution, the conservation of historical sites and their capacity.

Jordan enjoys a diversity of climatic conditions ranging from the hot Saharo – Arabian climate to the moderate Mediterranean climate (Map: 2.38). The climatic zones of Jordan are highly miscellaneous yet easily classified according to longitudinal trends (Map: 2.26). In terms of climate Jordan is divided into three major physiographic regions (Maps: 2.31 and 2.32). The first climate zone is in the *Jordan valley* often called the (*Ghor*) Lowlands. The *Jordan valley* covers a great part of the country almost extending from the Northern border of the country, beside Lake *Tiberias*, to the *Dead Sea*, to *Wadi Araba*, and finally to *Aqaba* on the Southern tip of the country. The *Jordan valley* is part of the Great Rift Valley and contains the lowest point on Earth 416 meter below sea level at the *Dead Sea*. This climate zone is part of the semitropical world climate which is characterized by very hot and dry summers with an average high temperature of 31^f Centigrade and warm winters with an average temperature of 15^fC. The high lands constitute the second climate zone in Jordan. The Jordanian highlands lie on the Eastern side of the *Jordan valley*. They also extend from the Northern to the Southern tip of the country. The highlands vary in elevation from 100 to 1,500 meters above sea level. The climate in the Jordanian

highlands zone is that of the immoderate Mediterranean climate. This immoderate climate is characterized by very dry and hot summers with an average temperature of 22f C and very cold winters with temperatures falling below freezing mainly on the high mountainous areas. The third climate zone in Jordan is the desert zone which includes the low lying lands situated to the East of the mountains. This climate zone is characterized by extremely hot and dry Summers with temperatures averaging 29f C and cool Winters with temperature averaging 5f C. Apart from these major climate zones, there are two secondary climate zones that lie immediately between the three zones. The first sub climate zone is situated in the area between the *Jordan valley* and the highlands, and the second is located between the highlands and the desert.

Climate constitutes the most significant influence on tourists' choice of leisure tourism destination. Tourists from Europe, Canada and America leave their own countries during their long awaited vacations to enjoy a warm and moderate climate in a tourist destination that is rich with cultural heritage and tourist attractions. It is clear that climate is a controlling influence on leisure travel demand and climate change has the capacity radically to change the nature, pattern and seasonality of international tourist destinations.

The Ministry of Tourism and Antiquities should issue certain brochures about climate conditions throughout the whole year in all tourist sites in the country and circulate them among travel agencies which in turn would give them to tourists who visit the country. On the one hand, these brochures provide tourists with adequate knowledge of climate conditions in tourist sites all the year round. On the other hand, tourists can decide for themselves when it is appropriate to visit a certain tourist site and when it is inappropriate to visit it. For example, it would be inappropriate for tourists to go to the mountainous areas such as *Ajloun* in winter because it is very cold there during this time of the year. Instead in winter tourists are advised to go to the *Jordan valley* and the *Dead Sea* area where the weather there is warm during this time of the year compared with the other cold areas. Otherwise, tourists are advised to go to the mountainous areas in the hot summer where the weather there is cool compared with the other hot areas. Thus, it becomes crystal clear that conducive and favourable climate plays a major role in attracting tourists to the tourist site whereas inappropriate climate in a certain tourist site discourages tourists to visit it. Tourists' choice of a tourist destination largely depends on its favourable climate conditions

during a certain time of the year, while they avoid visiting the same place at other times of the year when the climate conditions are unfavourable. For example, it would be inappropriate to visit *Petra* in the cold weather in winter or in the summer heat. Therefore, it must be mentioned in all brochures issued by travel agencies when it is appropriate to visit a certain tourist site and when to avoid visiting it when the climate conditions are unfavourable. The brochures should highlight the diversity of climate conditions in every tourist site, the appropriate time to visit it and even the types of clothes tourists need to wear when visiting such a tourist site.

Climatic conditions have an influence on tourists' choice of their tourist destinations. Tourists seek moderate climates, sunny beaches, cool historical sites in summer and warm and moderate tourist sites in winter. The influence of climate on tourism can be summed up as follows:

- Tourism, like all human activities, is largely dependent upon favourable and conducive climatic conditions. Climate conditions determine tourists' leisure time destinations.
- Harsh climatic conditions such as heavy rain, humidity, moisture, sun heat and storms negatively affect tourism and make tourists avoid visiting a certain tourist site at a certain time of the year. Favourable climate in a tourist site helps tourists enjoy their stay in that place and encourages them to stay there for a longer period of time.
- Moderate climatic conditions such as mild sunshine and calm breezes attract tourists to a tourist site.
- Unfavourable climate in tourist sites hurt tourists who are not accustomed to harsh weather conditions such as the sun heat, the high temperature and the unbearable humidity. Such climatic conditions which are totally not conducive to tourism negatively affect tourists and make them dull and inactive. Moreover, such harsh weather conditions have bad psychological consequences on tourists who have never experienced such unfavourable weather.
- A favourable climate constitutes an invisible or abstract source of investment capital in a tourist site provided that it is properly made use of.
- Climatic conditions swell seasonality in tourism which negatively affects this important economic sector.

5.12 Butler Lifecycle Model of Resort Development

Several scholars have proposed the idea of an orderly progression in the life cycle of tourist resources (*Christaller 1963, Plog 1973, Stansfield 1978 and Butler 1980*). Cycle theory is a commonly used concept in a variety of research fields such as economics, marketing, demography, urban studies and geography. However, one needs to distinguish between two different life cycle concepts, namely studies related to the product family life cycle. The basic reasoning of the former is that a product or tourism destination moves through stages of inception, growth, maturity, stagnation, and eventual decline.¹⁶ Put simply; destination moves from an initial period of discovery through to a period of increased visitor interest and growth in specifically tourism oriented infrastructure to become a location of mass tourism with associated social implications. The next phase is either decline or rejuvenation, depending on the quality of the resources and the foresight of the tourism planners. Depending on the product and locality, this curve may be steeper or longer but on eventual decline is assumed.

Walter Christaller (1963) developed a model that described the evaluation of tourism through a life-cycle process. In the representation, artists first seek out unusual and undisturbed areas for subject matter and inspiration. This can lead to the development of an artist colony which in turn attracts poets, movie, people, gourmets, and in time the rich and indulged. This progression results in the destination being identified as fashionable, which attracts hotel and commercialization. As the popularity of the destination increases more working class people are attracted while the original visitors leave, except for a few commercial artists. While advertising and travel agencies now promote the destination the original visitors are driven to find new untouched locations and the cycle reflects itself.¹⁷

Plog (1973) presented a different view of the destination cycle progression. His model asserts that the rise and fall of a destination is due

16. Martin Oppermann, "Travel Life Cycle" *Annals of Tourism Research*, (New York, 1995), Vol. 22, No. 3, p. 536.

17. Alex Tooman, "Applications of the life-Cycle Model in Tourism", *Annals of Tourism Research*, (New York, 1996). Vol.24. No.1, p. 216.

predominantly to the psychology of the travellers. *Plog* identifies three main types of tourists.

- The allocentric;
- The midcentric, and
- The psychocentric

Each of these tends to conform to income levels ranging from higher to lower, respectively. Allocentrics are first to visit or discover a location because they are the most adventuresome of the three types and enjoy discovery and new experiences. As more allocentrics visit an area it develops a reputation as the “in” place to visit, thus attracting near allocentrics. Consequently tourism facilities emerge and expand so that midcentrics become attracted. These are the majority of the population; who prefer the destination to be reasonably accessible, predictable, and comfortable. This increased popularity results in the maturation of the destination; development occurs so as to offer a full array of amenities, services and amusements. At this point, the destination has achieved its maximum potential and attracted the broadest possible number of tourists. At this stage, an account of heightened popularity, less adventuresome, near psychocentrics, and finally least adventuresome psychocentrics visit the destination. Psychocentric tourist travel less, stay a shorter time, and spend less money, typically preferring destination to be as familiar as possible. As the destination becomes more accessible and more commercialized, the original visitors depart in search of new discoveries.¹⁸

Butlers’ Model: The model that has attracted the most attention and discussion, and incorporates the most factors is the six-stage model developed by *Butler* in 1980. He introduced product life cycle of tourism resorts in his seminal article “The Concept of a Tourism Area Cycle of Evolution: Implications for Management of Resources”. *Butler’s* model proposes six stages in the cycle of evolution of a tourist area. These states include:¹⁹

- Exploration
- Involvement

18. Ibid, pp. 216-217.

19. C. Anthony di Benedetto and David C. Bojanic, “*Tourism Area Life Cycle Extensions*” *Annals of Tourism Research*, (New York, 1993) Vol, 20, pp. 557-558.

- Development
- Consolidation
- Stagnation
- Rejuvenation/decline

The Destination Area Life Cycle (DALC) describes the evolution of destinations from involvement over exploration and development to consolidation and stagnation. Eventually the tourism area faces declining tourist number if it is not temporarily saved by rejuvenation.

Exploration Stage: The tourist cycle begin with exploration by small number of visitors who are adventurous by nature and avoid commercialized destinations. There is a high degree of contact with locals and use of their facilities but with very little social and economic relations.

Involvement Stage: In the involvement stage, the local community is engaged in tourism; facilities and infrastructure are built, tourism associations are created, and the market is being defined, which, in turn, increases the speed of tourism development. A tourism destination and season emerged and advertising is initiated.

Development Stage: In the development stage, the destination is well defined, attractions have been developed, promotional campaigns raise awareness, and the novelty of the location is gradually falling away with the steady increase in tourist numbers. Control is passed from local hands to external companies. Accessibility is enhanced, advertising becomes more intensive and extensive, and local facilities are displaced by more elaborate and up-to-date ones. Artificial attraction supplants original ones. Imported labour and ancillary facilities and services become necessary to support the rapidly growing tourism industry.

Consolidation Stage: In the consolidation stage the rate of increase of visitors has declined although total numbers are still increasing. The destination is now heavily marketed and tourism is very essential for the local economy, with an identifiable business district, and dominated by major claims and franchises. Older facilities are now second rate and mostly undesirable.

Stagnation Stage: At Stagnation highest number of tourists is achieved forcing facility managers to rely on repeat visitations and conventions for

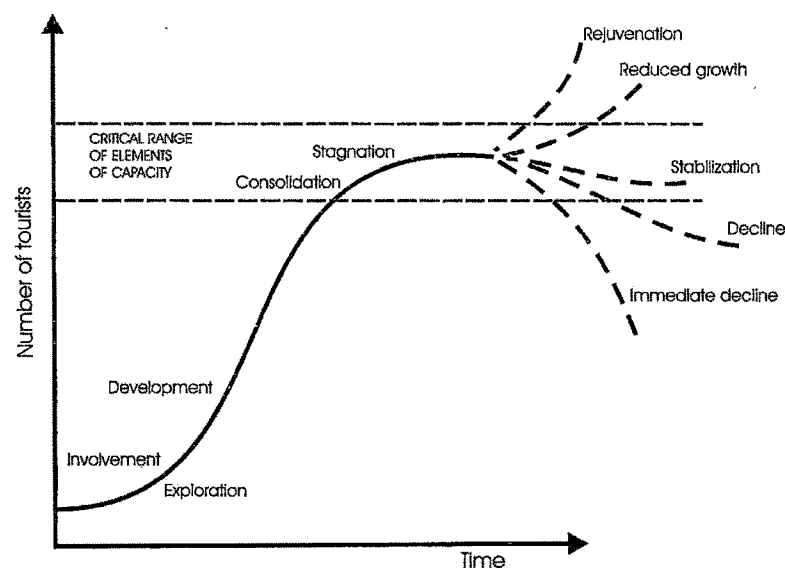
business. The resort is no longer fashionable and there are evidently problems with environment, culture and the changes in the local structure of industry. Artificial attractions supersede the natural or cultural ones. Surplus capacity exists. At this stage the destination has two options, Decline or Rejuvenation.

Decline (first part of stage six): In decline stage, visitors are lost to newer resorts and the destination becomes dependent on a smaller geographical area for day trips and weekend visits. Tourism facilities become replaced by none-tourism establishments as the area disengages from the industry. This results in even less attraction for visitors and remaining facilities become less viable. Local involvement probably increases again as the price of facilities drops along with the market decline. The destination either becomes a tourism slim or finds itself devoid of tourism activity altogether.

Rejuvenation (second part of stage six): A dramatic change in the resource base is established. Either a new set of artificial attractions is created or a previously unexploited natural resource is utilized.

Figure: 5.17

The Butler Model of Resort Development (1980)



Source: Adopted from Stephen Williams, *Tourism Geography*, P.37 (London, 1998)

Figure: 5.17 illustrates one conceptualizations of a resort area life cycle as developed by the geographer Butler. Some authors have seen stagnation

and decline as an evitable and natural consequence of resort development.²⁰ During the final stage the cycle can begin or permanent decline can set in. Realistically, an outcome anywhere between these two extremes is possible as new efforts may not be totally successful or the decline may not be totally irrevocable or precipitous. Any given destination may not follow these stages precisely, however many researchers conclude that the general trend holds. There has been some empirical test of the tourist life cycle hypothesis (*Stansfield 1978, Hovinen 1981, Meyer-Arendt 1985, Cooper and Jackson 1989, Di Benedetto and Bojanic 1993, Priestly and Mundet 1998, Tooman 1997, and Twining-Ward and Baum 1998*). The general conclusion appears to be that the model is useful as a portrayal of resort development, but the authors did experience differences from the idealized model. These differences were due mainly to the product or destination specific nature of the life cycle phenomenon. The model is infact more descriptive than normative. Some authors have questioned the usefulness of the tourist area life cycle. They emphasized further research in an attempt to gain a more complete understanding of the life cycle phenomenon.²¹

Most of the tourist destinations of Jordan find themselves in development stage of the model, and some of the resorts are in involvement stage. None of the tourist destination has reached in consolidation stage. Now it is appropriate stage for proper planning and adaptation of integrated approach for the development of tourist resorts in Jordan. Following seven elements should be taken into account as a means of building an indigenous and integrated tourism industry.²²

- Zoning to separated tourism from other land uses and minimize its effect on agricultural land values.
- Gradual growth to lessen inflation and social problems.
- Indigenous tourism to maximize participation of local communities.
- Local production of food, furniture, and crafts to stimulate the economy and save on foreign exchange.

20. Stephen Williams, *Tourism Geography*, (London, 1998), p. 36.

21. Alex Tooman, "Applications of the life-Cycle Model in Tourism", *Annals of Tourism Research*, (New York,1996). Vol.24. No.1, p. 216

22. Jonh, Bale and David Drakokis-Smith, *Tourism and Development in the Third World*, (London, 1988), pp 74 -75.

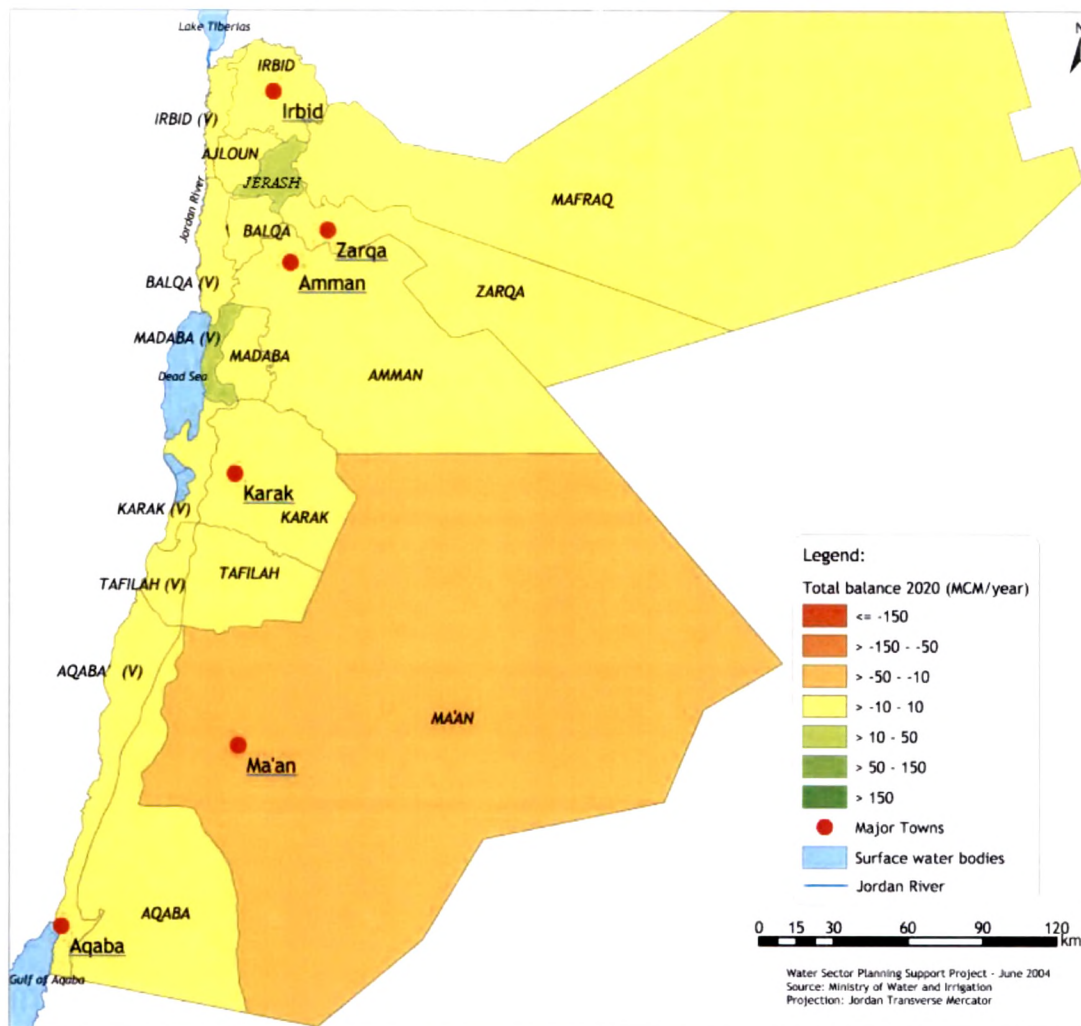
- Indigenous building forms using local materials plus more control over foreign investment.
- Joint ventures between foreign and local investors plus more control over foreign investment.
- Low-cost marketing aimed at reaching a diverse group of potential tourists.

Tourist data and geographical factors such as attraction, location and accessibility, of three important tourist resorts destinations of Jordan viz. *Petra*, *Dead Sea* area and *Aqaba* tourist of region typify the development stage of *Butler's* model of destination life-cycle. Government of Jordan has launched various tourist projects in order to develop tourism potential of the country and to bolster its economy. These projects are in involvement stage of the *Butlers* model of destination life-cycle. Therefore, extra ordinary attention is required for these projects at this stage so that they may reach in development stage of the model. Further these resorts may also be proved as a means of overcoming under development of Jordanian economy.

CHAPTER - 5

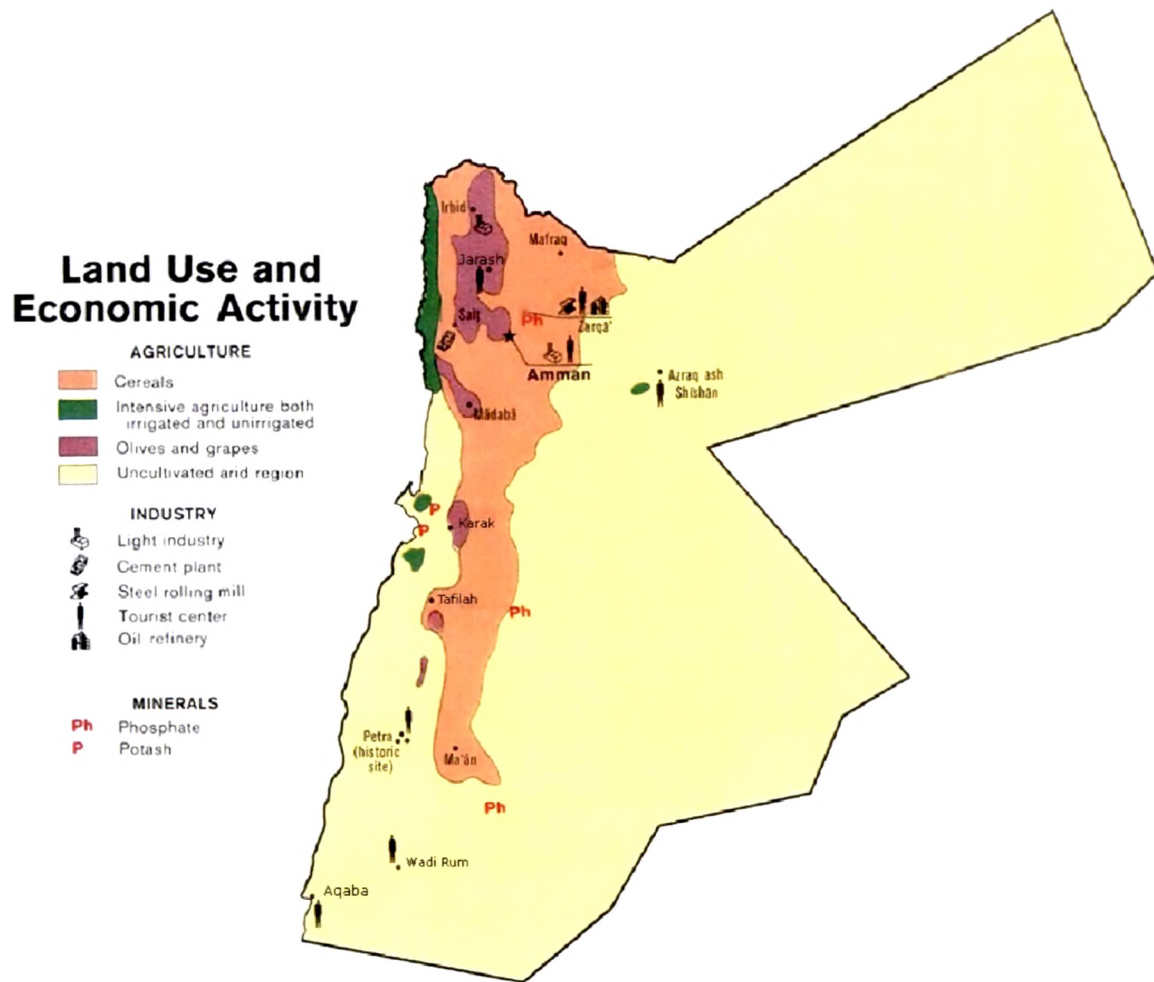
MAPS

Map: 5.00
Water Balance
(Total Balance 2020 MCM/Year)



Source: Ministry of Water and Irrigation, Amman, Jordan, 2004

Map: 5.01
Land Use and Economic Activity

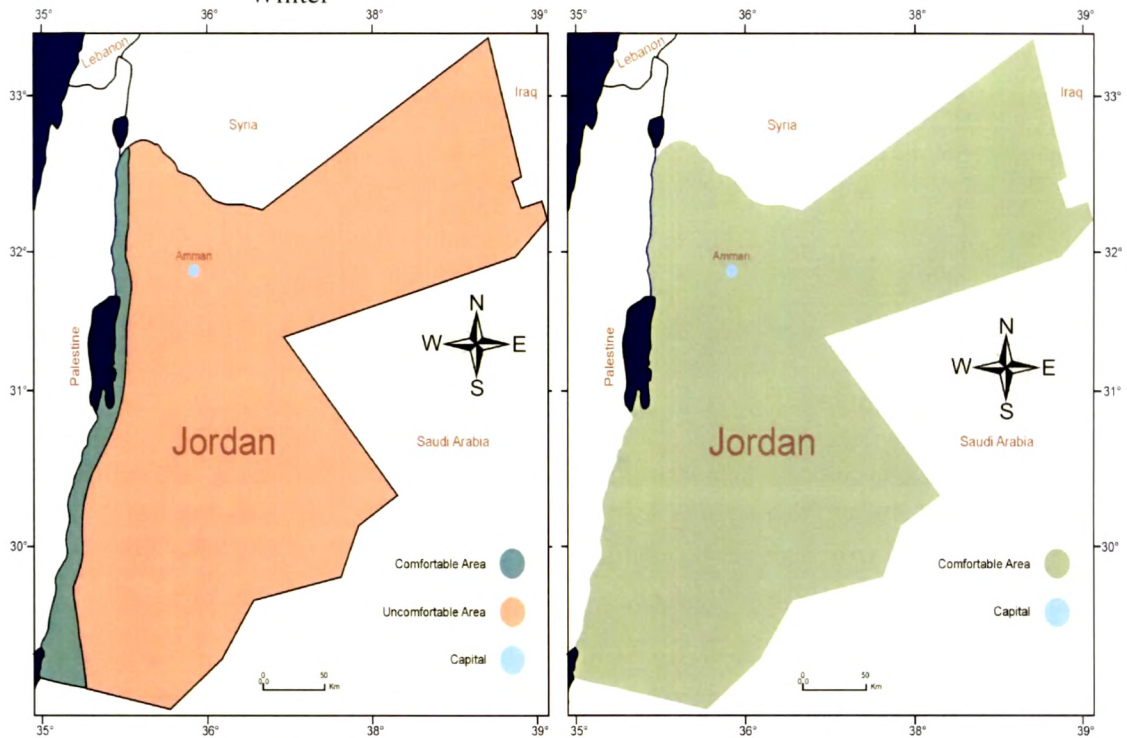


Source: www.lib.utexas.edu/maps/jordan.html (Modified)

Map: 5.02
Tourism in Jordan During Different Seasons
Map: 5.02-A **Map: 5.02-B**

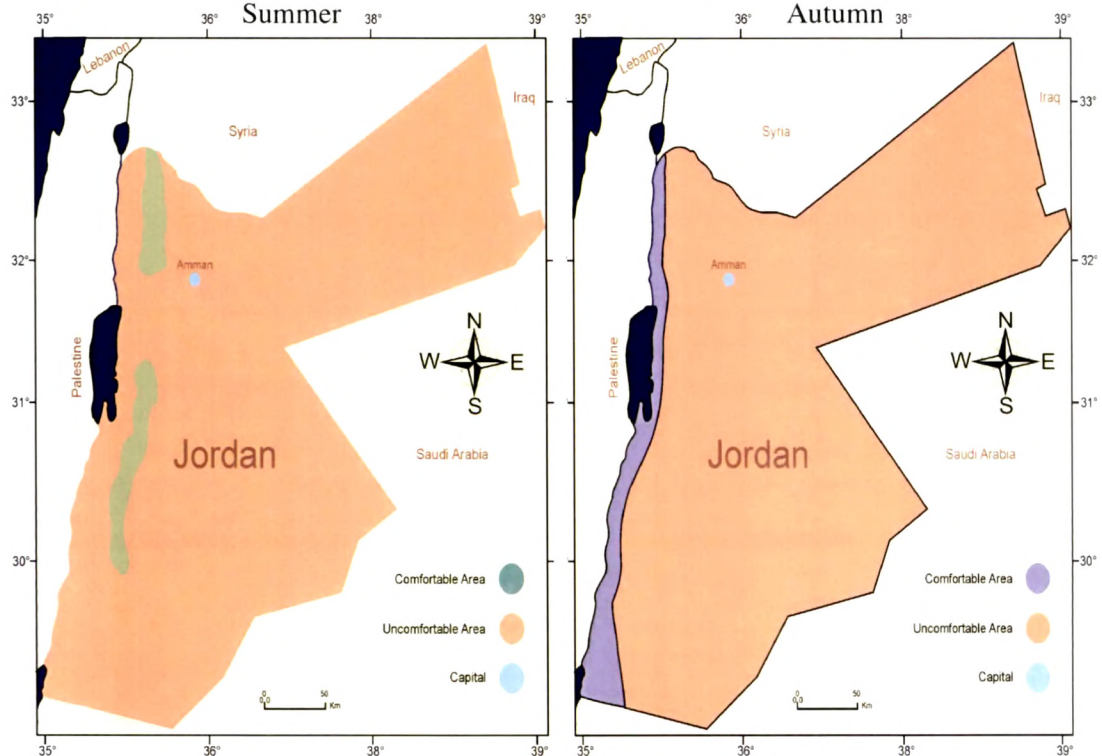
Comfortable and Uncomfortable Area in
Winter

Comfortable Area in Spring



Map: 5.02-C
Comfortable and Uncomfortable Area in
Summer

Map: 5.02-D
Comfortable and Uncomfortable Area in
Autumn



Source: Sketch Maps