

JORDAN

Ministry of Tourism
& Antiquities

ADDENDUM TO THE JORDAN NATIONAL TOURISM STRATEGY 2021 – 2025

August 2023



Contents

1. INTRODUCTION.....	1
2. ADDENDUM DRIVERS.....	2
2.1 The Economic Modernization Vision 2023-2033.....	2
2.2 Overachievement of Targets	4
2.3 Refinements	8
2.3.1 Seasonality:	8
2.3.2 Employment:.....	10
2.3.3 Investments:	10
2.3.3 Research:	11
2.3.4 Value Optimization:.....	11

1. INTRODUCTION

The Jordan National Tourism Strategy 2021-2025 (JNTS) was released in December 2021, a period of great turmoil and uncertainty due to COVID-19. Since then, a number of significant happenings have taken place that necessitate an update to the above-mentioned strategy, hence this Addendum.

Although the core pillars (Product Development, Human Resource Development, Marketing, Heritage Protection and Reforms) of the JNTS will always be key to the development of the tourism sector, the JNTS was designed to be a 'living document' that would be adaptable to the prevailing circumstances.

2. ADDENDUM DRIVERS

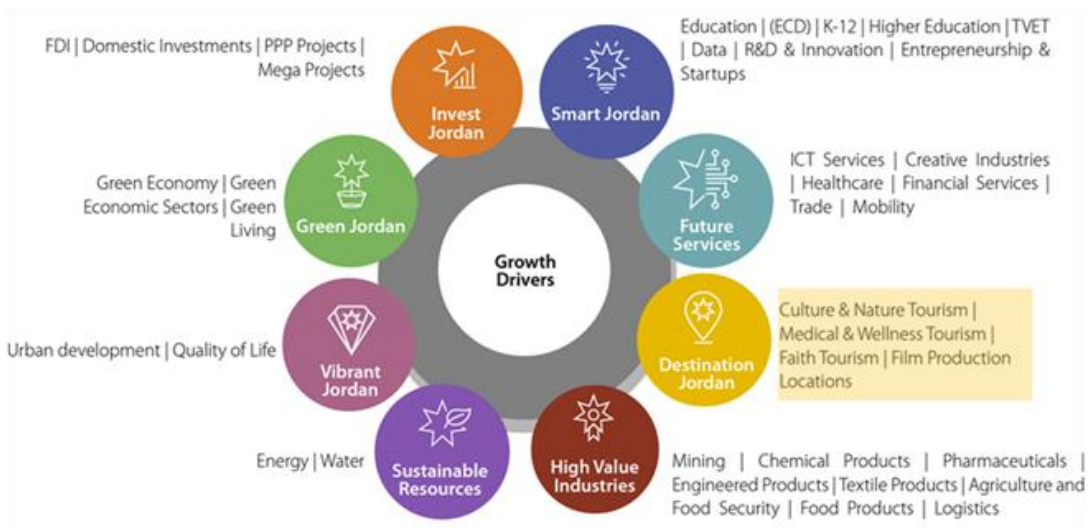
Since the release of the JNTS, a number of significant developments have taken place, which need to be incorporated in the activities and ambitions of the Ministry of Tourism and Antiquities (MoTA)¹ as well as the key stakeholders

2.1 The Economic Modernization Vision 2023-2033

The Economic Modernization Vision 2023-2033 has placed a number of targets on the tourism sector in the domains of Receipts, Employment and Investments as well as action plans in the form of Government Priorities that need to be delivered in the first phase (2023-2025)



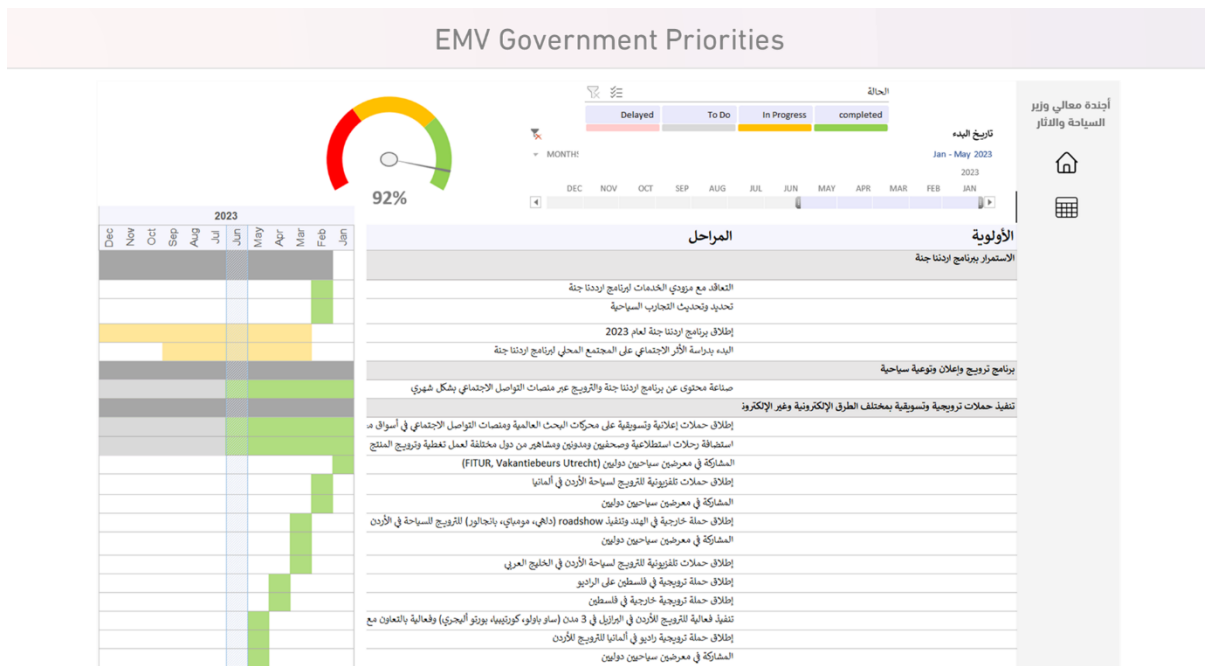
Economic Modernization Vision 2023 - 2033



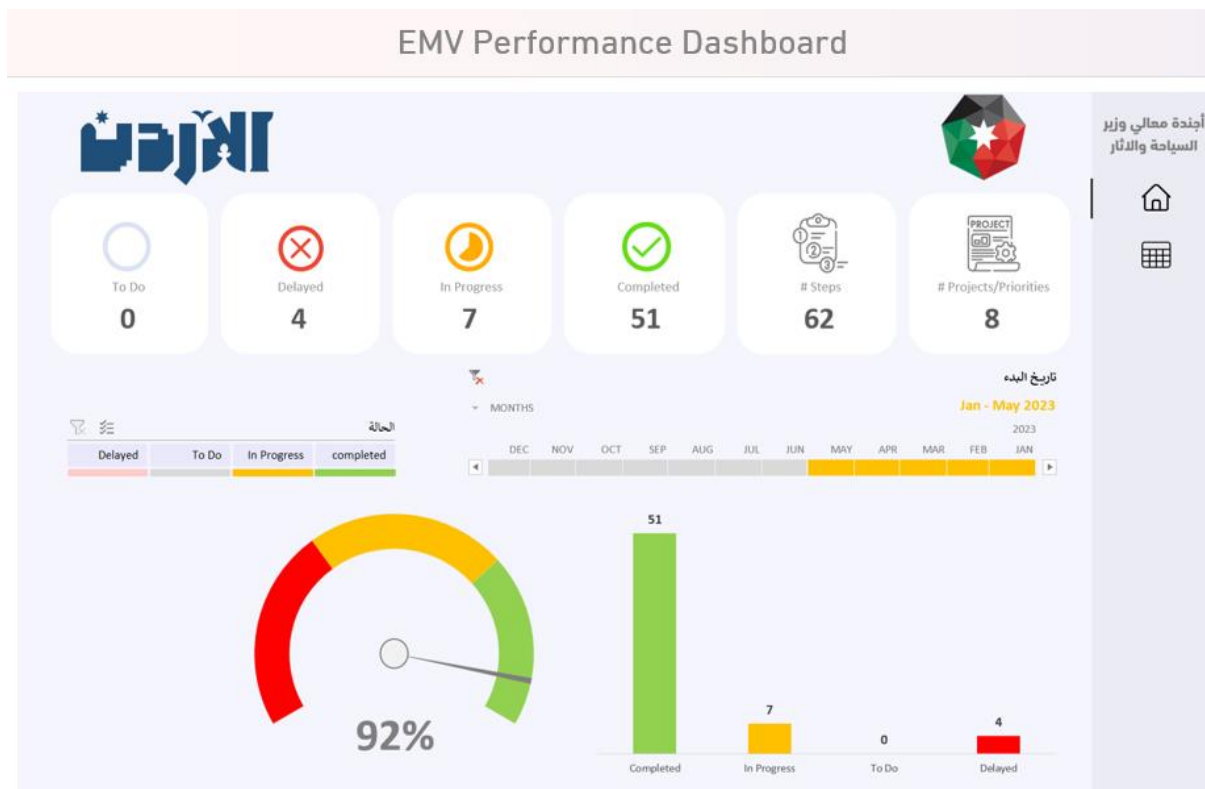
- 99k additional job opportunities by 2033
- 2.7 billion JD investments in the tourism sector by 2033
- 10% YoY increase in tourism receipts

¹ MoTA includes Ministry of Tourism and Antiquities, Jordan Tourism Board and Department of Antiquities

The EMV requires MoTA to deliver a number of government priorities that are specific to tourism, each of which consists of a number of activities with specific delivery dates.



MoTA monitors the performance of these activities on a monthly basis through a bespoke dashboard and reports to the Prime Ministry Delivery Unit (PMDU).



2.2 Overachievement of Targets

2022 has proven to be an exceptional year for tourism in Jordan; all major KPIs were exceeded beyond all expectations.

The number of tourists in 2022 reached 5,049,105 which represented 149% of the 2022 target, 112% of 2023 target as well as 101% of 2024 target as was originally specified in the JNTS 2021-2025.

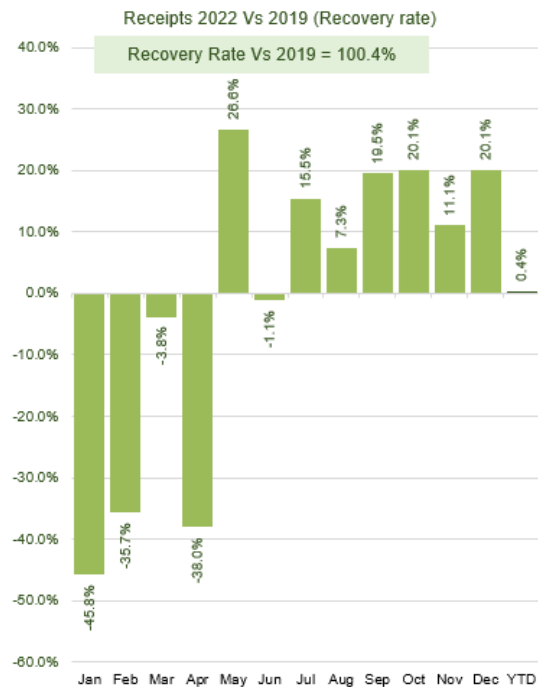
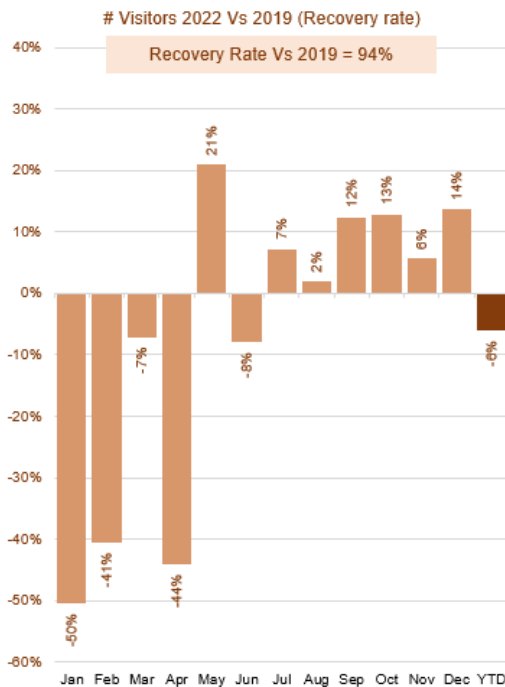
As far as receipts are concerned, tourism contributed JoD 4.1236 billion to the Jordanian economy, which represented 149% of 2022 target, 114.5% of 2023 target and 100.6% of 2024 target as was originally specified in the JNTS 2021-2025.

Overachievements



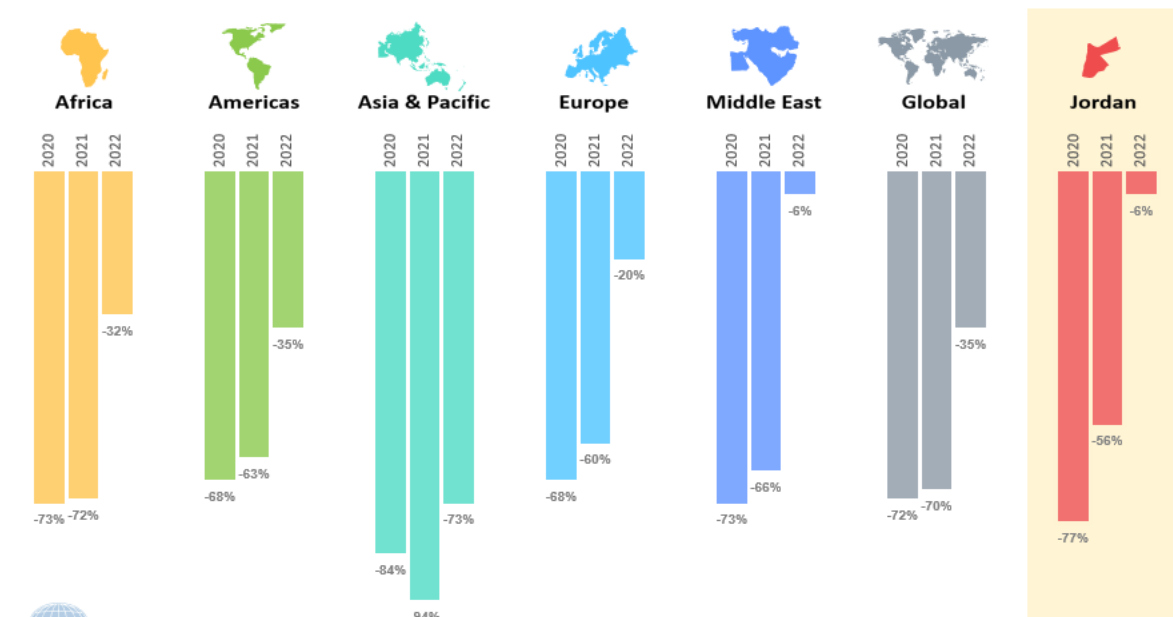
It is fair to say that the recovery of the Jordanian tourism sector in 2022 has been spectacular with a recovery rate of 94% for the number of tourists compared with 2019 and 100.4% of receipts.

Recovery Rate 2022 Vs 2019



When compared with regional and global recovery rates, Jordan has been one of the best performing countries in the world.

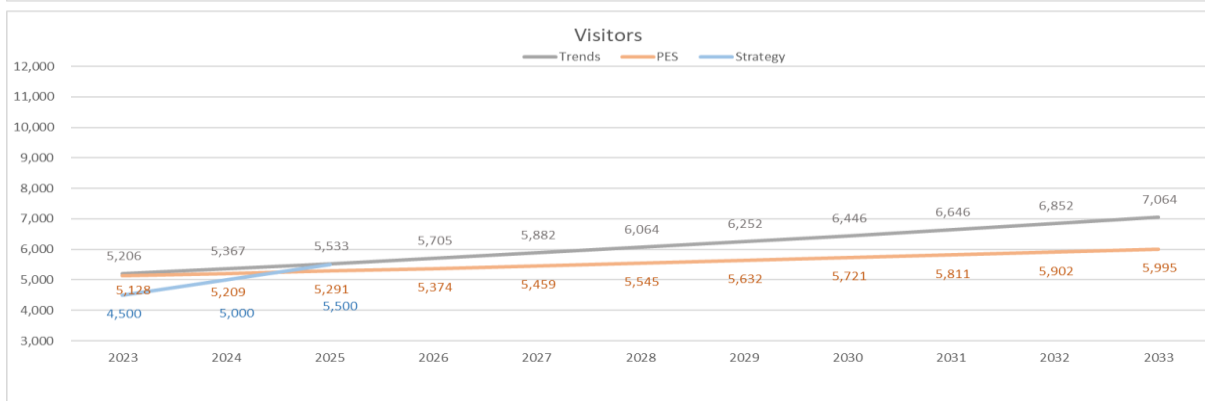
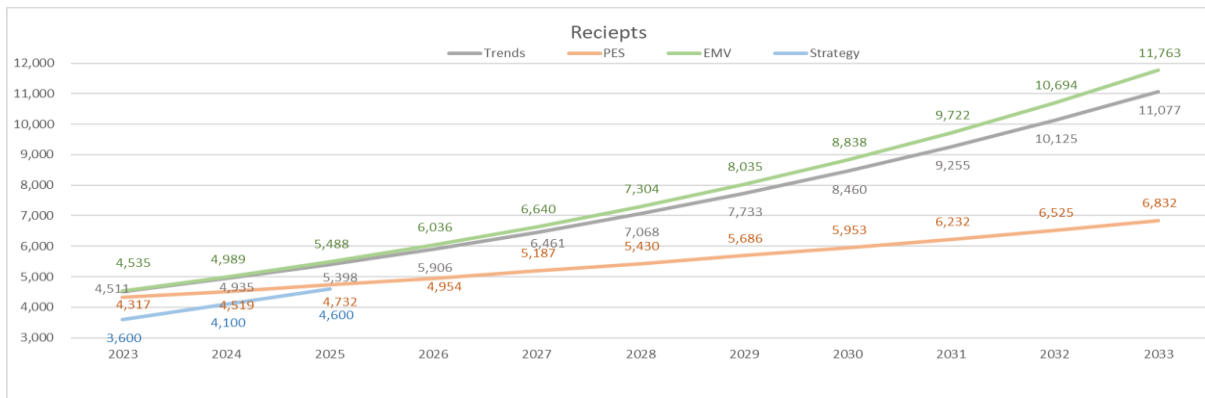
Recovery Rate of Visitors # 2022 Vs 2019 (Jordan Vs Rest of the World)



Such overachievements necessitate the revision of targets going forward; to this end, MoTA has modelled a number of scenarios including EMV 2023-2033 requirements of 10% YoY growth in receipts and growth trends (2015-2019). The resultant conclusion is that the 10% YoY growth required by the EMV is reasonable and achievable, thus resulting in JoD 11.763 billion of receipts by 2033 with the number of tourists reaching 7 million in the same period.

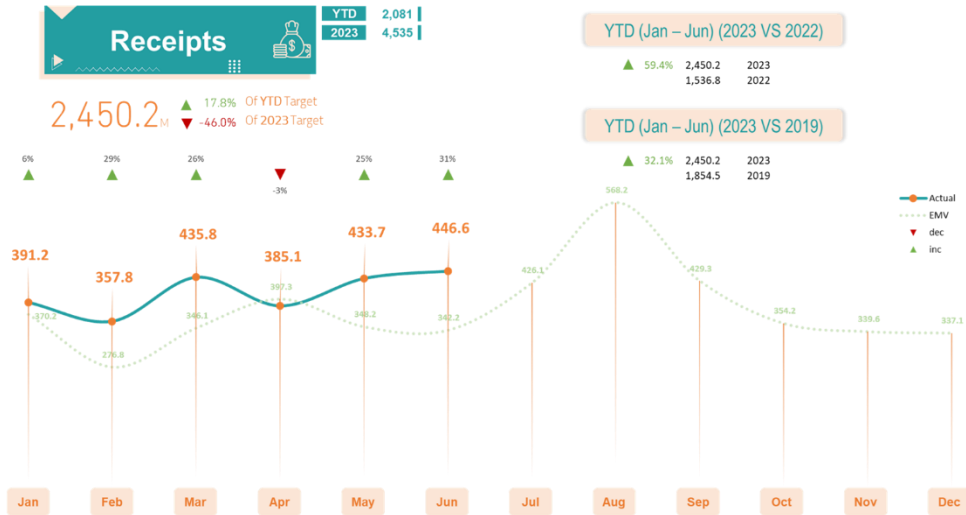
New Targets

Annual growth rate of 10% in Receipts to reach 11.76 billion dinars and 7 million Tourists in 2033.

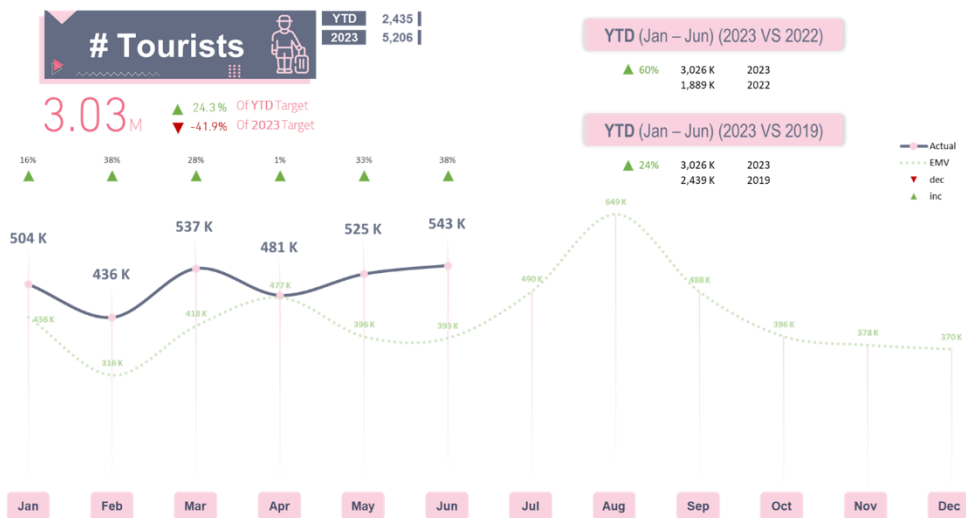


These new targets have been adopted by MoTA and will be monitored on a monthly basis:

New Targets – Monthly Monitoring



New Targets – Monthly Monitoring

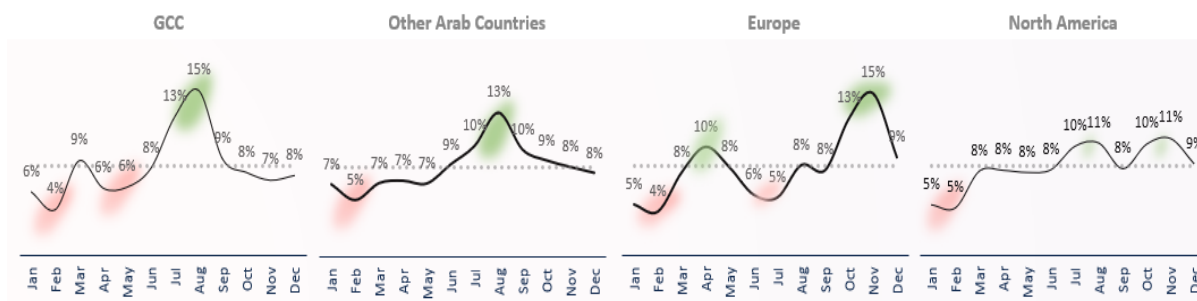
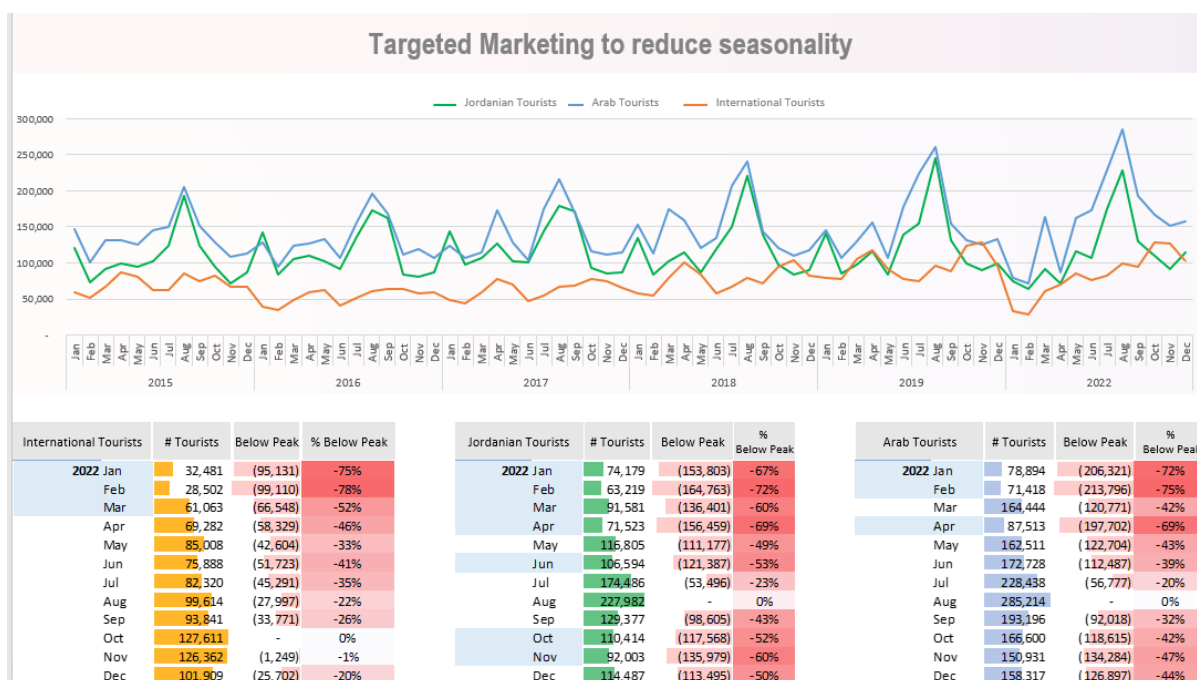


2.3 Refinements

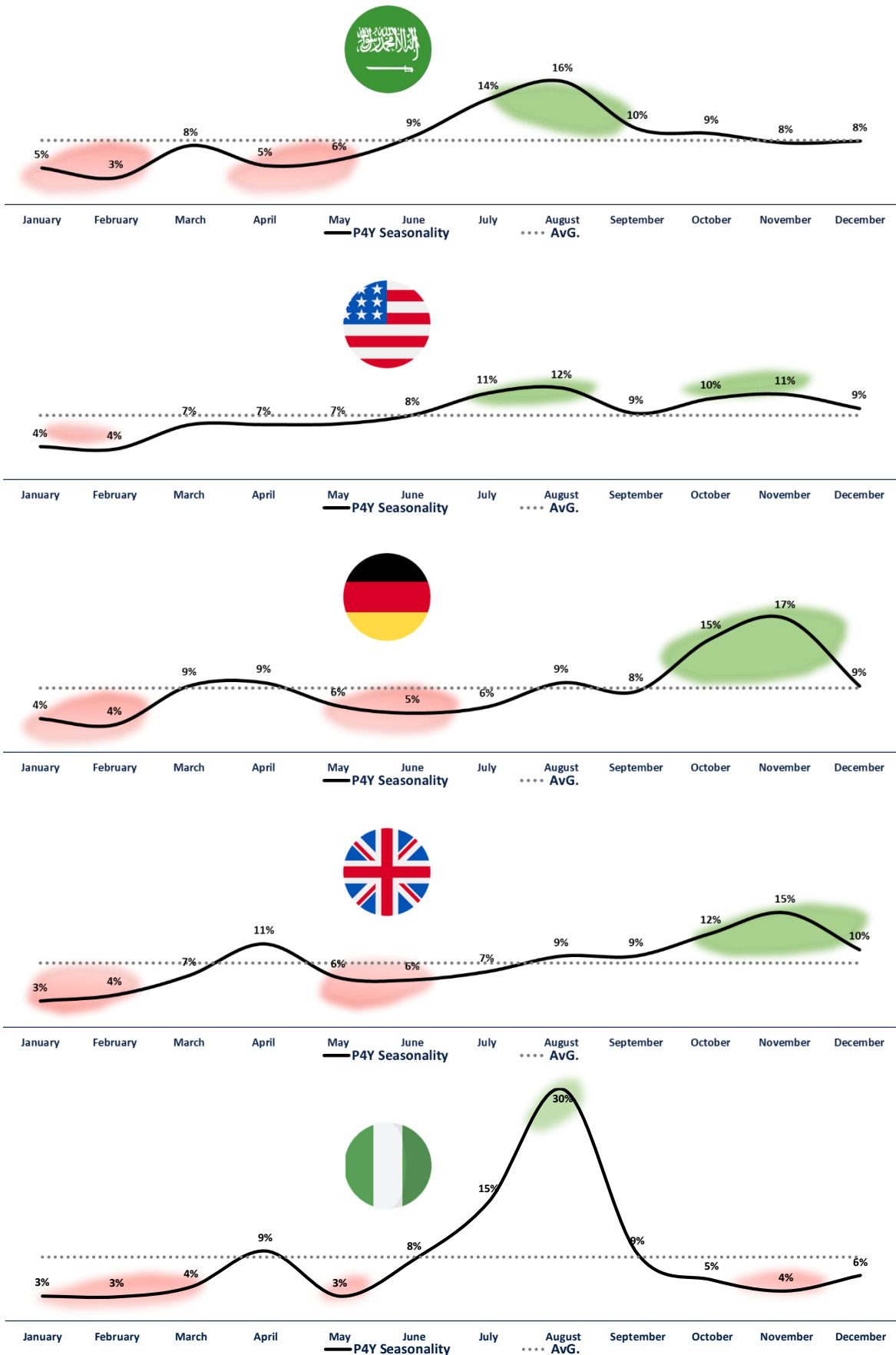
Since the release of the Jordan National Tourism Strategy 2021-2025 in 2021, MoTA has worked on a number of refinements to improve the performance of the tourism sector:

2.3.1 Seasonality:

One of the biggest challenges faced by the Jordanian tourism sector is that of seasonality whereby the low season poses a number of issues such as underutilized resources thus impacting hotel occupancy rates, reduced revenues and diminished employment. To reduce the negative impacts of seasonality fluctuations, MoTA has undertaken detailed trend analysis of seasonality patterns for the various segments such as Jordanians, Arab tourists as well as International tourists.



Furthermore, MoTA has analyzed the seasonality patterns at lower levels of granularity i.e. at country level:



To smooth the seasonality curve, MoTA will develop bespoke/targeted Marketing plans for each segment that will include tour operator financial incentives that extend the tourist length of stay to 6+ nights, joint marketing campaigns, sponsorships of large events/festivals/conferences in the low season as well as new pricing structures for JordanPass. Additionally, these findings will be the basis for negotiations with Low Cost Carriers (LCCs), Charter Flights as well as regular airlines such as Royal Jordanian.

2.3.2 Employment:

The EMV 2023-2033 requires the creation of an additional 99,000 employment opportunities in the tourism sector by 2033. Although this is a very ambitious target, MoTA is working with all the major stakeholders such as the World Bank (WB), The Ministry of Youth (MoY), Vocational Training Corporation (VTC), Jordan Hotel Association (JHA), Jordan Restaurant Association (JRA) as well as a number of NGOs and private sector heavyweights such as the ACCOR Group to develop bespoke skilling/upskilling/re-skilling training programs as enablers to employment in the tourism domain in Jordan and the Middle Eastern region. Particular attention will be paid to employment opportunities for female/youth/disabled segments of the Jordanian society.

2.3.3 Investments:

The EMV 2023-2033 stipulates additional investments of JoD 2.7 billion in the tourism sector by 2033. The new Investment Environment Law No. 21 of 2022 which is designed to attract investments, increase employment, enhance the competitiveness of the Jordanian economy as well as providing fair/equal treatment of investors should become an enabler for significant investments in the tourism sector.

Additionally, this new law provides specific investment incentives for tourism establishments such as hotels, tourist facilities, tourist restaurants, entertainment parks and centers that include:

- Exemption from customs duties and other fees and taxes on imported materials, equipment, machinery, and spare parts.
- Zero sales tax on these materials whether imported or purchased from the local market.
- Reduction of tax to 5% of taxable income from its economic activity for a period of 10 years and could be subject to a lower rate under the income tax reduction system in less developed areas.
- Additional incentives (subject to approval by Council of Ministers) include:
 - Incentives on rental/purchase of government-owned land that is to be used for investment projects
 - Incentives on water and energy required (including renewable energy) for investment projects
 - Incentives relating to the cost of infrastructure development (e.g. roads...) provided the project is operational with a specific time period.
 - Custom and tax incentives provided the investment project employs a specified number of Jordanians.
 - Council of Ministers can authorize comprehensive approval for strategic/sustainable projects without the investor having to seek any further approval from any other entity.

MoTA is/will be working with the Ministry of Investments (MoI) on a number of investment initiatives that include identifying mega/SME investment opportunities, tourism investment map as well as investment roadshows/conferences.

Additionally, MoTA is in the process of reviewing all tourism laws and bylaws with the aim of

encouraging investments and 'ease of doing business'; one such proposal is that MoTA will cease to be the licensing authority for tourism entities, a function that will be handled by local authorities such as Greater Amman Municipality (GAM) and other provisional municipalities – instead MoTA will focus on the “classification” aspect of the tourist entities.

2.3.3 Research:

Since the publication of JNTS 2021-2025 MoTA has commissioned a number of important studies that included “Jordan Tourism Competitiveness - Cost Structure Analysis” and “Medical and Wellness Value Chain Diagnostic”. MoTA also plans to conduct a set of studies such as “Tourism Satellite Accounts”, “Entry/Departure Survey” and “Carrying Capacity Study”. The outcome of such studies will enhance MoTA’s decision-making capabilities and refinement of its focus and activities.

2.3.4 Value Optimization:

MoTA will endeavor to extract “best value for money” for the tourism sector; this requires taking into account the “Cost of Acquisition Per Tourist” and “Receipts Per Tourist”. By focusing activities on the highest yields (receipts) and least costs, MoTA can facilitate optimal value for the various stakeholders in the tourism value chain as well as the Jordanian economy.