

SECTOR PROFILE

Tourism

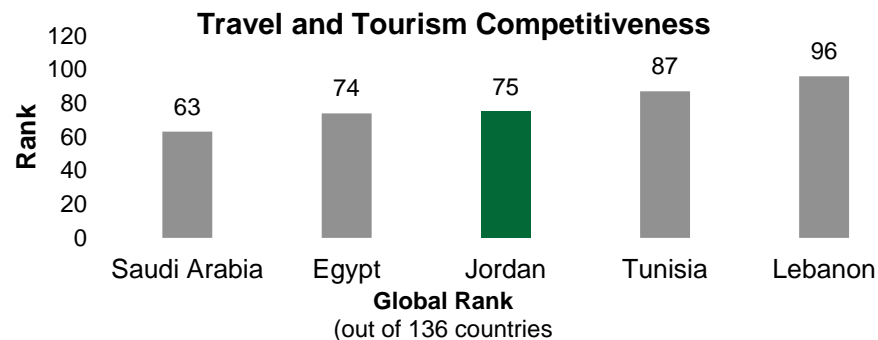


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Overview of the Tourism Sector in Jordan

Jordan’s fast-growing tourism sector involves many promising niches and high-potential investment opportunities. Travel and Tourism continues to be a vitally important pillar of Jordan’s economy. Jordan features some of the world’s most unique and iconic assets such as; Petra - one of the seven world wonders, the Dead Sea - the lowest point on earth, the Baptism site, and Wadi Rum desert, turning the country into a rich destination with a wide range of tourist attractions.

A total of approximately 3.8 million tourists visited Jordan in 2017, culminating US\$4,064.9 million in international inbound receipts.¹ Employing 71,882 people, Travel and tourism account for 4.5% of the Kingdom’s labor force. Jordan has a well-developed tourism infrastructure with a plethora of luxury hotels and resorts, advanced transport infrastructure, a wide range of activities and cultural events, spas and wellness centers, and numerous tour operators and Destination Management Companies (DMCs). Jordan has an established leisure and tourism cluster of more than 2,200 establishments² including hotels, restaurants, resorts, and entertainment facilities, generating about 19,298 jobs in the accommodation sub-sector³.



World Economic Forum, 2017, “Travel & Tourism Competitiveness Index 2017”

Investment Opportunities

¹ World Economic Forum, Travel and Tourism Competitiveness Report, 2017

² Ministry of Tourism and Antiquities, 2015

³ Ministry of Tourism and Antiquities, 2017

Jordan has maintained constant international tourism arrivals over the past years with a positive outlook for 2018. Jordan's tourism proposition and experiences also hold potential to attract tourists in other emerging and promising niches. Eight of the most prominent investment opportunities are detailed below.

01. Leisure Tourism

This more “conventional” type of tourism and revolves around Jordan as a premiere leisure tourism destination, featuring key cultural heritage experiences that differentiate Jordan from its key competitors. The leisure-tourism activities that Jordan offers include both cultural heritage adventure as well as typical getaway resort vacations. Investment opportunities in this niche are widespread, ranging from different types of accommodations (e.g. hotel apartments, rural residential villas, tourist resorts, lounges, and restaurants, tourist villages, chalets, and tourist lodges) to leisure activities (e.g. amusement city and aqua park, amusement park, children's museum, heritage traditional market, theme park, amusement water park, and touristic traditional market). A variety of leisure tourism investment opportunities are revealed as the overall tourism sector grows in Jordan.

02. Aqaba's High Lake ~~Resort~~Resort

The Aqaba High Lake Resort project entails the establishment of a mega resort to be built on 650,000 m² of land north of Aqaba's coast and adjacent to Marsa Zayed project. The main attraction of this project is the lake at the top of the mountain (spanning 100,000 m² with a 4m depth, which will serve as the heart of the resort. The project includes, but is not limited to: hotels coffee shops, restaurants, commercial facilities, recreational facilities, a beach club, lagoons, water sports and fishing facilities, residential villas and apartments, serviced studios, tele freak and water taxi components, in addition to the utilities and facilities needed to serve the main functions of the project. Moreover, ASEZA through ADC is willing to partner with future investors on this project. Total estimated investment for the project is US\$1 billion.⁴

This project presents two exciting investment options:

1. Full ownership.
2. Partnership with ADC (partial ownership: ADC to provide infrastructure such as roads, turbines, pumps, and the lake).

03. Medical & Wellness Tourism

Jordan is considered one of the Middle East's most preeminent medical tourism destinations with further growth likely to materialize in the upcoming years as a result of increased medical tourism from Yemen, Sudan, Saudi Arabia and other Gulf

⁴ Jordan Investment Commission Investment Guide, 2018

Cooperation Council (GCC) countries. Medical tourism alone attracts at least 250,000 patients to Jordan per year, generating 40% of the country's overall tourism revenues.⁵ Medical and wellness tourism is becoming one of the most promising tourism segments in Jordan. Many of the visitors of Jordanian hospitals are international and come from various parts of the region (e.g. Palestinians, Iraqi's, Syrians) as well as from the Gulf countries and South-East Asia. Investment opportunities such as medical tourism facilitators, health spas, medication centers, wellness centers, physiotherapy, Dead Sea cosmetics, and mud processing and refining are prevalent in order to accommodate medical tourists and cater to their needs.

04. Sports City Camps – Aqaba

The Sports City is a multi-venue sports complex investment opportunity in Aqaba, and will be a vital dynamic space that will serve the local community and host international teams. The Sport City can provide a mix of activities for up to 3,000 users. This project is proposed for the northern region and will be on a plot of land with an area of 250 Dunum, and is offered as an investment opportunity based on B.OO basis for interested investors under the supervision of Aqaba Development Corporation can be considered as an option. The total estimated investment for this project is US \$84.6 million.

05. Faith Based Tourism

Religious holy site experiences and pilgrimages to Jordan are growing. The Baptism Site, Mount Nebo, and the Mosaic Map in Madaba are popular to Christian tourists while the Jordan River and the Dead Sea are also very popular for other religious tourists. Muslim pilgrims are offered a chance to add the Kingdom to Hajj and Umrah programs.⁶ Jordan's rich variety of numerous medieval mosques and churches and 34 religious sites add to the Kingdom's attractiveness as a popular faith-based tourism destinations.

06. Adventure Tourism

Jordan's natural scenery provides extensive adventurous outdoor opportunities and attracts many international tourists looking for adventurous activities and experiences. Adventure tourists staying in Jordan can enjoy rock-climbing in the Wadi Rum desert, hiking in Jordan's northern mountainous region, or scuba diving near Aqaba's magnificent coral reefs. Eco tourism activities enjoyed by adventure tourist in Jordan include lodging, hiking, camping, and scuba diving. Investment opportunities in this niche include diving centers, climbing centers, and tourist camps.

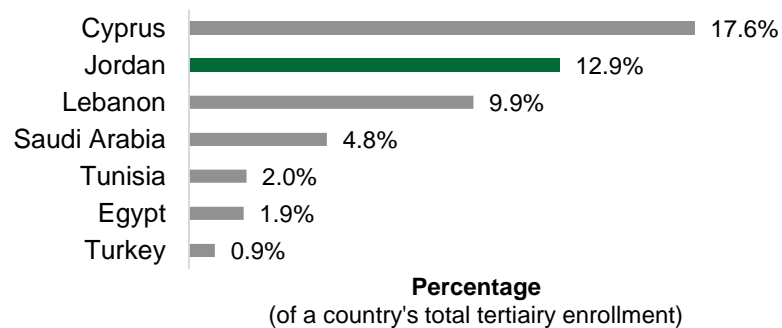
⁵ Medical Tourism Index, 2017

⁶ The Investor Jordan, 2016

07. Educational Tourism

Jordan's excellent education programs and infrastructure attracts many international students looking to study Arabic in the Middle East or students from the Middle East looking to study at Jordan's European and American universities. Jordan has a higher percentage of foreign students in tertiary education than most of the surrounding countries.⁷

Foreign Students in Tertiary Education



Source: World Intellectual Property Organization, 2018, "The Global Innovation Index 2018"

08. Meetings, Incentives, Conventions, and Events Tourism (MICE)

Meetings, Incentives, Conventions, and Events (MICE) Tourism in Jordan is underdeveloped relative to its potential, particularly considering the stable, safe, and secure environment Jordan offers⁸. Investment opportunities exist for event management & organization companies, convention centers, and multi-purpose halls. In developing these areas of tourism, bringing in tourists, the other sub-sectors of tourism will naturally entice tourists and spur organic growth of the sector.

Why Jordan?

The Kingdom of Jordan is a stable, business-friendly, modern, and prepared location for your next engineering, manufacturing, information technology, or life sciences activities in the Middle East and North Africa (MENA) region. This dynamic nation provides a sound environment from which companies can find key talent, business assistance, and a willing Government partner who will help enable their growth into the MENA region and beyond.

⁷ World Intellectual Property Organization, 2018, "The Global Innovation Index 2018"

⁸ Jordan Tourism Board Return to Growth Strategy 2017-2019, 2016

Regional Business Operations Hub

Jordan offers a vibrant, innovative, and globalized business environment with a high ease of doing business at stable, competitive, and predictable costs, positioning Jordan as the region's prime hub for business operations requiring a highly skilled talent pool.

Regional Logistics & (Re)construction Hub

A strategic location together with safety and stability, an unparalleled connectivity, and competitive logistics platform make Jordan the right place for regional logistics and (re)construction.

Center for Venture Capital & Innovation

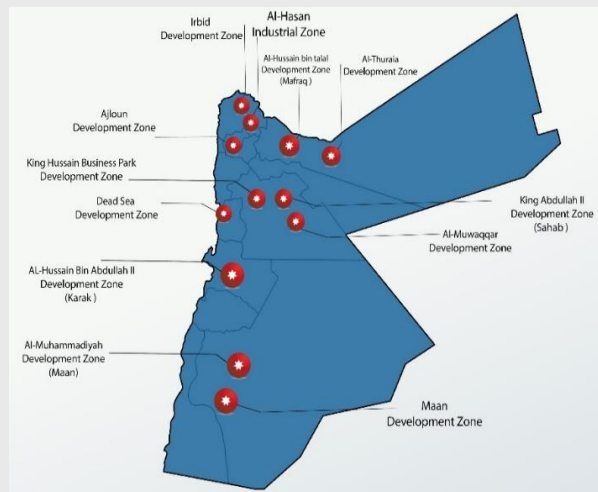
The combination of an abundance of venture capital, innovative pool of tech-talent, and a sound financial sector turn Jordan into an innovative ecosystem ready for investors and start-ups.

Destination for Leisure & Medical Tourism

The Kingdom's widely recognized welcoming and hospitable lifestyle in combination with its diverse scenery, appealing landscapes, and comfortable climates, turn Jordan into a popular destination for all kinds of tourism.

Access to Regional & International Markets

Jordan's comprehensive network of free trade and bilateral investment agreements features privileged access to over 1.5 billion consumers in the largest markets around the world.



QUICK FACTS

Free Trade Agreements
8

Direct Market Radius
1.35 billion consumers

Development Zones
12 across Jordan

Connectivity
12 seaports and airports

Economic Freedom
4th across MENA region (2018)

Population
9.7 million (2017)

Total GDP
US\$40.07 billion (2017)

Annual GDP Growth
2.0% (2017)

Exports
US\$14.26 billion (2017)

Imports
US\$22.85 billion (2017)

Why Jordan for Tourism?

01. Increasing Demand

Indeed, Jordan’s tourism demand forecast is favourable:⁹

- Leisure travel spending is expected to grow by 8.8% in 2018
- Business travel spending is expected to grow by 8.6% in 2018
- Capital investment in Travel & Tourism is expected to grow by 4.8% in 2018
- Domestic visitors’ travel spending is expected to grow by 6.4% in 2018

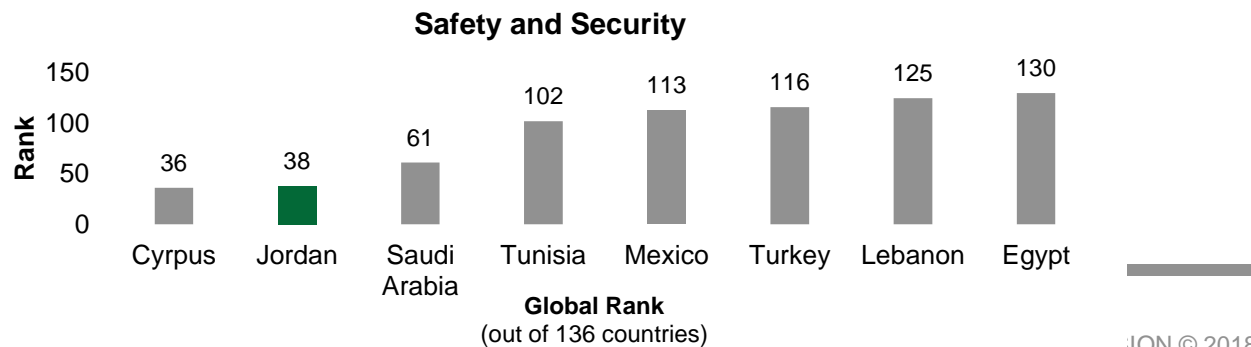
The tourism sector in Jordan is forecasted to grow significantly. This increase in demand will reveal a host of lucrative investment opportunities.

02. Cultural Heritage

Jordan encompasses a wealth of historical, archeological, and natural attractions for tourists seeking a cultural experience. The Dead Sea, Petra the ancient rock-cut city, and the ancient ruins in the capital are only a few of the many deep-seeded historical experiences one can find in Jordan. The Kingdom provides tourists with the unique opportunity to tour and learn about the Middle East while feeling safe and secure in their travels. Citizens, visitors, and tourists enjoy the good life in Jordan with much personal freedom and safety, a good education and health system, and a diverse, tolerant, and family-friendly environment with all the conveniences of the 21st century.

03. Safe and Secure

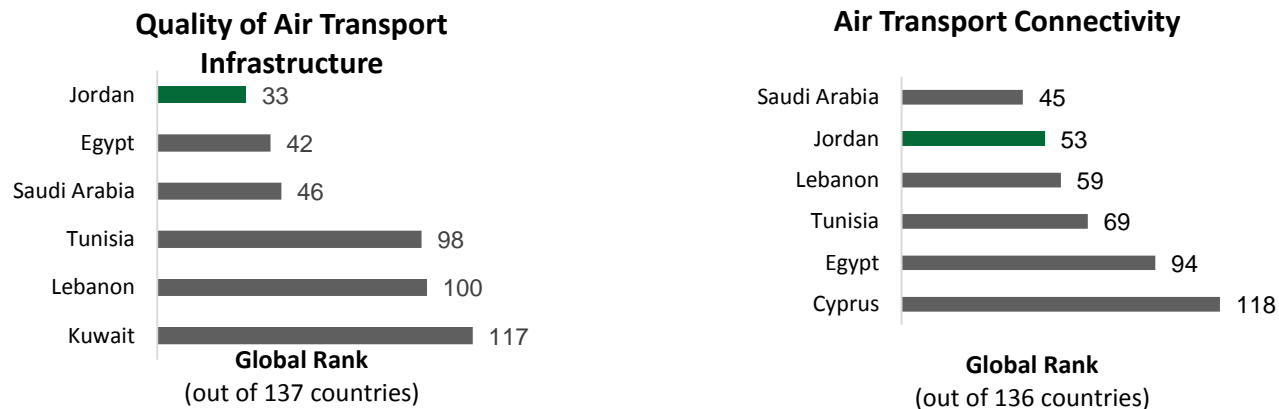
Jordan is generally perceived safer than other destinations in the region. Jordan’s safety perception is far ahead of other highly travelled destinations such as Mexico¹⁰ and when compared to larger regional tourist destinations such as Egypt and Turkey. The safety and security of Jordan’s tourism environment is similar to that of Cyprus.¹¹ The GoJ understands the importance of the tourism sector to the national economy and ensures the Kingdom is ready and equipped with the necessary resources to



Source: World Economic Forum, 2017, "Travel & Tourism Competitiveness Report 2017"

04. High-Quality Tourism Infrastructure

Proximity to the large regional feeder markets, major air hubs (e.g. Istanbul and Dubai), and high volume destinations within the GCC is one of Jordan's key competitive advantages. Royal Jordanian Airlines – based at Amman's Queen Alia International Airport - is a member of the OneWorld alliance while the JTB has signed Memorandums of Understanding with Etihad Airways and Emirates Airlines. Jordan supplements the regional tourism proposition in that it offers a vastly different tourism product from, for instance, the United Arab Emirates (UAE). With two airports in Amman and one airport specifically serving Aqaba, the quality of Jordan's air transport infrastructure and connectivity is among the highest in the region.¹²



Source: World Economic Forum, 2017, "Travel & Tourism Competitiveness Report 2017"

05. Hub for Special-Interest Tourism

¹² Source: World Economic Forum Travel & Tourism Competitiveness Index, 2017

The country offers experiences that fit the fast-growing niche of special interest tourism (e.g. medical & wellness tourism, faith based tourism, adventure tourism, and MICE tourism). Jordan is a competitively priced hub these tourism niches. The many special interest tourist activities that Jordan offers incorporate a variety of other economic sectors in the country. These special interest tourism markets present a large spectrum of investment opportunities.

06. Competance to Facilitate Growth

Jordan's tourism proposition is fully anticipating on emerging trends in tourism demand, as well as more conventional leisure tourism (e.g. cultural heritage tourism, city trips, family tourism, resorts, and charters), offering growth in tourism demand coupled with a unique competitive advantage. The Government of Jordan is committed to further developing and investing in the tourism sector, which is demonstrated by its high policy prioritization and relatively high budget spending (10.7% of total budget) on the tourism sector.¹³ Jordan's Vision 2025 reflects the GoJ's commitment to tourism sector growth as it puts specific emphasis on the development of the tourism clusters present in the country. The Jordan Tourism Board (JTB) has launched several marketing campaigns in major tourism markets to contribute to a positive image of Jordan and is committed to continuing that momentum.

07. Tourism-Oriented Development Zones

Tourism-orientated Development Zones are located in various touristic areas offering high quality infrastructure, streamlined business operating environment, and a conducive business environment, which is further boosted by attractive incentive packages for tourism businesses operating inside Development Zones. The most relevant Development Zones for the tourism sector include:

- Aqaba Special Economic Zone Authority (ASEZA), located in Aqaba, which is Jordan's coastal city located at the Red Sea.
- Dead Sea Development Zone, where a number of large tourism and real estate development projects are under construction, particularly in the Corniche District and the North Eastern shore of the Dead Sea. Investment opportunities in this Development Zone vary considerably in terms of investment size and type, thereby depending on the investor's preference, expertise, and appetite.¹⁴
- Jabal Ajloun Development Zone, located north of Amman the area is famous for its vegetation, forests, traditional village landscapes and ancient sites.

¹³ World Economic Forum Travel & Tourism Competitiveness Index, 2017

¹⁴ The Investor Jordan, 2016

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