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TOURISM IN JORDAN
ITS ECONOMIC ASPECTS AND DEVELOPMENT

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TO MY MOTHER

PREFACE

The purpose of this work is threefold: first, to analyze the impact of tourism on the national economy of Jordan; secondly, to discuss and analyze its existing development; and thirdly, to give suggestions for its further development. These are dealt with in Chapters II, III, and IV respectively. Chapter I gives a general background. It discusses the basic features of the Jordanian economy, the growth of world tourism and its social and economic effects, Jordan's touristic assets and facilities, and the tourists visiting Jordan together with the trend of the tourist traffic over the last few years.

The author wishes to express his deep and sincere gratitude to his advisor, Emeritus Professor Said B. Himadeh (now the Minister of National Economy and Agriculture in Lebanon) for his constructive suggestions and criticisms

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CHAPTER I
GENERAL BACKGROUND

A. Basic Features of the Jordanian Economy

Jordan comprises the former Kingdom of Transjordan which became independent in 1946 after the termination of the British mandate together with that portion of Palestine which remained with the Arabs (except Gaza) when hostilities with Israel came to an end in 1948. The war with Israel had weighed against Jordan as it gave rise to serious economic problems: First of all, the country's population, including those of the added territory,¹ increased considerably by the influx of about 350,000 refugees from the other parts of Western Palestine.² Consequently, Jordan with its

¹The resident population of the added territory was approximately 460,000.

²International Bank for Reconstruction and Development, The Economic Development of Jordan (Baltimore: John Hopkins Press, 1961), p. 3.

extremely limited resources, could not provide support to this large increase of population. The country could not but depend on foreign financial assistance. Without aid from overseas, a large proportion of the population of Jordan would have fallen below the subsistence level.³

Another economic problem which arose as a result of the war with Israel was the severance of Jordan's established trade routes. Before 1948, trade with Western countries used to be directed to the Mediterranean coast through the ports of Jaffa and Haifa. Since the events of 1948, Jordan has been obliged to reorient its trade routes in other directions, involving higher transportation cost to the country.

A third problem arising from the war with Israel, has been the need faced by Jordan to maintain a large army, for fear of an Israeli aggression. Hence funds had to be raised to meet the involved expenditures.

³ International Bank for Reconstruction and Development, op. cit., p. 50.

1. Natural Resources

a. Land: Jordan covers an area of 97,000 square kilometers.⁴ Of this large area, only a small portion (less than 14 percent) receives an average rainfall of 200 mm., which is considered sufficient rainfall for agriculture.

The arable land in Jordan is estimated to be 13,000,000 dunums.⁵ The cultivated area in 1963 was 8,000,000 dunums of which 400,000 were irrigated.⁶ Hence good land is scarce in Jordan and the irrigated area is about 5 percent of the cultivated land. The irrigated land will increase by about 150,000 dunums after the termination of the East Ghor Canal Project.⁷

⁴International Bank for Reconstruction and Development, op. cit., p. 42.

⁵Ministry of Information, The Jordanian Economy (Amman: The Hashemite Press, 1966), p. 19.

⁶Faeq Barakat, Farid Kassab, and Muhammed Tijani, (ed.), The Jordanian Economy (Amman: The Chamber of Industry, 1962), p. 26.

⁷General Union of the Chambers of Commerce, Industry and Agriculture in the Arab Countries, The Arab Economic Report (Beirut: 1965), p. 18.

b. Minerals: Jordan is not rich in its minerals. The most important minerals are phosphates and potash. Large deposits of phosphate of good quality are found in four areas, namely Russeifa, El Hassa, Maān, and Ras El Naqab. The reserves of phosphates in Jordan are estimated to be four hundred million tons.⁸ In 1965, phosphate production amounted to 858,300 tons.⁹

Potash is found in large quantities in the Dead Sea together with a number of salts, namely Magnesium Bromide, Sodium Chloride, Magnesium Chloride and Calcium Chloride.¹⁰ The value of the minerals which are contained in the waters of the Dead Sea is estimated to be 200,000 million Sterling Pounds.¹¹ A company¹² was

⁸ Barakat, Kassab, and Tijani, op. cit., p. 45.

⁹ Central Bank of Jordan, Quarterly Bulletin No 1, A Report Prepared by the Department of Research and Statistics of the Central Bank (Amman: The Modern Press, 1966), p. 57.

¹⁰ Said Himadeh, Economic Organization of Palestine (Beirut: The American Press, 1959), p. 73.

¹¹ Barakat, Kassab, and Tijani, op. cit., p. 44.

¹² A number of Arab Governments have shares in this company, including Jordan, the United Arab Republic, Syria, Saudi Arabia, Iraq, Lebanon, Kuwait, and Katar. These countries own 235,000 shares having a value of J.D. 1,175,000.

established for its exploitation in 1951 with a capital of J.D. 4,501,000, but until now, (August, 1967) the company has not yet started operations.

Other natural resources include building stones, marble, lime stone suitable for production of cement, and magnesium. Building stones and marble of excellent varieties are available in large quantities. Lime stone for the manufacture of cement is found in considerable amounts, and cement is already produced in Jordan.

At present, no metallic minerals are worthy of economic exploitation in Jordan. Magnesium is found in large deposits, in combination with three percent of copper but the separation of these metals is costly thus rendering the exploitation unprofitable.¹³

2. Population. According to the census of population, which was undertaken by the Department of Statistics

¹³ Jordan Burhan Dajani, The Economic Development of Jordan (Cairo: Al Nahda Press, 1957), p. 25.

in Jordan in 1961, the total population was 1,706,226.¹⁴ Of this total, 433,618(25.4%) were in Amman District, 79,057(4.6%) in Balqa District, 273,976(16.1%) in Ajlun District, 67,211(3.9%) in Karak District, 46,914 (2.8%) in Ma'an District, 119,433(7%) in Hebron District, 344,270(20.2%) in Jerusalem District and 341,748(20%) in Nablus District.¹⁵ The above distribution of population among the districts shows that about fifty percent reside in the Western Bank (Hebron, Jerusalem and Nablus) and these are mainly Palestinians.

The population of Jordan is growing at the rate of 3 percent per annum; and it is estimated that it will double in the coming twenty five years.¹⁶ This high rate of increase in population will aggravate more and more

¹⁴The Hashemite Kingdom of Jordan, Department of Statistics, First Census of Population and Housing (Amman: Department of Statistics Press, 1964), p. 22.

¹⁵Ibid.

¹⁶Rashed Barawi, The Economies of the Arab Countries (Cairo: Al Nahda Press, 1964), p. 149.

the problem of unemployment in Jordan in the near future.

3. National Income. The Gross National Product in Jordan has increased from J.D. 99.13 million in 1959 to J.D. 180.54 million in 1965 (see Table I). The growth was continuous since 1959 and the average annual rate of growth in G.N.P. at market prices was 10.67¹⁷ percent for the period 1959 - 1965. This annual rate of growth is very high and has been brought about by the foreign aid and advances rather than by the limited local economic resources of the country. The most important sectors from the standpoint of national income are agriculture, trade, Government and Industry.

The income originating in the agricultural sector during the period 1959-1965 varied between J.D.14.62 million and J.D.34.14 million. This fluctuation is due to the fact that about 95 percent of the cultivated land is rainfed and the amount of rainfall varies from year to year. The agricultural income is surprisingly low in Jordan when about

¹⁷This was computed by the writer.

TABLE I

GROSS NATIONAL PRODUCT IN JORDAN
1959 - 1965
(IN J.D. MILLION)

	<u>1959</u>	<u>%</u>	<u>1960</u>	<u>%</u>	<u>1961</u>	<u>%</u>	<u>1962</u>	<u>%</u>	<u>1963</u>	<u>%</u>	<u>1964</u>	<u>%</u>	<u>1965</u>	<u>%</u>
Agriculture & Forestry	15.08	17.7	14.62	16.3	25.30	22.8	20.90	19.2	22.08	18.8	34.14	25.1	34.11	22.6
Manufacturing & Mining	6.23	7.3	6.89	7.8	8.83	8.0	8.06	7.4	10.62	9.0	12.53	9.3	16.22	10.8
Construction	4.66	5.5	4.50	5.0	4.50	4.1	6.15	5.7	6.12	5.2	5.45	4.0	7.87	5.2
Electricity & Water Supply	0.66	0.8	0.69	0.8	0.67	0.6	0.74	0.7	0.93	0.8	1.03	0.8	1.68	1.1
Transport	10.70	12.6	11.12	12.4	12.64	11.4	12.53	11.5	12.77	10.9	12.03	8.9	12.60	8.3
Wholesale and Retail Trade	18.01	21.1	19.57	21.9	24.28	21.9	23.63	21.8	26.43	22.5	28.01	20.7	31.43	20.8
Banking	0.80	0.9	0.87	1.0	1.27	1.1	1.46	1.3	1.35	1.1	1.51	1.1	2.11	1.4
Ownership of dwellings	6.30	7.4	7.13	8.0	8.01	7.2	8.58	7.9	9.39	8.0	9.93	7.3	10.69	7.1
Public Administration	14.95	17.6	15.79	17.8	16.74	15.1	17.06	15.7	17.61	14.9	19.79	14.5	21.41	14.2
Services	7.78	9.1	8.26	9.0	8.63	7.8	9.51	8.8	10.37	8.8	11.19	8.3	12.83	8.5
G.D.P. at Factor Cost	85.17	100	89.44	100	110.87	100	108.62	100	117.67	100	135.52	100	150.95	100
+ Indirect Taxes	8.36		8.86		9.27		10.28		11.39		13.43		16.66	
G.D.P. at Market Prices	93.53		98.30		120.14		118.90		129.06		148.95		167.61	
+ Net Factor Income from Abroad	5.60		7.39		7.00		11.93		8.56		11.67		12.93	
G.N.P. at Market Prices	99.13		105.69		127.14		130.83		137.62		160.62		180.54	

Source: The Hashemite Kingdom of Jordan, Department of Statistics, The National Accounts (Amman: Department of Statistics Press, 1966), p.3.

Note: The Percentages were computed by the writer.

53 percent of the labor force is engaged in agriculture and produces less than one fourth of the Gross Domestic Product (see Table I). In 1964, which was an exceptionally good year, agricultural income constituted 25.1 percent of the Gross Domestic Product at factor cost. 18

The trade sector plays a major role in its contribution to the national economy. In 1959, 1960, 1962 and 1963, it ranked first in importance as it contributed 21.1%, 21.9%, 21.8%, and 22.5% respectively of the G.D.P. at factor cost. However, in 1961, 1964 and 1965 it ranked second in importance after the agricultural sector. This shows clearly the significance of the services sector of which trade is the most important.

The income originating in the Government sector ranged between J.D. 14.95 million and J.D. 21.41 million during the period 1959 - 1965. It accounted for 14.2 percent of the G.D.P. at factor cost in 1965. The importance of the Government sector from the standpoint of national income is due to the large foreign assistance

18
The Jordan Development Board, 5 Year Program for Economic Development (Amman: 1961), p. 359.

which the Government has been receiving.

The income originating in the industrial sector ranged between J.D. 6.23 million and J.D. 16.22 million during 1959 through 1965. It accounted for 10.8 percent of the G.D.P. at factor cost in 1965. The industrial sector is unimportant relative to the agricultural and trade sectors in the Jordanian economy. Industrial development is restricted due to the following obstacles: Smallness of the market, shortage of capital, shortage of technical knowledge and skilled labor, and the limited local supply of raw materials.¹⁹

4. Economic Problems. At present, Jordan is facing four major economic problems: a) a considerable balance of trade deficit, b) a heavy dependence on foreign aid for its development as well as a governmental budget support, c) a considerable level of unemployment, and d) a low per capita income.²⁰

¹⁹Barawi, op. cit., p. 156.

²⁰The Jordan Development Board, The Seven Year Program for Economic Development 1964-1970 (Jerusalem: The Commercial Press, 1966), pp. 2 - 4.

a. Balance of Trade Deficit. The value of the Jordanian exports constitutes a small proportion of the value of imports. The proportion of exports to imports during the years 1963, 1964 and 1965 was 12, 17 and 17 percent respectively. Thus Jordan has a large deficit in its balance of trade. In 1963, 1964 and 1965 the deficit amounted to J.D. 47.07, J.D. 40.65 and J.D. 45.86 million respectively.²¹ This trade deficit has been financed chiefly by official transfers including financial aid from the United States and the United Kingdom;²² and partly financed by the net receipts from invisible exports.²³

b. Heavy Dependence on Foreign Aid. The dependence of Jordan on foreign aid is clearly shown in Table II. In all the fiscal years during the last several years, Govern-

²¹Central Bank of Jordan, Quarterly Bulletin No 3, A report prepared by the Department of Research and Statistics of the Central Bank (Amman: The Cooperative Printing Presses Workers Society, 1965); p. 34.

²²The official transfers covered on the average approximately 58 percent of the trade deficit during the period 1962-1965.

²³The net receipts from invisible exports covered on the average approximately 35 percent of the trade deficit during the period 1962-1965.

ment receipts from local revenue did not exceed 55 percent of its budgeted receipts. In the fiscal year 1960 - 1961, only 43.39 percent of the Government receipts came from local sources. This situation is crucial as it leaves the country at the mercy of external factors which are beyond its power.

TABLE II
BUDGETED GOVERNMENTAL REVENUE
(1960 - 1965)
(In Millions of Jordanian Dinars)

Fiscal Year	Total Government Receipts	Local Revenue	Percentage	Foreign Assistance and Loans	Percentage
1960-1961 ^a	31.898	13.840	43.39%	18.058	56.61%
1961-1962	33.578	14.680	43.72%	18.898	56.28%
1962-1963	38.854	21.106	54.33%	17.748	45.67%
1963-1964	36.365	19.379	53.30%	16.986	46.70%
1964-1965 ^b	46.211	23.828	51.57%	22.383	48.43%
1965-1966 ^b	44.591	26.732	49.95%	17.859	40.05%

Source: a. Central Bank of Jordan, Quarterly Bulletin No 1, op. cit., p. 58.

b. Central Bank of Jordan, Quarterly Bulletin No 1, A Report Prepared by the Department of Research and Statistics of the Central Bank (Amman: The Modern Press, 1967), p. 41.

c. Labor Unemployment in Jordan. According to the Manpower Study which was undertaken in 1961 by the Statistics Department, the total labor force was 398,000 out of which 119,000 were unemployed:²⁴ This large unemployment is due to the presence of about half a million Palestinian refugees in Jordan.

d. Per Capita Income. The annual per capita income is low in Jordan.²⁵ In 1963, the Gross National Product averaged J.D. 75 (approximately \$208) per person.²⁶ This figure is very low in terms of Western Standards.

B. Growth of World Tourism and its Economic and Social Effects

Tourism nowadays is a mass movement. This is chiefly because travel at present, is safer, cheaper,

²⁴The Hashemite Kingdom of Jordan, Statistics Department, Manpower Study (Amman: 1962), p. 6.

²⁵The exact annual per capita income is not yet available for Jordan because the National Income figure has not yet been computed. However, the fact that it is still low, is reflected in the low per capita GNP, which amounted to J.D. 75 in 1963.

²⁶Jordan Development Board, The Seven Year Program for Economic Development, op. cit., p. 7.

and faster than in the past. Millions of people make pleasure tours every year.

Tourism is either domestic or international. Domestic tourism refers to travel made by nationals within their own country, while international tourism refers to travel of persons outside their countries. Economically speaking, the latter is more important than the former for the visited countries because of being a source of foreign currency. However, it is not to be inferred that domestic tourism has no economic value. It is true that domestic tourism does not bring about any increase in foreign exchange, but the travel of nationals within their own country causes a local shift in consumption and thus affects the income structure of certain regions.²⁷ A region may be economically poor but endowed with touristic attractions that urbans prefer to

²⁷International Union of Official Travel Organizations, Courses on Tourism Studies, Unpublished Courses on Tourism Studies given by the International Union of Official Travel Organizations, p. 13.

spend their holidays there. The movement of persons from the big cities to the said region brings about a more equitable distribution of the national income.

The growth of tourism²⁸ in its two forms, national and international is due to a multiple of factors most important of which is the development of the means of transportation. The development of the means of transportation had two important consequences. It brought about a substantial reduction in the travel costs and decreased tremendously the time of travel. The reduction in the travel fares enabled people of low income to travel.²⁹ Up to the 19th century travel was restricted to the rich people because journeys were extremely expensive.³⁰ Nowadays, high as well as low income people in the industrialized countries are traveling and enjoying the blessings of travel. Hence travel

²⁸The number of tourists (Excluding domestic tourists) increased from 25,281,410 in 1950 to 90,863,922 in 1963.

²⁹International Union of Official Travel Organizations, op. cit., p. 3.

³⁰Ibid.

has become a mass movement and not the privilege of the few. Furthermore, the decrease in the time of travel gave a "strong impetus" to the tourist traffic. In the past, journeys were very long and the tourist had to spend many days in order to travel the same distance which he can travel at present in a few hours.

Another factor which contributed to the growth of tourism is the improvement in the standard of living in the industrialized countries.³¹ The improvement in the standard of living, caused mainly by increase in the purchasing power, enables people to spend more and more on travel. According to A.J. Norval:

"The increase in available spending power, taken in conjunction with the general tendency to spend relatively increasing proportion of the national income on non material needs, must materially affect the volume of tourist traffic, to which it must of necessity give an additional impetus."³²

³¹International Union of Official Travel Organizations, op. cit., p.

³²A.J. Norval, The Tourist Industry (London: Isaac Pitman & Sons, 1936), p. 160.

A third factor which played a role in the growth of tourism is the practice of awarding paid holidays to all workers in accordance with social legislations.³³ At present a holiday is no more a privilege of the few and all classes of society enjoy it. Hence a great number of people escape from the urban centers during their holidays to other places of rest for the sake of recreation, relaxation and pleasure.

In addition to the foregoing factors, there is also a sociological factor which results from the tendency of man to imitate others. Thus when the ordinary individual sees his neighbours and acquaintances, as well as a great number of his countrymen, travelling to other countries, his natural tendency to imitate others creates in him an urge to travel.³⁴

From an economic point of view, tourism to touristic countries is, in many cases, a major source

³³International Union of Official Travel Organizations, op. cit., p. 3 .

³⁴Ibid.

of foreign currency and an important source of national income. It plays an important role in the balance of payments of these countries. In certain European countries such as Italy, Spain and Austria, receipts from tourism cover a great proportion of their deficit in their balance of trade. Furthermore, the fact that a great number of enterprises such as hotels, touristic transport companies, souvenirs industry, depend chiefly on tourism, reveals its economic importance as a source of national income. The tremendous employment opportunities provided by the said touristic enterprises is of major significance, especially in the case of underdeveloped countries.

Viewed from a social viewpoint, international tourism is considered by the United Nations Conference on International Travel and Tourism as a means of promoting understanding among peoples.³⁵ The contact among peoples may correct the prejudices which they have

³⁵United Nations, Economic and Social Council, Recommendations on International Travel and Tourism (E/CN. 47/18, August 21, 1963) (Rome, 1963), p. 17.

against each other. Through their contact, people of different races may get more and more acquainted with one another, and may develop friendly attitudes. In his address in the United Nations, R.P. Arrighi, the Vatican delegate, stated:

"Thus we take the liberty of pointing out that tourism is and should be the cause not only of economic prosperity but above all of another kind of wealth: the growth and understanding of various civilizations. We do not consider this enrichment as being less significant than the economic factor..."³⁶

The economic and social benefits derived by a country from tourism depend chiefly upon its touristic aspects. Following are the main touristic aspects of Jordan.

C. Major Touristic Aspects of Jordan

Jordan is one of the major touristic countries in the Middle East. Within its boundaries are to be

³⁶"Spirituality of Tourism," World Travel, December 1965, p. 15.

found numerous places which are of interest to foreign tourists. It contains the Holy Places which are of great significance to the three monotheistic religions namely Islam, Christianity and Judaism. In this part of the world faith started and the country has always been termed "mankind's spiritual cradle."³⁷ In addition to its richness in religious sites, Jordan is rich in its archeological sites. The country witnessed in ancient history the passage of numerous great civilizations such Cananites, Babylonians, Assyrians, Persians, Greeks and Romans. Almost everyone of these civilizations left remnants in the country and Jordan nowadays displays a blend of the ancient and the modern. In Amman, the capital, for example one can find a Roman amphitheatre in the midst of the country surrounded by modern mansions.

As a touristic country Jordan is unique in three respects. In the first place, it has as has already been stated the Holy Places. Secondly, it has Petra, a city

³⁷ "The Tourist Industry in Jordan," Mid-East Commerce, September 1962, p. 49.

carved in rock, which many people refer to as "one of the wonders of the world".³⁸ Thirdly it has the Jordan Valley and the Dead Sea, the lowest spot on earth (1297 feet below sea level).

1. Holy Places

Holy places may be divided into (a) Christian holy places and (b) Islamic holy places.

a. Christian Holy Places. Most of the Christian holy places are found in Jerusalem, Bethlehem and Jericho. Of prime importance to Christians of various sects are the church of the Holy Sepulcher in Jerusalem and the church of Nativity in Bethlehem. The church of the Holy Sepulcher was erected upon the place where Jesus Christ was crucified and buried. The erection started in 335 A.D. when Saint Helena, the mother of the Roman Emperor Constantine, came to Jerusalem after her son's adoption of Christianity. Over centuries the church was destroyed and rebuilt several times and the one

³⁸ Judge Gerald Sparrow, Modern Jordan (London: George Allen and Unwin Ltd., 1961), p. 121.

existing today is believed to be the one which was restored by the Crusaders in the 12th century.³⁹

The church of the Holy Sepulcher is believed by many people to be the holiest church in Christendom.⁴⁰ Mark Twain, the famous American writer has described it after his visit to Jerusalem as "the most sacred locality on earth to millions and millions of men, and women, and children, the noble and the humble, bond and free. . ." ⁴¹

The church of Nativity was erected upon the cave where Jesus Christ was born. It was started in 326 A.D. by Saint Helena, the mother of Emperor Constantine. It is the oldest Christian church in the world.⁴² In 614 A.D. the Persians invaded Palestine and destroyed all the Christian churches and shrines in the country with the exception of the church of Nativity.

³⁹ Kay Showker, The Holy Land (Beirut: Librairie du Liban, 1960), p. 95.

⁴⁰ Ibid.

⁴¹ Ibid., p. 96.

⁴² Nina Nelson, Your Guide to Jordan (London: Alvin Redman Limited, 1966), p. 187.

In addition to the church of the Holy Sepulcher and the church of Nativity, there are numerous other Christian holy places, most important of which are Via Dolorosa, Mount of Olives, Bethany, Mount of Temptation, and the Shephard's Field.

Via Dolorosa (the way of sorrow) is the road which Jesus walked carrying his cross after he was condemned to death. It is marked with fourteen stations, each of which represents a place in which Jesus Christ stopped while burdened with his heavy cross.

The Mount of Olives was frequented by Jesus Christ during his life in Jerusalem. At its summit lies the church of the "Dominus Flevit" on the site where Jesus wept over Jerusalem before his entry into the city on Palm Sunday.⁴³ Another important church on the Mount of Olives is the church of Ascension which is believed to rest on the place from which Jesus Christ ascended to Heaven.

⁴³Showker, op. cit., p. 99.

Bethany lies two kilometers south east of Jerusalem. It is believed to be the residence place of Lazarus (Jesus Christ's friend) and his sisters Martha and Mary. In this village lies the tomb where Lazarus was buried. According to the Bible, Jesus stood near the tomb and resurrected Lazarus after three days of his death.

The Mount of Temptation lies in the west of Jericho. It is the place where Jesus Christ spent forty days fasting and where he was tempted by the Devil.

The Shepherd's Field lies in Beit Sahour, near Bethlehem. It is believed to be the place where the Angel delivered the tidings of Jesus Christ's birth to the Shepherds.

b. Islamic Holy Places. The Islamic holy places are found mainly in Jerusalem and Hebron. In Jerusalem the most important Islamic religious site is Al Haram esh Sharif which lies on the summit of Mount Moriah and

which comprises both the Dome of the Rock and Al Aqsa Mosque.

The Dome of the Rock was built during the rule of the famous Ummayyad Caliph, Abdul Malek Ibn Marwan. The rock which is in the midst of the building is considered sacred by Moslems because it is associated with Prophet Mohammad's visit to Jerusalem before his ascent into Heaven. The mosque is preceded in holiness only by two Islamic shrines, namely the Kaba and the Tomb of the Prophet in Medina.⁴⁴

During the Crusader's rule in Jerusalem (1099 - 1187 A.D.) the mosque became a Christian church and was called "Templum Domini".⁴⁵ In 1187 A.D. Saladin conquered Jerusalem and put an end to the rule of the Crusaders. The Mosque again became an Islamic shrine, and with minor changes throughout the centuries, it remains today just as it was in Saladin's time.

⁴⁴Nelson, op. cit., p. 231.

⁴⁵Sparrow, op. cit., p. 137.

Another large mosque in Al Haram esh Sherif is Al Aqsa Mosque. Its erection started during the reign of the Umayyad Caliph Abdul Malek Ben Mirwan and was completed by his son Mirwan in 705 A.D. It is associated with the earliest days of Islam and is considered to be a sacred Islamic shrine.

In addition to the foregoing Islamic shrines, there is the Mosque of Abraham which lies in Hebron. The Mosque is believed to be erected in the burial place of Prophet Ibrahim and his wife Sarah, Isaac and his wife Rebeca, Jacob and Leah.

2. Petra and Other Archeological Sites.

Petra is the most remarkable touristic site, as far as the archeological aspect of the country is concerned. The city was invaded by the Nabateans, an Arab nomadic tribe, in the fourth century B.C. At the very beginning of their invasion, the Nabateans used to plunder the caravans which were on their way from Arabia to Damascus.⁴⁶ Later on however, they levied

⁴⁶ Sparrow, op. cit., p. 119.

tolls from the passing caravans thus becoming extremely rich.

The Nabateans came into contact with the outside world and became familiar with the Greek culture which they tried to imitate. They, however, developed a style of architecture of their own, but based on Greek and Assyrian design and spent almost all their wealth to build Petra.⁴⁷ Knowledge of Petra was lost to the world from the time of the Crusaders about A.D. 1200 until 1812. In 1812 an Anglo Swiss explorer called Burckardt rediscovered it.⁴⁸ The city won fame after its discovery and became the goal of adventures, as Kay Showker says in her book, "The Holy Land."⁴⁹

Beside Petra there are a number of archeological sites. Chief among these are Jerash and Hisham Palace. According to Nina Nelson, Jerash is "one of the most

⁴⁷ Sparrow, op. cit., p. 120.

⁴⁸ Lankester Harding, The Antiquities of Jordan (London: Lutterworth Press, 1960), p. 115.

⁴⁹ Showker, op. cit., p. 76.

provincial Roman cities to be seen anywhere."⁵⁰ The city was built by the soldiers of Alexander the Great about 332 B.C. It was buried under sand for centuries and its excavations took place in 1920. Many Roman cities like Philadelphia (Amman at present) and Gadara (now ruins of Um Qays) had left no traces compared with Jerash. This was due to the isolation of Jerash which saved it from being used as a stone quarry for other towns.⁵¹ In Jerash one can still find Roman buildings, temples, baths, forums, churches and theatres. All these things seem to have impressed Judge Gerald Sparrow who said:

"One cannot really think of it as a ruin for so complete is Jerash in many respects that it does not take a great deal of imagination to envisage that the city, even now, could be rebuilt and the Romans again walk the main street."⁵²

Hisham Palace was built during the reign of the Umayyad Caliph Hisham Ibn Abdul Malik (A.D. 724-743).

⁵⁰ Nelson, op. cit., p. 110.

⁵¹ Sparrow, op. cit., p. 123.

⁵² Ibid.

Most probably, Hisham had built the said palace in order to spend the winter months in the Jordan Valley. The palace contains a complex of buildings, baths, mosques and courts. It is remarkable for its decoration with mosaics and paintings according to the Hellenistic style.⁵³ The mosaic floor of the baths is the major tourist attraction as well as the "Tree of Life" which is believed to be the most beautiful mosaics in the world.⁵⁴

3. The Jordan Valley and Other Touristic Aspects of Jordan.

The religious and archeological monuments are not the only touristic attractions of Jordan. The summer and winter resorts form important touristic assets. Ramallah, Beit Jala, and Qubeibeh constitute Jordan's important summer resorts, while the Jordan Valley and Aqaba constitute its major winter resorts. The Jordan Valley as a winter resort is unique in the sense that

⁵³Nelson, op. cit., p. 161.

⁵⁴Showker, op. cit., p. 122.

it lies about 400 meters below sea level.

Furthermore, the climate in Jordan is delightful to tourists. The sun shines for nine to ten months of the year and as such extends the touristic season. The weather varies extensively from one region to another during the same season. When it is extremely cold in Jerusalem for example, it is warm in the Jordan Valley 22 miles away. When it is snowing in Jerusalem one may swim in the Dead Sea.⁵⁵ Thus Jordan provides during any time of the year the weather which any one may desire, and this in fact is a very important tourist potentiality of the country.

D. Tourist Facilities in Jordan

Tourist facilities in Jordan have increased tremendously in the last several years. These include road facilities, hotels, rest houses, guides, shopping facilities and travel agencies.

⁵⁵Showker, op. cit., p. 6.

1. Road Facilities: There was a great improvement in existing roads and new ones were constructed recently. Of particular importance among the new roads are the ones connecting Amman with Jerusalem, the one connecting Amman with Damascus via Jerash, and the one connecting Amman with Aqaba. At present, thanks to the fine network of roads, the touristic sites are easily accessible and the movement of tourists within the country is facilitated for their comfort.

2. Hotels. Hotels have increased substantially in Jordan since 1962. In that year the number of classified hotels was 37 including 1197 rooms which comprised 2195 beds. In 1966, there were 67 hotels including 2486 rooms which comprised 4909 beds. Thus in a period of five years, the number of hotels almost doubled,⁵⁶ and the number of rooms and beds more than doubled (see Table III)

⁵⁶In addition to the above classified hotels, there are a number of small hotels of popular nature, which charge lower rates. At present, there are 70 such hotels.

TABLE III
INCREASE IN THE NUMBER OF
CLASSIFIED HOTELS IN JORDAN
(1962 - 1966)

<u>Year</u>	<u>Number of Hotels</u>	<u>Rooms</u>	<u>Beds</u>
1962-1963	37	1197	2195
1963-1964	51	1589	3056
1964-1965	59	2043	3941
1965-1966	67	2486	4909

Source: The Jordan Tourism Authority, Tourism in Jordan 1959 - 1966. A Report Prepared by the Tourism Authority on the Occasion of the Sixth General Assembly of the Arab International Tourist Union in Baghdad, (Amman: Jordan Tourism Authority Press, 1966), p.11

3. Rest Houses. Tourist rest houses did not exist in Jordan five years ago. At present there are seven rest houses located at strategic points throughout Jordan.⁵⁷ The purpose of their erection is to provide rest and comfort for tourists travelling from a touristic region in the country to another. In the past, tourists travelling from Jerusalem to Petra for example, were unable to find any place to stop and rest

⁵⁷The rest houses are located at the following points: Ramtha, H⁴, Jerash, Madaba, Hebron, Maⁿ, and Petra.

during their long travel. Now, with the establishment of two rest houses in Maān and Petra, the difficulties are overcome. Each rest house contains an information center, a souvenir shop, a bar, and a restaurant. Two of the rest houses, one in Petra and the other at the Amman - Baghdad highway, provide night lodging facilities.

4. Guides. In 1956 there were 79 guides in Jordan while at present there are 188 guides.⁵⁸ In the past there was not any supervision on the part of the Jordan Tourism Authority with respect to the guides. Recently however, the said Authority has paid much attention to guides. In 1959-1960 for example, the Jordan Tourism Authority arranged for the delivery of more than 50 lectures to the guides about various aspects of Jordan.⁵⁹ Furthermore, with the cooperation of USAID, (the United

⁵⁸ Interview with Mr. Abdul Rahman Rimawi, an Official in the Jordan Tourism Authority, August 1, 1966.

⁵⁹ Ibid.

States Agency for International Development), the Tourism Authority has established an institute in Jerusalem to train guides.⁶⁰ To start working as a guide, the person must be licenced and no person is licenced unless he passes an examination.

5. Shopping Facilities. Shopping facilities are found extensively in Jordan particularly in Jerusalem and Bethlehem. The number of shops selling tourist merchandises have increased from 81 shops in 1962 to 174 shops in 1966.⁶¹ Almost all these shops are found in Jerusalem and Bethlehem. The articles offered for sale in these shops are varied and of a national character, such as the articles made of olive wood, the embroidery, and the glass articles produced in Hebron.

6. Travel Agencies. There are 58 travel agencies in Jordan at present while there were only 6 in 1953.⁶²

⁶⁰ Interview with Mr. Abdul Rahman Rimawi, an official in the Jordan Tourism Authority, August 1, 1966.

⁶¹ The Jordan Tourism Authority, Tourism in Jordan 1959 - 1966, op. cit., p. 13.

⁶² Files of the Jordan Tourism Authority.

These agencies provide services to tourists such as arranging tours, providing visa procurement services for crossing to Israel, and arranging for reservations in hotels and planes.

E. Visitors to Jordan and Trend
of the Tourist Traffic

The areas of origin and the total number of tourists who had visited Jordan from 1955 through 1965 are shown in Table IV. From this table two observations are drawn: the first is the considerable increase in the number of tourists to Jordan from 84897 in 1955 to 501346 in 1965. The second observation is that Arab, European and American tourists constitute the major customers of Jordan.

The Arab countries provide the greatest number of tourists to Jordan as compared with other foreign countries. During 1959 through 1965, Arab tourists ranged between 42 and 57 percent of the total number of visitors, as is shown in Table V.

TABLE IV

TOURISTS VISITING JORDAN ACCORDING TO
AREAS OF ORIGIN
1955-1965

<u>Year</u>	<u>Arab Countries</u>	<u>Non Arab Countries of the Middle East</u>	<u>Europe</u>	<u>U.S.A.</u>	<u>Latin America</u>	<u>Others</u>	<u>Total</u>
1955	49079	13007	9988	10784	920	1419	84897
1956	38819	4928	9100	6799	650	1134	61730
1957	41628	6957	6672	4651	711	1081	61764
1958	28336	6554	6763	5774	329	895	48651
1959	59740	2882	21351	17811	1365	1945	104094
1960	64988	3636	29822	25687	2518	5048	131699
1961	78874	7616	37445	29277	2792	6054	162058
1962	106396	18843	44067	32007	3403	4285	209001
1963	138899	63557	67232	41711	4941	7320	323470
1964	200554	59517	72292	44263	4947	6750	387343
1965	289422	54649	88316	53834	-	15125	501346

Source: Jordan Tourism Authority, Tourism in Jordan 1964-1965, Annual Report of the Jordan Tourism Authority (Amman: Jordan Tourism Authority Press, 1965), p.4.

TABLE V
ARRIVAL OF ARABS VERSUS NON ARABS TO JORDAN
(1959 - 1965)

Year	Arabs	Non Arabs	Arabs as a Percentage of Total
1959	59740	44354	56%
1960	64988	66711	49%
1961	79873	83185	48%
1962	106396	102605	50%
1963	138899	184571	42%
1964	200554	186789	51%
1965	289422	211924	57%

Source: Jordan Tourism Authority, Tourism in Jordan 1964 - 1965, op. cit., p. 4.

Note: The percentages were computed by the writer.

The reasons for the huge inflow of Arab tourists are the following:

- (1) The adequate network of roads which bind most of the Arab countries, thus facilitating travel.
- (2) The shorter distance between Jordan and the Arab countries as compared to the longer distance between Jordan and European and American countries.

(3) The presence of the Holy places in Jordan, which are of interest to Arab Moslems as well as to Christians.

Next in number after Arab tourists come tourists from countries of Western Europe and the United States of America., These countries provide a large number of tourists not only to Jordan, but to almost all touristic areas in the world, because they are rich countries with high national incomes. In 1965 the Europeans and Americans (U.S.A.) constituted 18 and 10%, respectively, of the total number of tourists visiting Jordan.

The trend of tourists visiting Jordan has been favourable and the statistical records reveal a continuous increase in the number of visitors over the past few years as is shown in Table VI.

TABLE VI
PERCENTAGE INCREASE IN ARRIVALS TO JORDAN
(1959 - 1965)

Year	Total Number of Arrivals	Percentage Increase Over 1959	Percentage Increase Over previous year
1959	104059	-	-
1960	131699	27%	27%
1961	163058	56%	23%
1962	209001	101%	29%
1963	323470	211%	50%
1964	387343	272%	19.6%
1965	501346	382%	29.4%

Source: Jordan Tourism Authority, Tourism in Jordan 1964 - 1965, op. cit., p. 6.

It is clear from Table VI above that the increase in the number of tourists is quite substantial. In 1965 for example visitors to Jordan were 482 percent of those who visited the country in 1959. The average percentage increase per year from 1959 through 1965 was 30%. This average is good when compared to that of European touristic countries which ranged between 10 and 15%.⁶³ The major factors contributing to the considerable increase

⁶³Ministry of Information, Jordan 1964 (Amman: Arab Legion Press, 1964), p.

in the number of tourists visiting Jordan are internal stability, tourist publicity, and increase in tourist facilities.

a) Internal Stability. The internal political and economic stability is a necessary condition for the success of a country in drawing tourists. And in the case of Jordan, the internal stability which prevailed over the past several years fulfilled the said condition. A tourist is looking after his comfort and rest and is not likely to travel to places where disturbances may occur. In 1958, for example, because of the disturbances which took place in the Middle East, the number of visitors to Jordan, as well as to other countries in the area, dropped to a considerable degree.

b) Tourist Publicity. The Jordan Tourism Authority undertakes a program to publicize the tourist potentialities in Jordan. It has made use of various publicity media, including advertisements, distribution of printed publicity material and participation in international

fairs. Over the recent years, a number of advertisements were published in various magazines in Europe, U.S.A., and Arab countries, as these constitute the traditional tourist market for Jordan. The selection of magazines was made in accordance with a special study done by experts concerning the type of readers of every magazine and its distribution.⁶⁴ The advertisements in the selected magazines proved to be successful. As a result of these advertisements, the Jordan Tourism Authority in Amman and Jerusalem as well as the Jordanian Tourist Attaches abroad received inquiries from many sources about Jordan and its potentiality as a touristic country.⁶⁵

Jordan must have benefited also from tourist publicity undertaken by the neighbouring countries. Tourists from Europe and U.S.A. are likely to visit more than one country in the Middle Eastern area. According to Lickorish and Kershaw travellers from outside the

⁶⁴ Jordan Tourism Authority, Tourism in Jordan 1964-1965, op. cit., p. 10.

⁶⁵ Ibid.

Middle Eastern area are estimated on the average to visit four countries.⁶⁶

c) Increase of Internal Tourist Facilities. During the last ten years, the tourist facilities in Jordan have increased tremendously. As has already been stated, there has been a continuous increase in the number of guides, rest houses, souvenirs shops and, above all, of hotels. The increase in hotels was extremely important for they enabled the country to accomodate more and more tourists. Two deluxe hotels, one in Amman and the other in Jerusalem attract wealthy tourists. The seven rest houses have enabled travellers to rest when visiting historical places at long distances.

In addition to the foregoing facilities, a tourist police has recently been established. The members of the tourist police render a great service to tourists. They see to it that tourists are not ill treated and are always ready to help whenever asked.

⁶⁶ A.G. Kershaw and L. J. Lickorish, Middle East Tourist Trends (Geneva: International Institute of Scientific Travel Research, 1954), p. 20.

Finally, to be mentioned here are the services rendered by the offices of the Jordan Tourism Authority in Amman and Jerusalem. The officials in the said offices provide tourists with full information about Jordan, take note of any grievances on the part of tourists, and endeavour to take corrective measures.

CHAPTER II

ECONOMIC ASPECTS OF TOURISM INDUSTRY

Among the various reports which were submitted to the United Nations Conference on International Travel and Tourism that was held in Rome in 1963, was a report entitled "Tourism as a Factor of Economic Development-Role and Importance of International Tourism."¹ According to this report, of which particular note was taken by the Conference, the main economic advantages of tourism are as follows:²

1. Tourist receipts have a stimulating effect on nearly all sectors of the economy, because of the large number of services involved and the multiplying effects of the expenditures on these services.³

¹United Nations, Economic and Social Council, Recommendations on International Travel and Tourism, op. cit., p. 21.

²United Nations, Economic and Social Council, Tourism as a Factor of Economic Development-Role and Importance of International Tourism (E/Conf. 47/15, August, 1963) (Rome, 1963), p. 10.

³The multiplier effect of tourism will be discussed later in this chapter.

2. Tourism tends to achieve a balance between the less developed and the more prosperous regions. The tourist regions are usually at a distance from large cities and are poor in natural resources and from the industrial viewpoint. Hence tourism tends to be an element of economic compensation for the poor areas.

3. Tourist receipts play a role in the balance of payments of the touristic countries. In certain cases, such as Spain, receipts from tourism offset more than sixty per cent of its trade balance deficit.⁴

Tourism may also contribute towards the solution of a major obstacle to economic development faced by underdeveloped countries, namely the shortage of foreign exchange.⁵ The underdeveloped countries in

⁴Salah Ul Din Abdul Wahab, Towards Planning in Tourism (Cairo: The National House for Printing and Publishing, 1966) p. 24.

⁵Marwan Iskandar, "Tourism and Economic Development," Al Raed Al Arabi, August 1961, p. 15.

general do not possess export industries and as such suffer from a shortage of foreign currencies; and of all the economic activities, tourism is most capable of providing foreign exchange.⁶ Hence tourism provides foreign currencies for purchase of capital goods necessary for economic development.

A. Tourism and the Jordanian National Economy

1. Receipts from Tourism.

Receipts from tourism have increased continuously in Jordan since 1959. As shown in Table VII, they have increased from J.D. 2.85 million in 1959 to J.D. 9.81 million in 1965. The amount of tourist receipts depends on three factors: The number of tourists, their average daily expenditures, and their average length of stay in the touristic country. The increase in the number of tourists⁷ together with an increase in their average daily

⁶United Nations, Economic and Social Council, Tourism as a Factor of Economic Development, op. cit., p.12.

⁷The number of tourists visiting Jordan have increased from 104,059 in 1959 to 501,346 in 1965.

expenditures accounted chiefly for the increase of tourist receipts in Jordan.⁸

TABLE VII
RECEIPTS FROM TOURISM IN JORDAN
(1959 - 1965)
(In Millions of Jordanian Dinars)

Year	Receipts from Tourism	Percentage Increase Over Previous Year	Percentage Increase Over 1959
1959	2.85	-	-
1960	3.23	13.3%	13.3%
1961	4.34	34.3%	52.3%
1962	5.05	16.3%	77.2%
1963	6.00	18.8%	110.5%
1964	8.02	33.6%	181.4%
1965	9.81	22.3%	244.2%

Sources: 1.(1959-1964) Jordan Tourism Authority, Tourism in Jordan 1964-1965, op. cit., p. 7.

2.(1965) Table IX.

Tourist receipts in Jordan do not constitute a large portion of the national income. In 1965, they

⁸ According to the calculations of the writer, there was a very small increase in the average length of stay of tourists in Jordan. In 1959, the average length of stay was 6.5 days while in 1965, it was 6.7 days.

amounted to 5.4 percent of the Gross National Product. However, when the multiplier effect of tourism is taken into consideration, its contribution is more than double that percentage as will be shown later.

2. Multiplier Effect of Tourism.

To measure the effect of tourism on the national economy of a certain country, economists estimate the total expenditures of tourists in hotels, restaurants, transport companies, souvenir shops, and other enterprises which provide goods and services to tourists.⁹ This method is oversimplified although it shows the range of tourist expenditures.¹⁰ It does not take into account the tourism multiplier as a measure of the contribution to the national income.

It is wrong to think that only those who come into direct contact with tourists benefit from tourism. Almost all sectors of the national economy benefit from the tourist industry. When tourists pay their hotel bills,

⁹United Nations, Economic and Social Council, Tourism as a Factor of Economic Development, op. cit., p.8.

¹⁰Ibid.

the money does not remain in the safes of the hotel; part of it is used by the hotel-keepers to pay the debts which they incur to satisfy their customers. They pay to their suppliers of foodstuffs and beverages such as meat, poultry, vegetables, fruits, butter, cheese, alcoholic and non alcoholic drinks. In addition to their expenditures on foodstuffs and beverages, hotels incur other expenses such as wages and salaries, heat, light and water, laundry and cleaning, depreciation, insurance, interest, taxes and licences. Hence expenditures of hotels are widely disbursed in the economy. Furthermore, what was said about the disbursement of the hotel's expenses may be said also about the disbursement of expenses of other touristic enterprises such as restaurants, cafes, and souvenir shops.

The income originating in the touristic country is more than the original tourists' expenditures because of the multiplying effects of these expenditures. Every successive spending is lesser than the previous one because of leakages in the form of savings or imports. Consequently, the succeeding spending becomes very small

as to reach zero. The total sum of spendings divided by the original tourist expenditures gives the multiplier of tourism.

Chart I shows clearly how the tourist expenditures multiply and how they have an impact on many divisions of the economy. The tourist expenditures are divided into the hotel bill and purchases outside the hotel including expenditures in restaurants, cafes, and souvenir shops.

The left hand side of the Chart¹¹ shows the ramifications of the hotel's bill. It is ramified into gross profit, purchases of materials particularly food and drinks, wages and salaries, each of which is further ramified, as is illustrated in the table. The expenses of hotels on wages and salaries go partly or wholly to retailers; these in their turn make profit, employ labor and purchase materials. Wages go back to retailers and materials are purchased from wholesalers who in turn purchase from producers who may be local or foreign.

¹¹The right hand side of the Chart may be discussed on similar basis and need not be tackled here.

Similarly, the expenses of hotels on food and drinks, go to retailers or directly to wholesalers. The retailers as shown before, will buy from wholesalers and wholesalers from producers.

The first scientific study about the multiplier effect of tourism¹² appeared in a report entitled "The Future of Tourism in the Pacific and Far East, which was prepared by Harry Clement for the United States Department of Commerce."¹³ According to this study, tourist expenditures are estimated to turn over between 3.2 and 3.5 times in a year in countries where there are substantial leakages and slow circulation of money.¹⁴ Hence an expenditure of \$ 1 by the tourist leads to an economic activity which is more than three times that amount, and the income originating in the touristic country is more than threefold the

¹²This study was concerned with the multiplier effect of tourism in the Pacific and Far East area. It showed that the turn over of tourist expenditures in this area was 3.27 times a year.

¹³United Nations, Economic and Social Council, Tourism as a Factor of Economic Development, op. cit., p. 10.

¹⁴Ibid., p. 11.

tourists' expenditures.

In addition to the foregoing, the above study revealed that in highly developed countries, tourist expenditures turn over more than 5 times in a year before disappearing because of lesser leakages.¹⁵ The tourism multiplier depends on the leakages which take place in the economy while the tourist expenditures circulate.¹⁶ The higher the leakages in a country, the less the multiplier and vice versa. Hence, the economic benefit of the tourist traffic is less in countries where a great proportion of the tourist receipts has to be paid for the importation of foodstuffs, beverages, and other goods which are consumed by tourists, than in countries which do not depend on others and produce the bulk of the goods demanded by tourists.

The multiplier effect of tourism cannot be determined exactly in any country except by a special study.

¹⁵United Nations, Economic and Social Council, Tourism as a Factor of Economic Development, op. cit., p. 10.

¹⁶The leakages may be in the form of imports, foreign investment or hoarding.

In the case of Jordan, no such study has been undertaken. Thus the ultimate economic impact of tourism on the national economy is not known accurately. Probably, the ultimate effect of tourism in Jordan is low. This is because a large proportion of tourist expenditures are on imported articles. In his study about tourism in Jordan, Sargeant Florence, the Ford Foundation Consultant, estimates that forty percent of the hotel's purchases are imported.¹⁷ This is indeed a high ratio and constitutes a substantial leakage.

Furthermore, the above study reveals that the tourist expenditures outside the hotels such as those spent in souvenir shops, on transportation or entertainment have a higher multiplier than tourist expenditures in hotels. This is due to the fact that the activities outside hotels are relatively speaking labor intensive and they have a lower import content.¹⁸ The expenditures of tourists outside hotels are chiefly on

¹⁷Florence, op. cit., p. 43.

¹⁸Ibid., p. 38.

labor services such as guides or taxi drivers, and on souvenirs. The services are rendered by persons in Jordan, who spend most of their earnings in local shops, and the souvenirs demanded by tourists have a low import content.¹⁹ Thus the multiplier of tourist expenditures outside the hotels is magnified.

The estimates given in the study for the multiplier of tourist expenditures in hotels is 2.5 times a year, and that of tourist expenditures outside hotels is 3.5 times. If the amounts of these two expenditures are the same, the tourism multiplier in Jordan would be 3 times. This is in line with the estimate for underdeveloped countries,²⁰ which is given in the scientific study about the multiplier effect of tourism previously referred to. Assuming that the tourism multiplier which applies to Jordan is 3 times a year, thus the total effect of tourist

¹⁹Sargeant Florence, op. cit., p. 38.

²⁰The scientific study has revealed that the estimated tourism multiplier in underdeveloped countries is between 3.2 and 3.5 times.

expenditures of J.D. 9.81 million in 1965 was J.D. 29.43 million. This is quite substantial and amounted to 16.3 percent of the Gross National Product of that year.

B. The Role of Tourism in the Balance
of Payments on Current Account

Receipts from tourism are an important item among the invisible exports of Jordan (see Table VIII). They amounted in 1965 to J.D. 9.81 million and accounted for 35.82 percent of the total receipts from invisible exports. Net receipts (tourist receipts less payments made by Jordanians abroad) however, amounted to J.D. 5.52 million. They covered 12.03 percent of the balance of trade deficit in that year. This is a low ratio when compared with some touristic countries such as Spain, where net tourist receipts offset more than 50 percent of its trade deficit.²¹

²¹In 1965, net tourist receipts covered 58.4 percent of the balance of trade deficit in Spain. This percentage was computed by the writer by using the data available on Spain in the Balance of Payments Yearbook 1965, issued by the International Monetary Fund.

TABLE VIII
RECEIPTS FROM TOURISM AS A PERCENTAGE OF
TOTAL RECEIPTS FROM INVISIBLE EXPORTS
(1962 - 1965)
(In Millions of Jordanian Dinars)

Year	Total Receipts from Invisible Exports ¹	Receipts from Tourism ²	Percentage Contribu- tion of Tourism
1962	21.73	5.05	23.23%
1963	18.61	6.00	32.21%
1964	23.97	8.02	33.45%
1965	27.38	9.81	35.82%

Source: 1. Table IX.
2. Table VII.

Net tourist receipts have increased continuously in Jordan from J.D. 1.63 million in 1962 to J.D. 5.52 million in 1965. These have helped to increase the surplus in the balance of invisible exports, and, as such, have helped to reduce the deficit in the balance on current account. As shown in Table IX, the balance on current account reflects a large deficit in Jordan because of the substantial trade deficit which is partially

TABLE IX

JORDANIAN BALANCE OF PAYMENTS ON CURRENT ACCOUNT
(1962-1965)
(In Millions of Jordanian Dinars)

	1962		1963		1964		1965	
	1		1		1		2	
	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit
1. Merchandise	5.92	43.51	6.56	53.63	8.73	49.38	9.91	55.77
2. Non Monetary Gold	-	-	-	-	-	-	-	-
3. Freight and Insurance	5.13	0.28	1.75	0.31	1.22	0.44	2.00	0.21
4. Other Transportation	-	0.80	-	0.51	-	0.38	0.44	0.50
5. Travel	5.05	3.42	6.00	3.20	8.02	3.63	9.81	4.29
6. Investment Income	1.37	0.30	1.11	0.23	1.71	0.45	2.58	0.52
7. Government	1.30	1.39	1.19	2.53	1.11	1.49	1.94	1.68
8. Other Services	8.88	1.05	8.56	0.94	11.91	1.38	10.61	1.15
Trade Balance (1 & 2)	37.59		47.07		40.65		45.86	
Net Services	14.49		10.89		16.20		19.03	
Balance on Current Account	23.10		36.18		24.45		26.83	

Source: 1. Central Bank of Jordan, First Annual Report for The Year 1964-1965. (Amman: The Co-Operative Printing Press Workers Society, 1965), p.47.
2. Central Bank of Jordan, Quarterly Bulletin No. 2, A Report Prepared by the Department of Research and Statistics of the Central Bank (Amman: The Modern Press, 1966), p.27.

covered by the net invisible exports. These exports have covered on the average 35 percent of the trade deficit during the period 1962 - 1965.

In addition to tourist receipts, the remittances made by Jordanians working abroad play an important role and help to reduce the deficit in the balance on current account.²² In 1965, the remittances amounted to J.D. 9.14 million while tourist receipts amounted to J.D. 9.81 million.²³ Thus, among all the invisible exports in Jordan, tourism ranks first in importance as a source of foreign currency.

Viewed from a different perspective, Jordan's revenue from tourism is almost equal to its receipts from the export of goods. Tourist receipts equalled on the average about 92 percent of the value of exports during 1962-1965 inclusive. A comparison between the value of

²²Prior to 1965, the remittances ranked first in importance as a source of foreign currency. They amounted in 1962, 1963, and 1964 to 6.20, 6.17 and 9.28 million dinars while tourist receipts amounted to 5.05, 6.00 and 8.02 million dinars.

²³The Hashemite Kingdom of Jordan, Department of Statistics, The National Accounts 1959 - 1965, op. cit., p. 12.

exports and tourist receipts is shown in Table X. It is clear from the Table that receipts from tourism are growing in importance, and if the present trend continues, they will exceed the country's receipts from visible exports in the near future.

TABLE X
TOURIST RECEIPTS VERSUS RECEIPTS
FROM VISIBLE EXPORTS
(1962 - 1965)
(In Millions of Jordanian Dinars)

Year	Receipts from Visible Exports ¹	Tourist Receipts ²	Tourist Receipts as a Percentage of Receipts From Visible Exports
1962	5.92	5.05	85.4%
1963	6.56	6.00	91.4%
1964	8.73	8.02	91.8%
1965	9.91	9.81	98.8%

Source: 1. Table IX.

2. Table VII.

Note: The percentages were computed by the writer.

The expenditures made by Jordanians for tours abroad and for educational purposes are shown on the payment side of the Current Account under the item "Travel" (see Table IX). The expenditures made by Jordanians abroad have increased from J.D. 3.42 million in 1962 to J.D. 4.29 million in 1965. These expenditures are estimated on the basis of a fixed amount per Jordanian citizen leaving the country. The fact that they have increased is an indication of an increase in the number of Jordanians leaving the country.

C. Tourism as an Element of Economic
Compensation in Jordan.

Apart from the big capital cities, the tourist centers are usually found far from the centers of population. They are characterized by the absence of large industries and their economic structure is of low productivity, consisting of forestry, farming and handicrafts.²⁴ Hence, tourism becomes the major economic

²⁴United Nations, Economic and Social Council,
op. cit., p. 6.

activity in these non-industrialized regions, providing means of livelihood for the majority of their inhabitants, and acting as an element of economic compensation.

In Jordan, a number of regions -- Jerusalem, Ramallah, Bethlehem, Jerash and Petra-- depend considerably on the tourist industry. These regions²⁵ are located away from the industrial center of the country and as such do not depend substantially on industry. In a recent study undertaken by the Department of Statistics in Jordan, it has been revealed that the chief industrial center is Amman District and all other districts play an insignificant role in industrial production.²⁶

The importance of tourism as an element of economic compensation in the non-industrialized regions in Jordan

²⁵These regions are poor from the agricultural point of view. The principal agricultural regions in Jordan are the Jordan Valley and the parts of the Eastern and Western uplands which receive sufficient rainfall for agriculture.

²⁶The industrial study has revealed that in 1965 there were 596 industries in Jordan employing 10 employees or more. Of these 250 were in Amman District, 152 in Jerusalem District and 136 in Nablus District. The value of production in the above industries was as follows: In Amman District J.D. 21,251,000 (79.2%), in Jerusalem District J.D. 2,401,000 (8.9%) and in Nablus District J.D. 2,709,000 (10.1%).

is reflected in the fact that it is the major activity and the main source of income of the population. It provides work for automobile drivers, guides, sellers of souvenirs, and people engaged in handicrafts, restaurants, hotels, and cafes. In other words, tourism provides employment for the bulk of the inhabitants and tends to fix the population to their regions.²⁷ Had it not been for tourism, the people engaged in the tourist industry might have been attracted by the big cities and they might have been left unemployed, thus aggravating the unemployment problem in Jordan. The labor force engaged in the tourist industry is estimated at 6522²⁸ (See Table XI). The overwhelming majority of these (about 90 percent) is found in the tourist regions.

²⁷ Almost all guides and souvenir shops, 81 percent of travel agencies, and 73 percent of the classified hotels are found in Jordan in the un-industrialized tourist regions.

²⁸ This is the number of the labor force in the tourist industry according to reliable statistics. However, it does not represent the total number of labor force in the industry. There are people engaged in the tourist industry but no reliable statistics for their number are available. Of these people are the taxi drivers serving tourists and the people engaged in the mother of pearl industry.

TABLE XI

ESTIMATED LABOR FORCE IN THE TOURIST INDUSTRY

	Number of Labor Force
Hotels.	1949
Restaurants and cafes.	3131
Travel Agencies.	248
Souvenir Shops.	384
Guides.	188
Olive Wood Industry.	185
Royal Jordanian Airlines.	437
	<hr/>
Total	6522

Source: Interview with Mr. Wasef Azar, Chief of the Economic Section in the Department of Statistics, April 20, 1967. Mr. Azar secured the above information (except the number of labor force in the Royal Jordanian Airlines) from the files of the Statistics Department. The number of labor force in the Royal Jordanian Airlines was obtained in an answer to a letter sent by the writer to Mr. Munther Anab, Personnel Officer of the Royal Jordan Airlines.

D. Government Revenue from Tourist Receipts

According to the estimates made by the World Bank, 20 to 30 percent of every dollar spent by the tourist goes into the State treasury.²⁹ Using the average figure, we find that 25 percent of the receipts from tourism goes to the public sector. Table XII gives the estimated revenue of the Government from tourism for the past several years.

TABLE XII
ESTIMATED PUBLIC REVENUE FROM TOURISM
(1961 - 1965)
(In Millions of Jordanian Dinars)

Year	Receipts from Tourism ¹	Estimated Public Revenue from Tourism - 25% of Receipts from Tourism
1961	4.340	1.0850
1962	5.050	1.2625
1963	6.000	1.5000
1964	8.020	2.0500
1965	9.810	2.4525

Source: 1. Jordan Tourism Authority, Tourism in Jordan 1964 - 1965, op. cit., p. 7.

²⁹George Kovach, A Tourism Plan of Action for Jordan, A Report Prepared to the Jordan Tourism Authority. Amman: The Communication Media Center, 1959), p. 3.

Government revenue from tourism ranged between 6.0 and 9.2 percent of its total domestic revenue (see Table XIII). It is clear from Table XIII that the public revenue from tourism more than doubled from 1961 through 1965, and if the present trend continues, the Government will benefit more from tourism in the future.

TABLE XIII
PUBLIC REVENUE FROM TOURISM AS A
PERCENTAGE OF LOCAL REVENUE
(1961 - 1965)
(In Millions Of Jordanian Dinars)

Year	Government Local Revenue ¹	Estimated Government Revenue from Tourism ²	Estimated Government Revenue from Tourism as a Percentage of Local Revenue
1961	14.680	1.0850	7.4%
1962	21.106	1.2625	6.0%
1963	19.379	1.5000	7.7%
1964	23.828	2.0500	8.6%
1965	26.732	2.4525	9.2%

Source: 1. Table II.
2. Table XII.

The sources of public revenue from the tourist industry include the income tax levied on touristic enterprises, indirect taxes on goods consumed by tourists such as alcoholic drinks and cigarettes, licence fees from hotels, souvenir shops, travel agencies, and guides,³⁰ visa charges,³¹ and embarkation taxes at the airports.³² In addition to these sources of revenue, there is another one arising as a result of the Government's participation in some touristic enterprises. The Government owns shares in the Royal Jordanian Airlines, the Jordanian Hotel and Tourism Company, the Holy Land Hotels Company, and the Tourist Transport Company.³³ Its share of the profits from these companies constitute a source of revenue from tourism.

³⁰The yearly licence fee charged on hotels ranges between 75 dinars for first class hotels to 10 dinars from unclassified hotels, that of a souvenir shop or a travel agency 25 dinars, and that of a guide is 10 dinars.

³¹Visa charge to Jordan is 1 dinar

³²Embarkation tax is 600 fils or 0.6 dinar.

³³See Table XIV for the number of shares owned by the Government in these touristic enterprises.

CHAPTER III

DEVELOPMENT OF TOURISM IN JORDAN

The development of tourism requires an active role on the part of the state, because it involves activities that are not undertaken by the private sector. Of these activities are: tourist promotion, establishment of tourist infrastructures, and stimulation of the private sector to invest in the field of tourism.¹

Tourist Promotion: Tourist promotion takes numerous forms such as advertisements in magazines and newspapers, distribution of printed publicity materials, production

¹Juan de Arespachaga, "The Role of the State and the Private Sector in the Development of Tourism", World Travel, February 1965, p. 27.

of publicity films and participation in international fairs. These promotional channels require substantial sums of money, and as such only the state can play an important role.

Establishment of Tourist Infrastructures: Infrastructures, with tourism as the chief beneficiary, include among other things, creation of parks, construction of airports to touristic regions, restoration of touristic sites, and establishment of museums. In addition to chiefly tourist infrastructures, there are other public utilities which are necessary for the development of tourism, such as roads, ports, mail, and telephone.²

Stimulation of the Private Sector: There are various methods by which the state may stimulate the private sector to invest in touristic projects. The four major ones, however, are grant of subsidies, credit facilities, tax exemptions, and administrative assistance.³ These

²Arespacochaga, op. cit., p. 27.

³Juan de Arespacochaga, "The Role of the State and the Private Sector in the Development of Tourism", World Travel, April 1965, p. 15.

means may at times, encourage the private sector to undertake investments in the tourist industry as they increase the possibility of profitability.

In addition to the requirement of an active role by the state, tourism development requires close cooperation among the public sector and individuals.

A. Government Measures to Develop Tourism in Jordan.

An important fact about tourism in Jordan, is its neglect in the past⁴ by the Government. The Government failed to pay attention to the importance of tourism in the national economy and as such had not undertaken the necessary measures to develop it. Of these measures, was the tourist publicity which was carried to a very limited scale.⁵ The little care for publicity, resulted

⁴Here I am referring to the fifties.

⁵The annual budget of the Tourist Department in the fifties was about J.D. 20,000. Assuming that 50% of the budget was to be spent on tourist publicity, we find that annual expenditures on tourist publicity were about J.D. 10,000 in the fifties.

in an unawareness of the world in general of the touristic attractions of Jordan, particularly the Holy Places. The country used to take the Holy Places for granted in the past, and was not conscious that the rest of the world was unaware of it.⁶ In a market research which was undertaken in 1960 in the United States of America, the United Kingdom, and West Germany, it was found that knowledge about Jordan was very poor, and many people there were unaware that it comprised the Holy Places.⁷ Furthermore, the unawareness of the world of the attractions of Jordan, was the chief reason for relatively low tourist flow to the country and relatively little tourist receipts.⁸

The Government's interest in tourism development started in the sixties. The fact that tourism is included in the Seven Year Program for Economic Development

⁶King Hussein of Jordan, Uneasy Lies the Head (New York: B. Geis Associates, 1962), p. 163.

⁷Program Research, Prospective Tourists for Jordan, A Report Prepared by Program Research under an Agreement with the Jordan Development Board (New York: 1961), p. 13.

⁸For a comparison of Jordan's receipts from tourism relative to other countries, see Appendix I.

1964 - 1970, and more important than this, the fact that it is given emphasis in the said Program are evidences of the Government's awareness of the importance of tourism. Another evidence of the Government's interest in tourism, is reflected in the number of measures which were undertaken in the sixties. These measures included road construction, construction of rest houses, credit and other facilities to the touristic enterprises, Government participation in touristic enterprises, improvement of airports, establishment of tourist police, and establishment of the Tourism Authority.

1. Road Construction: A number of good roads were constructed in Jordan recently. These roads made the various parts of the country within easy reach and facilitated the movements of tourists, particularly to the touristic sites.

2. Construction of Rest Houses: To provide for the comfort of tourists travelling long distances within the country, a number of rest houses were built at strategic places in Jordan. The Government, with aid from the United States of America, has established seven rest houses in the country. The need for more rest houses was felt by the Government, and it provided for the construction of ten new ones in the Seven Year Program for Economic Development.

3. Credit and Other Facilities to Touristic Enterprises: To encourage investment in the tourist industry, the Government has extended and is still extending loans to the private sector investing in hotels. During the period 1961 - 1965, the Government has extended through the Industrial Development Fund⁹ loans amounting to

⁹In July 1965, a new Industrial Development Bank was established to replace the Industrial Development Fund and started giving loans since that date. In 1966 the Industrial Development Bank extended 140,157 Jordanian Dinars as loans to hotels.

J.D. 274,000 for hotel construction.¹⁰ The interest charged on these loans ranged between 3 and 6 percent.¹¹

In addition to the extension of credit in the field of tourism, the Government provides other facilities, such as tax exemptions and exemptions from import duties. The hotels, which were constructed after 1965 and costing more than J.D. 75,000, were exempted from income tax, land and building tax, and import duties.¹² The period of exemption is five years, in which complete exemption is given for the first three years, and half exemption for the remaining two years.

4. Government Participation in Tourist Enterprises: The Government of Jordan participates with the private sector in four major touristic enterprises. This is in line with

¹⁰Central Bank of Jordan, Annual Report for the Year Ending December 31, 1966 (Amman: National Press, 1967), p. 51.

¹¹Elias Saba, Tourism in the Middle East, Unpublished Report Prepared to the Economic Research Institute at the American University of Beirut (Beirut: 1963), p.8.

¹²Saba, op. cit., p. 43.

the Government's policy to cooperate with the private sector in the major projects in the country. The touristic enterprises which are shared by the public and private sectors are the Jordanian Hotel and Tourism Company, the Holy Land Hotels Company, the Royal Jordanian Airlines, and the Tourist Transport Company. The Government owns the majority of the shares in two tourist enterprises, the Jordanian Hotel and Tourism Company and the Holy Land Hotels Company, while it owns 50 percent of the shares of the Royal Jordanian Airlines (see Table XIV).

TABLE XIV
SHARES OF THE GOVERNMENT IN TOURISTIC ENTERPRISES
(As of January 1st., 1967)

Name of Company	Capital (In Jordanian Dinars)	Number of Shares	Government Ownership	
			Shares	Value (In Jordanian Dinars)
The Royal Jordanian Airlines.	1,000,000	100,000	50,000	500,000
The Jordanian Hotel and Tourism Company.	723,400	72,340	62,000	620,000
Holy Land Hotels Company.....	600,000	120,000	100,006	500,030
Tourist Transport Company.....	300,000	300,000	25,000	25,000

Source: Interview with Mr. Rubhi Hassan, an Official in the Ministry of Finance, April 20, 1967. Mr. Hassan secured the above information from the files of the Ministry of Finance.

5. Improvements of Airports: The Jerusalem Airport and Amman Airport were improved during the last few years. The improvements enabled these airports to accommodate jet airplanes but were not quite enough to permit direct flights between Europe and Jordan to a considerable degree.¹³ At present only four airline companies conduct direct flights between Europe and Jordan. These companies are: The Royal Jordanian Airlines (ALIA), which has regular air service from London, Paris, and Rome to Amman and Jerusalem, together with the British Overseas Airways Corporation (B.O.A.C.), the Royal Dutch Airlines (KLM), and the Italian Airways (ALITALIA).¹⁴

The Jerusalem Airport is closed at present and is undergoing major improvements with the help of \$1.8 million loan from the United States of America.¹⁵ The improvements will enable the airport to accommodate larger aircrafts than what it used to accommodate, and

¹³This is due to the fact that there is still load limitations on landing aircrafts.

¹⁴Ghaleb Barakat, "Jordan's Growing Tourist Industry", The Daily Star, December 24, 1966.

¹⁵Jordan Tourism Authority, Travel News, March 1967, p. 1.

will put an end to the existing load limitation which is imposed on landing aircrafts. It may encourage air service to Jordan as it will permit direct flights from Europe to Jerusalem. The said improvements require a period of nine months, after which, the airport will be reopened.

6. Establishment of a Tourist Police: To improve the tourist service in Jordan, the Government established the tourist police whose members are responsible to help tourists whenever possible, and to see to it that they are not ill treated by any individual. At present the number of the tourist police force is 55.

7. Establishment of the Jordan Tourism Authority. The Government organization which is responsible for tourist promotion is the Jordan Tourism Authority. This organization was established in 1960 after the abolishment of the past national tourist organization. A brief history of the national tourist organizations in Jordan, the achievement of the Jordan Tourism Authority in tourism development and its major shortcomings are discussed in the

following section.

The foregoing measures reflect the efforts of the Government to develop tourism in Jordan. Although the Government has taken many measures to develop tourism internally, it has not yet taken enough measures to draw more tourists and to induce visitors to stay longer in the country.¹⁶ The Government has not been generous in its expenditures on tourist publicity. In 1964 and 1965, expenditures on tourist publicity amounted to J.D. 100,000 and J.D. 83,000 respectively.¹⁷

B. The Tourist Promoting Organization in Jordan

The tourist promoting organization in Jordan was the Tourist Department which was established in 1953. This department functioned till 1959, when the late Mr. George Kovach, U.S.O.M. Tourism Advisor in Lebanon had undertaken

¹⁶ Some of these measures are suggested later in Chapter IV.

¹⁷ These were obtained in reply to questions sent by the writer to Mr. Ghaleb Barakat, the Director of the Jordan Tourism Authority, August 1967.

a study of it and came to the conclusion that it failed to achieve its objectives, and that it should be abolished.¹⁸ In its place, Mr. Kovach proposed the establishment of a new tourism authority on the pattern of the "Greek Tourism Organization".¹⁹ Accordingly, the Government of Jordan established the Jordan Tourism Authority in 1960 and passed Tourism Law No. 17 to regulate its activities. This law was subject to criticism by Sir Eric Francklin, who has written a report about the administrative machinery of the Jordan Tourism Authority in 1963. In his report, Eric Franklin pointed out that the Tourism Law of 1960 was defective as it had many loopholes, particularly with respect to the administrative and financial aspects of the Tourism Authority, and recommended amendments for the said Law.²⁰ In 1965,

¹⁸ Eric Franklin, The Administrative Machinery of the Jordan Tourism Authority, A Report prepared to the Jordan Tourism Authority, 1963, p. 4.

¹⁹ Kovach, op. cit., p. 10.

²⁰ Franklin, op. cit., pp. 8 - 12.

a new Tourism Law was promulgated and is currently governing the activities of the Jordan Tourism Authority.

The objectives of the Jordan Tourism Authority as stated under Article 4 of the new Tourism Law are as follows: "The encouragement and development of tourism and expansion and exploitation of tourism resources in order to increase the national income and to spread understanding among all nations."²¹ To attain the above objectives, the Tourism Authority shall undertake the following acts: Preservation and beautification of the touristic sites in cooperation with the Department of Antiquities, promotion of Jordan's touristic attractions, regulation and supervision of the industries related to tourism, and provision of facilities for the comfort and entertainment of tourists.²²

The top governing body of the Tourism Authority is a Board of Directors presided by the Prime Minister

²¹ Jordan Tourism Authority, The Tourist Legislations in Jordan (Amman: The Jordan Tourism Authority Press, 1966), p. 4.

²² Ibid.

or any minister delegated by him. The members of the Board include the Undersecretary of the Ministry of Information, the Undersecretary of the Ministry of National Economy, Director of Antiquities, Director of Tourism, and three members from private enterprises engaged in the tourist industry.²³ The chief functions of the Board of directors are the determination of the basic policies of the Authority, the adoption of the Authority's annual report and its submission to the Council of Ministers.²⁴

1. Activities of the Jordan Tourism Authority

a. Tourism Publicity

The chief activities of the Tourism Authority are those related to tourist publicity. Expenditures on publicity activities absorb a large proportion of the Authority's budget. In 1964, and 1965, the Tourism Authority spent 66.7, and 49.3 percent, respectively, of its allocations on publicity.

²³Jordan Tourism Authority, The Tourist Legislations in Jordan, op. cit., p. 5.

²⁴Ibid.

Tourist publicity abroad is undertaken on behalf of the Tourism Authority by public relations agencies and by the Jordanian Information Offices. At present, the Authority makes use of the services of two public relations agencies, namely: "John Fistere and Associates", and "Needham, Harper and Steers."²⁵ The former agency, which is located in Beirut, prepares all the written works for the Authority's offices in Amman and Jerusalem, and writes magazine articles to be distributed to the Jordanian Tourist Offices abroad.²⁶ It acts as a tourist information office in Beirut, makes contacts with some foreign journalists and other prominent men visiting Lebanon, and invites them to visit Jordan.²⁷ The latter agency prepares advertising articles in the United States and makes contacts with travel agents in order to encourage them to include Jordan in the tours they plan for their customers.²⁸

²⁵ Jordan Tourism Authority, Tourism in Jordan 1964-1965, op. cit., p. 13.

²⁶ Ibid.

²⁷ Ibid.

²⁸ Ibid.

The Jordanian tourist information offices abroad are located in the following centers:²⁹ Jeddah, Kuwait, Beirut, Rome, Paris, Frankfort, London, and New York. The chief objective of the officials in these offices is to attract tourists to Jordan. They answer all inquiries about Jordan, cooperate in making contacts with travel agents, and supply them with publicity materials.

The Tourism Authority uses various means of tourist publicity. Its publicity activities include: distribution of tourist pamphlets, organization of familiarization trips to Jordan for travel agents and foreign journalists, advertisements in magazines, preparation of publicity films, and participation in international fairs.³⁰

1). Distribution of tourist pamphlets: Tourist pamphlets, including information about Jordan, are

²⁹ Jordan Tourism Authority, Tourism in Jordan 1964-1965, op. cit., p. 17.

³⁰ Jordan Tourism Authority, Tourism in Jordan 1959 - 1966, op. cit., pp. 14 - 16.

typed in six languages: Arabic, English, French, Italian, Spanish, and German.³¹ These are typed in attractive form and sent to the two public relations agencies previously referred to and to the Jordanian tourist information offices abroad to be distributed to travel agents and to potential tourists. In 1965, the Tourism Authority has typed about 800,000 tourist pamphlets for distribution.³²

2). Organization of Familiarization Trips to Travel Agents and Foreign Journalists: The Tourism Authority continuously invites travel agents and foreign journalists to visit Jordan. Those who accept the invitations are taken care of by the Authority, which provides for their accommodations in good hotels and organizes trips for them to the various parts of Jordan in order to enable them to know all its tourist attractions. Upon their return, travel

³¹Jordan Tourism Authority, Tourism in Jordan 1964-1965, op. cit., p. 16.

³²Ibid.

agents who become convinced that the tourist facilities are good, may recommend Jordan to their customers as a good tourist center, and their recommendations may encourage many of them to visit Jordan. As for journalists, there is a possibility that they write in their magazines about the tourist attractions of Jordan upon their return. From the past experience of the Tourism Authority, almost all invited writers wrote in their magazines articles about Jordan.³³

3). Advertisements in Magazines: The magazines in which the Tourism Authority advertises the attractions of Jordan are divided into three groups: travel magazines, religious magazines, and general magazines.³⁴ The markets in which advertisements are made are the Arab countries, the United States of America, and Europe, for these constitute Jordan's traditional markets.

³³Interview with Mr. Shafiq Maqbul, an Official in the Jordan Tourism Authority, April 20, 1967.

³⁴Interview with Mr. John Fistere, Public Relations Agent to the Jordan Tourism Authority, May 2, 1967.

4). Preparation of Publicity Films: The Tourism

Authority has prepared five publicity films featuring different aspects of Jordan. These films are: "Welcome to Jordan," "The Hashemite Kingdom of Jordan," "Crossroad to Civilization", "Jordan - Cradle of Religion", and "The Holy Land Today".³⁵ These films are lent in great Britain and the United States to many social organizations and clubs in order to be projected to their members.³⁶ One of the films, "The Hashemite Kingdom of Jordan", was shown on the Television in the United States of America.³⁷

5). Participation in International Fairs: The Tourism

Authority makes use of this publicity medium continuously. In 1964 and 1965, the Authority, in cooperation with the Ministry of National Economy, arranged for the participation of Jordan in six international fairs.³⁸ In these

³⁵International Union of Official Travel Organizations, Catalogue of Tourist Publicity Films (Switzerland, 1967).

³⁶Interview with Mr. John Fistere, Public Relations Agent to the Jordan Tourism Authority, May 2, 1967.

³⁷Ibid.

³⁸Jordan Tourism Authority, Tourism in Jordan 1964 - 1965, op. cit., p. 8.

fairs, Jordanians come into direct contact with potential tourists and provide them with pamphlets giving information about Jordan.

b. Internal Activities

In addition to promotion, the Tourism Authority undertakes activities within Jordan, which are intended to improve the tourist facilities. The internal activities include regulations of industries and services related to tourism, training of guides, running of local information offices, and encouragement and organization of festivals.

1). Regulations of Industries and Services Related to Tourism: The Tourism Law of 1965 authorizes the Jordan Tourism Authority to issue regulations concerning the activities related to tourism. Accordingly, the Tourism Authority has issued four special regulations to govern the activities of hotels, travel agencies, souvenir shops and guides. According to these regulations, hotels are to be licensed, classified, inspected and their prices

are to be controlled by the Jordan Tourism Authority.³⁹ Furthermore, the said regulations provide for licensing and controlling of activities of travel agencies, and for licensing, supervision, and control of prices of souvenir shops.⁴⁰ With respect to guides, the regulations state that guides should be licensed by the Tourism Authority, and no guide is licensed unless he passes an examination.⁴¹

2). Training of Guides: To improve the standard of guides in Jordan, the Tourism Authority has established an institute in Jerusalem to train them. In this institute, lectures about Jordan, in particular, about its historical and geographical aspects, are delivered to the trainees. Trainees are required to attend all lectures and to pass an examination in order to become qualified as guides.

³⁹ Jordan Tourism Authority, The Tourist Legislations in Jordan, op. cit., pp. 41 - 46.

⁴⁰ Ibid., pp. 25 - 32.

⁴¹ Ibid., pp. 37 - 40.

3). Running of Local Tourist Information Offices: The Tourism Authority runs four tourist information offices in Jordan. These are located at the following strategic points: Amman Airport, Jerusalem Airport, Ramtha, and Jerusalem post office. Officials in these offices receive visitors, help them, offer any information requested, and supply tourists with tourist pamphlets.

4). Encouragement and Organization of Festivals: To encourage tourists to stay longer in Jordan, the Tourism Authority encourages and sometimes organizes special festivals for tourists. In 1965 and 1966, the Tourism Authority organized the Water Skiing Festival at Aqaba and the Dead Sea Festival.⁴²

2. Evaluation of the Jordan Tourism Authority

As has already been shown in Chapter I, the chief factors responsible for the increase in the tourist flow are the following: Internal stability, tourist publicity,

⁴²Files of the Jordan Tourism Authority.

and the increase and improvement of tourist facilities. The Tourism Authority was responsible for the second factor, namely tourist publicity, and partly responsible for the third factor which is related to the improvement and increase of tourist facilities.

The Tourism Authority plays a role in the improvement of tourist facilities in a number of ways: first, by the services it offers to tourists through its internal information offices, secondly, by its supervision of the industries and other services related to tourism, and provision of regulations governing their activities, and thirdly, by providing training for guides, foreign training of members of the tourist police in Greece, and training abroad of a number of Jordanians in hotel management.

In addition to the Tourism Authority, the private sector has played a role in tourism development. It has played the main role in increasing the tourist facilities in Jordan. Thus almost all hotels which were established in the recent several years are privately owned. The efforts of the Tourism Authority and the

private sector are complementary. The former attempts to draw tourists and the latter attempts to accommodate and serve them well.

The tourism Authority was successful in attaining its objectives as indicated by the substantial increase in the number of visitors. However, the success it attained could have been much greater had it not been facing serious difficulties. These difficulties were referred to by Sir Eric Francklin in his report about the Tourism Authority in 1963. They are related to the financial and administrative aspects of the Authority.⁴³

a. Financial Aspect : The budget of the Tourism Authority consists of the funds allocated by the Government in its General Budget. In 1964 and 1965, the Authority's allocations amounted to J.D. 149,800⁴⁴ and J.D. 168,390⁴⁵ respec-

⁴³ Florence, op. cit., pp. 8-12.

⁴⁴ The Hashemite Kingdom of Jordan, Ministry of Finance, General Budget Law for Fiscal Year 1964-1965 (Amman: Department of Statistics Press, 1965), p. 117.

⁴⁵ The Hashemite Kingdom of Jordan, Ministry of Finance, General Budget Law for Fiscal Year 1965-1966 (Amman: Department of Statistics Press, 1966), p. 122.

tively. Taken as a percentage of receipts from tourism, the Government's allocations to the Tourism Authority are very low. In 1964 and 1965, the Government's allocations were equal to 1.8 and 1.7 percent of tourist receipts respectively.

b. Administrative Aspect. The Tourism Law of 1960 and the New Tourism Law of 1965, state that the Tourism Authority will have regulations of its own for the recruitment of its employees. The Government has ignored the provisions in the law to give the Authority autonomy with respect to the employment of new personnel, and the Authority has to follow the Civil Service Regulations. This practice makes it difficult for the Authority to employ the services of specialised personnel who do not accept the terms provided in the Civil Service Regulations.⁴⁶

In addition to the lack of administrative autonomy with respect to the employment of new personnel, the Authority faced another difficulty. Until recently, it was used by Ministries and other Government Departments,

⁴⁶ Franklin, op. cit., p. 11.

as an organization where they could shift unwanted personnel.⁴⁷ This practice burdened the Authority with unqualified employees, and restricted, to some extent, its efforts in tourism development.

The main shortcomings of the Tourism Authority have been its failure to take sufficient measures to develop tourism consciousness in the people, its failure to take measures to encourage domestic tourism, and its failure to undertake researches within Jordan. The measures undertaken to promote tourism consciousness in the public were extremely limited, and little resort to the press and radio was carried to fulfill the said objective. With respect to domestic tourism, the Tourism Authority has not carried any direct measure to encourage it. Thus a small number of Jordanians travel to the various touristic sites, and many people have not visited even once some of the remote tourist regions such as Petra or Aqaba. In his report about the Tourism Authority, Sir Eric Francklin calls for cooperation of school authorities in arranging trips for their students to the various regions

⁴⁷Franklin, op. cit., p. 11.

of Jordan, because these trips create interest of Jordanians in their country.⁴⁸ The Tourism Authority had not done any contacts with school directors, to encourage them to undertake frequent trips for their students. With respect to researches within Jordan, the Authority failed to carry any single one up till now. Researches to find the likes and dislikes of tourists visiting Jordan are necessary as they guide the Tourism Authority in its policies.

C. Tourism in the Seven Year Program
for Economic Development

1. The Program for Tourism

The objectives of the program for tourism are as follows:⁴⁹

⁴⁸ Franklin, op. cit., p. 26.

⁴⁹ The Jordan Development Board, the Seven Year Program for Economic Development 1964-1970, op. cit., p. 177.

- a. An increase in the number of tourists from 323,500 in 1963 to 827,300 in 1970.

- b. An increase in the length of stay of Americans from 3 to 4.5 days and that of Europeans from 3 to 4 days.

- c. An increase of receipts from tourism from J.D. 6 million in 1963 to J.D. 26.5 million in 1970.

To achieve the foregoing objectives, the plan calls for the execution of numerous activities in the field of tourism. These include strengthening of the Tourism Authority, strengthening of the Antiquities Department, promotion of tourism, provision of additional hotel facilities, establishment of a hotel training school, establishment of a tourist transport company, provision of festivals and special programs for tourists, provision of additional rest houses,⁵⁰ and restoration and preservation of tourist sites.

⁵⁰The Jordan Development Board, the Seven Year Program for Economic Development 1964-1970, op. cit., p. 178.

a. Strengthening of the Tourism Authority. To strengthen the Jordan Tourism Authority, the plan calls for additional employees in the Authority, foreign training for fifty of its employees, establishment of new sections, and purchase of new equipment.⁵¹ The number of employees in the Authority is to be increased from 45 in 1963 to 87 in 1970, with an average addition of six employees per year. The training abroad of the Authority's personnel will be as follows: Fourteen are to be trained in administration, 17 in inspection, and 19 in public relations. Two new sections, one for distribution and mailing, and one for research and statistics, are to be established in the Authority, and the Authority will be provided with equipment including duplication machines, photographic equipment and other necessary articles. The total appropriations for the strengthening of the Tourism Authority amount to J.D. 209,016. They are distributed over the period of the plan as shown in Table XV.

⁵¹The Jordan Development Board, the Seven Year Program for Economic Development 1964-1970, op. cit., p. 178.

TABLE XV
APPROPRIATION FOR THE STRENGTHENING OF
THE TOURISM AUTHORITY
1964 - 1970
(In Jordanian Dinars)

<u>Year</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Additional Personnel	5,548	9,884	14,686	19,392	24,206	29,539	33561
Training Abroad	7,050	11,050	11,050	9,850	7,050	8,125	8125
Equipment	1,200	1,200	4,500	3,000	-	-	-

Source: The Jordan Development Board, The Seven Year Program for Economic Development, op. cit., p. 179.

Note: Expenditures on training abroad are to be provided for 1964 through 1967 by U.S.A.I.D. These amount to J.D. 39,000.

b. Strengthening of the Antiquities Department. To strengthen the Antiquities Department, the plan calls for 13 additional employees and foreign training for 28 employees in archeology and purchase of new equipment. The total estimated expenditures amount to J.D. 185,900 and are distributed over the years of the plan as shown in Table XVI.

TABLE XVI
EXPENDITURES REQUIRED TO STRENGTHEN
THE ANTIQUITIES DEPARTMENT
(1964 - 1970)
(In Jordanian Dinars)

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Additional Employees	4,400	7600	8200	8800	8800	8800	8800
Foreign Training	3,600	3,600	3600	3600	3600	3600	3600
Equipment	28,200	13,800	9300	30800	7000	8300	7900

Source: The Jordan Development Board, The Seven Year Program for Economic Development, op. cit., p. 180.

c. Promotion of Tourism. To compete with other touristic countries and to inform the outside world of the attractions of Jordan, the plan calls for a promotional campaign. This campaign includes: printing of attractive promotional materials, provision of a quick enquiry answering service, provision of slides and films for use abroad, participation in international fairs, advertisements in magazines and newspapers, contacts with travel agents and furnishing

them with promotional materials, and conclusion of contracts with public relations agencies to promote Jordan.⁵² The total allocations for tourism promotion during the seven years of the plan amount to J.D. 1,152,000. These are distributed over the duration of the plan as shown in Table XVII.

TABLE XVII
ALLOCATIONS FOR TOURISM PROMOTION
(1964 - 1970)
(In Jordanian Dinars)

Year	1964	1965	1966	1967	1968	1969	1970
Allocations	85,000	122,000	162,000	170,000	190,000	203,000	220,000

Source: Jordan Development Board, The Seven Year Program for Economic Development, op. cit., p. 176.

d. Provision of Additional Hotel Facilities. The increase in the number of tourists during the years of the plan requires additional hotels to accommodate them. The

⁵²The Jordan Development Board, The Seven Year Program for Economic Development, op. cit., p. 180.

number of double rooms in hotels which are needed is estimated at 3378 rooms, thus increasing the number of rooms from 2192 in 1963 to 5570 in 1970.⁵³ The cost per room is estimated at J.D. 3000 and the required investment amounts to J.D. 9.7 million.⁵⁴ (See Table XVIII).

TABLE XVIII
ESTIMATED ADDITIONAL ROOMS FOR THE SEVEN YEARS
OF THE PROGRAM AND THE REQUIRED INVESTMENT
(1964 - 1970)
(In Thousands of Jordanian Dinars)

<u>Year</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>Total</u>
Additional Rooms	314	394	642	509	587	532	400	3378
Necessary Investment	900	1100	1700	1600	1600	1600	1200	9700

Source: The Jordan Development Board, The Seven Year Program for Economic Development, op. cit., p. 182.

⁵³The Jordan Development Board, The Seven Year Program for Economic Development, op. cit., p. 182.

⁵⁴The requirement of hotels in Jordan and the needed investments for hotel construction are not based on any study. However, the planners of the Seven Year Program stated that a group of experts in hotels from the United States will come to Jordan to undertake a study about the needed hotels and the required investments.

The investment required for additional hotel facilities is to be financed chiefly by the private sector. However, the industrial Development Fund⁵⁵ will provide J.D. 2.91 million (about 30% of the required investment) to the private sector as loans for the construction of hotels. Table XIX shows the amount of loans which are estimated to be extended by the Industrial Development Fund during the period of the plan.

TABLE XIX
LOANS FOR HOTEL CONSTRUCTION TO BE EXTENDED
BY THE INDUSTRIAL DEVELOPMENT FUND
(1964 - 1970)
(In Jordanian Dinars)

<u>Year</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Loans	270,000	330,000	510,000	480,000	480,000	480,000	360,000

Source: The Jordan Development Board, the Seven Year Program for Economic Development, op. cit., p. 182.

e. Establishment of a Hotel Training School. To improve the tourist services, the plan calls for the establishment

⁵⁵In July 1965, an Industrial Development Bank was established to replace the Industrial Development Fund.

of a school to offer courses in hotel management. The plan calls also for the establishment of a small hotel, where students may have practical training. This project is estimated to cost J.D. 65,000, of which J.D. 30,000 will be for the school and J.D. 35,000 for the hotel.⁵⁶

f. Establishment of a Tourist Transport Company. To facilitate transport to the touristic sites, the plan calls for the establishment of a tourist transport company. This company will be located in Jerusalem and will use Pulman buses for its daily tours. Its capital will be financed mainly by the private sector and the Government will have shares in it.

g. Provision of Festivals and Special Programs for Tourists. To encourage tourists to stay longer in Jordan, the plan calls for the provision of festivals and special programs for tourists such as the following: sound and light presentations at touristic sites, cultural festivals in ancient amphitheatres, provision of golf courses at

⁵⁶ The Jordan Development Board, The Seven Year Program for Economic Development, op. cit., p. 183.

Jerusalem and Amman, and organization of recreational programs by the Tourism Authority in cooperation with the private sector.⁵⁷

h. Provision for Additional Rest Houses. At present there are seven rest houses in Jordan. However, the need for more rest houses was felt by the Government, and the plan calls for the construction of ten additional rest houses. Three rest houses with lodging facilities are to be constructed at Karak, Azrak, and Wadi Rum, and seven rest houses without lodging facilities are to be constructed at Qumran, Sebastia, Amman Citadel, Jerusalem, the Desert Palaces, and the Desert Highways. The rest houses are estimated to cost J.D. 85,000 (see Table XX) and all of them with the exception of one at Wadi Rum are expected to finish by the end of 1966.

⁵⁷The Jordan Development Board, The Seven Year Program for Economic Development, op. cit., p. 183.

TABLE XX
THE NEW REST HOUSES PROVIDED FOR IN THE
PROGRAM AND THEIR ESTIMATED COSTS
(1964 - 1970)
(In Jordanian Dinars)

<u>Place of Rest House</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Kerak (With lodging)	13,000			
Qumran	7,000			
Desert Highways	5,000	5,000		
Amman Citadel	7,000	7,000		
Jerusalem		7,000		
Desert Palace			8,000	
Azrak (With lodging)			13,000	
Wadi Rum (With lodging)				13,000
	32,000	19,000	21,000	13,000

Source: Jordan Development Board, The Seven Year Program for Economic Development, op. cit., p. 186.

i. Restoration and Preservation of Tourist Sites. The plan calls for the restoration and preservation of the Holy Places and the archeological sites in Jordan. The restoration and preservation of these sites will be under-

taken by the Antiquities Department in the following sites: Jerash, Petra, Ommayad Palace, Kerak, Shobak, Ajlun, Amman Citadel and Theatre, the monuments of Gadara, Sebastia and Iraq al Amir (see Table XXI). As shown in Table XXI, the estimated expenditures for the seven year period for restoration of tourist sites are J.D. 916,900.

TABLE XXI
EXPENDITURES FOR RESTORATION OF
TOURIST SITES IN JORDAN
(1964 - 1970)
(In Thousands of Jordanian Dinars)

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>Total</u>
Petra	15	20	20	30	30	25	20	160
Jerash	30	40	40	50	50	50	40	300
Ommayad Palaces	10	14	15	20	17	10	5	91
Kerak, Shobak & Ajlun	10	15	23	20	5	5	5	83
Amman Citadel & Theatre	15	20	30	27	5	5	4	106
Gadara	4	6	12	20	10	10	5	67
Sebastia Monument	4	4	5	10	10	5		38
Iraq El Amir	4	4	5	10	5	5		33
Miscellaneous	3.6	4.9	4.3	5.3	5.9	9.2	5.7	38.9
Total	95.6	127.9	154.3	192.3	137.9	124.2	84.7	916.9

Source: Jordan Development Board, The Seven Year Program for Economic Development, op. cit., p. 185.

2. Financing of the Program for Tourism

The estimated expenditures in the field of tourism over the seven years of the plan amount to J.D. 12,495,000. Of these, J.D. 9,700,000 are to be provided by the private sector and the remaining J.D. 2,795,000 are to be provided by the public sector.⁵⁸ Thus, the private sector is expected to play a major role in tourism development. As for the sources of finance, it is expected that J.D. 10,182,300 (81.5%) will be secured from local sources, and J.D. 2,312,700⁵⁹ (18.5%) will be secured from foreign sources (See Table XXII).

The appropriations of the public sector for the field of tourism are divided into two major parts namely: expenditures on tourism and expenditures on antiquities. Expenditures on tourism include investments in rest houses and hotel training school, expenditures on tourist promotion, and expenditures to strengthen

⁵⁸ See Appendix II.

⁵⁹ These figures were calculated by the writer from Table XXII.

TABLE XXII

TOTAL ADDITIONAL FIXED INVESTMENTS REQUIRED FOR THE TOURISM PROGRAM

(1964-1970)

(In Thousands of Jordanian Dinars)

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>Total</u>
Tourism								
Antiquities	952.2	1141.0	1750.5	1636.0	1600.0	1600.00	1200.0	9879.7
Total Fixed Investments	<u>125.8</u>	<u>143.7</u>	<u>169.6</u>	<u>229.1</u>	<u>144.9</u>	<u>132.5</u>	<u>92.6</u>	<u>1038.2</u>
	1078.0	1284.7	1920.1	1865.1	1744.9	1732.5	1292.6	10917.9
Local Sources								
a) Tourism								
1. Hotels	792.0	968.0	1496.0	1408.0	1408.0	1408.0	1056.0	8536.0
2. Rest Houses	20.2	19.0	21.0	13.0	-	-	-	73.2
3. Training School	-	-	20.0	15.0	-	-	-	35.0
Total Local Sources	<u>812.2</u>	<u>987.0</u>	<u>1537.0</u>	<u>1436.0</u>	<u>1408.0</u>	<u>1408.0</u>	<u>1056.0</u>	<u>8644.2</u>
Foreign Sources								
a) Tourism								
1. Loans to Private Sector to be Secured from Foreign Sources	108.0	132.0	204.0	192.0	192.0	192.0	144.0	1164.0
2. Training School (U.S.A.I.D.)	15.0	15.0	-	-	-	-	-	30.0
3. Other Fixed Investments	17.0	7.0	9.5	8.0	-	-	-	41.5
b) Antiquities	<u>125.8</u>	<u>143.7</u>	<u>169.6</u>	<u>229.1</u>	<u>144.9</u>	<u>132.5</u>	<u>92.6</u>	<u>1038.2</u>
Total Foreign Sources	265.8	297.7	383.1	429.1	336.9	324.5	236.6	2273.7

Source: Jordan Development Board, The Seven Year Program for Economic Development, op.cit., p.187.

TABLE XXII (CONTINUED)

Note: 1. In addition to the fixed investments in the field of Tourism, there are other expenditures on tourism promotion and expenditures to strengthen the Tourism Authority and the Antiquities Department. These amount to J.D. 1,577,100 and are distributed as follows:

	(In Jordanian Dinars)
1. Tourism	
a) Tourism Promotion	1,152,000
b) Additional Employees (Tourism Authority)	136,816
c) Training Abroad (J.D. 39,000 from foreign sources)	62,300
d) Other	<u>145,384</u>
	1,496,500
	Total
2. Antiquities	
a) Additional Employees (Antiquities Department)	55,400
b) Training Abroad	<u>25,200</u>
	80,600
	Total

Note: 2. The foregoing information were compiled by the writer from Tables XV, XVI, XVII, and Appendix II.

the Tourism Authority. These are estimated at J.D.1,676,200⁶⁰ (see Table XXII). Expenditures on antiquities include expenditures for the restoration of touristic sites and expenditures to strengthen the Antiquities Department. These are estimated at J.D. 1,118,800.⁶¹

The Government's estimated expenditures in the field of tourism are very low when compared to its estimated expenditures in other economic activities. They amount only to 1.9 percent of its total appropriations for economic development during the years of the program 1964 - 1970.⁶² The Government's average annual expenditures for 1964 through 1970 to develop tourism internally and to promote it abroad are estimated at J.D. 400,000. This is a small amount and many countries spend more than this on tourist publicity alone.⁶³ The Government should

⁶⁰Of these expenditures, J.D. 1,565,700 (93.4%) are to be secured from local sources, and J.D. 110,500 (6.6%) from foreign sources.

⁶¹Of these expenditures, J.D. 80600 (7.2%) are to be secured from local sources, and J.D. 1,038,200 (92.8%) from foreign sources.

⁶²See Appendix II.

⁶³Cyprus for example spends annually £ 450,000 on tourist publicity, and Greece spends annually £ 1,000,000 for the same purpose.

give a greater emphasis to tourism in its development plan, but within reasonable limits. This is because tourism is associated with some risks which are extremely difficult to insure against, and which are beyond the power of the touristic country. In the first place, touring abroad is a luxury which is affected by variations in economic activities.⁶⁴ Thus a depression in the tourist exporting countries tend to reduce considerably the outflow of tourists from these countries. Secondly, tourism is extremely sensitive to the political disturbances and tourists avoid any politically disturbed country.

3. Implementation of the Program for Tourism (1964-1965)

There was a delay in the implementation of the program for tourism for the years 1964 and 1965. In 1964, The Government's appropriations for tourism amounted to J.D. 283,598 while the actual expenditures amounted to J.D. 60,200 representing only 21.2 percent of the appropriations. In 1965, the Government played a greater role and spent J.D. 121,717. These represented 35.9 percent

⁶⁴Florence, op. cit., p. 22.

of the appropriations for that year (see Table XXIII). Taken together, the actual expenditures for 1964 and 1965 amounted to J.D. 181,917 and represented 29.2 percent of the appropriations.

This pattern however, was not typical of all the avenues of expenditures on tourism. Actual expenditures on foreign training exceeded the appropriations by J.D. 5230 and 4250 in 1964 and 1965. However these expenditures were not actually channelled to the avenues proposed in the plan. The plan calls for training abroad 14 employees of the Tourism Authority in the fields of Public Relations, Inspection, and Administration in 1964 and 1965. The number of those trained abroad was 34⁶⁵ of whom only 5 employees⁶⁶ were trained in the specified fields while the rest who are not employees in the Authority, were trained mostly in hotel management.

The United States Agency for International Development (USAID) which finances training abroad in

⁶⁵Files of the Jordan Tourism Authority.

⁶⁶Interview with Mr. Ghaleb Barakat, the Director of the Tourism Authority, April 22, 1967.

TABLE XXIII

ACTUAL EXPENDITURES VERSUS APPROPRIATIONS FOR THE TOURISM PROGRAM
(1964-1965)
(In Jordanian Dinars)

	1 9 6 4		1 9 6 5	
	(1) Actual Expenditures	(2) Appropriations	(3) Actual Expenditure	(4) Appropriations
		(1) As percentage of (2)		(3) As percentage of (4)
1. Tourism				
Rest Houses	-	20,200	5208	19,000
Training School	-	15,000	-	15,000
Other Fixed Investments	12,920	17,000	7200	7,000
Tourism Promotion	-	85,000	50384	122,000
Strengthening of Tourism Authority				
a) Additional Employees	-	5,548	-	9,884
b) Training Abroad	12,280	7,050	15,300	11,050
2. Antiquities				
Fixed Investments	35,000	125,800	43,625	143,700
Strengthening of Antiquities Department				
a) Additional Employees	-	4,400	-	7,600
b) Training Abroad	-	3,600	-	3,600
Total	60,200	283,598	121,717	338,834
		21.2%		35.9%

Sources: (1) & (3). a) Files of the Tourism Authority.

b) Hashemite Kingdom of Jordan, Ministry of Finance, General Budget Law (Amman: Department of Statistics Press, 1966), p.120

c) Hashemite Kingdom of Jordan, Ministry of Finance, Report of the Ministry of Finance for the Fiscal Year 1965-1966 (Amman: Arab Legion Press, 1966), pp. 125,127.

(2) & (4). Table XV, Table XVI, Table XVII, and Table XXII.

the above fields requires from the Tourism Authority to select of its employees for training those who have spent at least two years.⁶⁷ This creates a difficulty for the Authority in its selection of employees for foreign training and was the main reason for training less personnel than was proposed in the plan.

With respect to the implementation of all other programs included in the Seven Year Program, there was a delay in their implementation during 1964 and 1965 as it was the case with the program for tourism. The chief reason for the delay was the shortage of funds.⁶⁸ the Government depends to a great extent on foreign sources to finance the Seven Year Program. Out of the total estimated development expenditures of J.D. 275 million during the period 1964-1970, J.D. 100 million (36%) are to be provided through external borrowing, and J.D. 36 million (13%) are to be provided through

⁶⁷ Interview with Mr. Ghaleb Barakat, the Director of the Tourism Authority, April 22, 1967.

⁶⁸ Interview with Dr. Yusuf Sharayhah, an Official in the Jordan Development Board, April 22, 1967.

development grants.⁶⁹ Thus the implementation of the Seven Year Program is pending in the first place on the Government's ability to secure the expected external loans and development grants. Another basic requirement for the implementation of the development plan is the presence of a capable administration in the Development Board. Experience has shown that the administration in the Development Board has not been competent. It has failed to follow up the implementation of the Seven Year Program until the elapse of the first three years of the Program's duration.

D. Concluding Remarks

In the past, the Government of Jordan failed to pay attention to the importance of tourism development in the national economy and as such did not take necessary measures to develop it. Recently however, the Government has taken many measures to enhance the develop-

⁶⁹Central Bank of Jordan, Quarterly Bulletin No. 1, op. cit., p. 22.

ment of tourism. These measures have included provision for the construction of rest houses, grant of credit to the private tourist enterprises, Government participation in tourist enterprises, improvement of airports, establishment of a tourist police force, and establishment of the Jordan Tourism Authority. Another important measure to develop tourism was the provision of a special program for tourism in the Seven Year Program for Economic Development. However, the program for tourism was implemented to a very limited degree during 1964 and 1965 as we have already seen.

The possession of touristic assets is a necessary but not a sufficient condition for the development of tourism. The touristic country must provide certain facilities which are required by tourists.⁷⁰ It must promote tourism abroad, and undertake measures to stimulate the visitor to stay longer and to spend more. With respect to Jordan, it is extremely rich in its touristic assets but its tourist industry is not yet fully developed. The

⁷⁰These facilities include hotels, restaurants, cafes, souvenir shops and guides.

Government has not yet undertaken sufficient measures to improve the existing tourist facilities, to draw more tourists and to induce them to stay longer and spend more in the country.⁷¹ Had it undertaken such measures, it could have gotten greater economic benefits from tourism.

At present, the difficulties confronting the development of tourism in Jordan are as follows: a) The existence of a government organization which is not strong enough to promote tourism, b) lack of public consciousness of the importance of tourism, c) shortage of tourist facilities particularly those facilities providing entertainment for tourists, and d) absence of enough stimuli for visitors to stay longer and to spend more in the country. Suggestions to remove the above difficulties are given in the following chapter.

⁷¹Some measures are suggested later in Chapter IV.

CHAPTER IV
SUGGESTIONS FOR THE DEVELOPMENT OF
TOURISM IN JORDAN

The development of tourism requires internal and external measures. Internally, the touristic country must provide appropriate accommodations, entertainments, restaurants, transport, and other tourist facilities. Externally, the country must tell the world about its touristic attractions, and its available touristic services. If a country over-publicizes its tourist attractions, and tourists come but do not find the kind of accommodation, entertainment, and other tourist facilities advertised, they will be unsatisfied and will tell others not to come, thus the money spent on publicity will be wasted.¹ If a

¹This was mentioned in a Panel Discussion on "Tourism: Economic Development of the Legacy of the Past", by Mr. James Thomas at the Third Annual Educational and Cultural Exchange Conference (under the Sponsorship of USAID) held in Amman on July 9, 1964.

country provides adequate touristic facilities but does not make them known, it will have insufficient use of its facilities, thus resulting in waste to the country.²

A. Suggestions for Internal Development of
Tourism in Jordan

The first requirement to enhance tourism development in Jordan is to have a strong national tourist organization. Measures to strengthen the said organization are included in the Seven Year Program for Economic Development, however, these measures, as we have already seen, were not taken to a considerable degree.³ At present (August 67), the national tourist organization is not strong enough to cope with the needs for tourism development. To enable the national tourist organization to undertake the

²Ibid.

³See pages 96 and 112.

strengthening measures proposed in the Seven Year Program, and to develop tourism according to the said Program, the Government should be generous in its allocations from its General Budget to the national tourist organization. The funds allocated to the tourist organization have been very small. These amounted, as previously shown, to J.D. 149,800 and J.D. 168,390 in 1964 and 1965 respectively,⁴ and represented only 1.8 and 1.7 percent of receipts from tourism in the two years. The allocations to tourism seem too low when compared to the receipts from tourism and to the possibilities of remunerative development.

One of the experts who wrote about tourism in Jordan proposed a Government allocation to the national tourist organization equal to 10 percent of tourist receipts,⁵ while another proposed an allocation not less than 4 percent and not more than 15 percent of tourist receipts.⁶ Until this year (1967), the Government did not adopt any of the above proposals. In the opinion of the

⁴ See page 91.

⁵ Kovach, op. cit., p. 12.

⁶ Franklin, op. cit., p. 9.

author, the percentage of the budget expenditures to be allocated to tourism should depend upon the needs for development. In view of the fact that the requirements are large, the aforesaid proposals seem to be reasonable.

The development of tourism in Jordan requires also other internal measures. These are: promotion of tourism consciousness in the public, improvement and increase of existing tourist facilities, development of new touristic aspects in Jordan, and measures to lengthen the stay of tourists in Jordan.

1. Promotion of Tourism Consciousness in the Public

Tourism development necessitates full cooperation between the Government, the private enterprises engaged in touristic services and the citizens. The citizens may contribute considerably to the success of tourism if they are educated about its importance in the country. Hence, it is the responsibility of the Government to promote the people's understanding of tourism and to create in them the willingness to act in ways favorable to the development of tourism. Of these ways are the adoption of friendly

attitudes towards tourists, and the avoidance of trying to exploit them.

As has already been stated, the Tourism Authority has failed to undertake the necessary measures to develop tourism consciousness in the public.⁷ It is suggested that the said Authority starts educating the citizens of the importance of tourism through the following means: First, by publishing special articles dealing with tourism in the local newspapers. Secondly, by arranging for the delivery of lectures on tourism by officials of the Tourism Authority. Thirdly, by issuing a monthly magazine to deal with subjects related to the tourist industry. Fourthly, by organizing a yearly contest at schools in Jordan in essays dealing with tourism. The best essays should be published in local magazines, and their writers should be awarded prizes.

2. Improvement and Increase of Existing Tourist Facilities

a. Hotels. In a study undertaken for the Jordan Development Board in the United States, England, and West

⁷See page 93.

Germany, it has been revealed that the general opinion of travel agents⁸ there, has been that hotels in Jordan are not outstanding, but they are acceptable and adequate for tourists.⁹ However, the foreign agents have complained about the food served in hotels, saying that it lacks variety and that Western dishes are served only to a limited extent.¹⁰

To improve further the services of hotels in Jordan, there is a need for personnel specialized in hotel management. It is advisable therefore, to establish as soon as possible the hotel training school proposed in the Seven Year Program of Economic Development. It is suggested that foreign teaching staff be appointed at the start of the school because of the shortage of adequate staff in Jordan. With respect to the problem of food in hotels, it is suggested that the above school offer training in hotel cooking to enable hotels to employ adequate cooks.

⁸ Foreign travel agents form their opinion after questioning the returning tourists to whom they arrange tours.

⁹ Program Research, The Travel Agent Looks at Jordan, A Report Prepared by Program Research under an Agreement with the Jordan Development Board (New York: 1961), p. 36.

¹⁰ Ibid.

According to the most recent classification of hotels, which was undertaken by the Tourism Authority on the basis of stars, followed in almost all touristic countries, there are 54 hotels in Jordan.¹¹ The probable increase in the number of tourists visiting the country in the coming few years¹² necessitates an increase in the number of hotels,¹³ particularly third class hotels in the £ 2 a day range, as there is a limited number of them at present.¹⁴ Hotels charging moderate prices may attract tourists who cannot afford to pay high prices. Thus, it is suggested that the Government should encourage the construction of the above class of hotels by granting them more income tax exemptions.¹⁵

¹¹See Appendix III.

¹²According to the estimates given in the Seven Year Program, visitors to Jordan are estimated to increase from 323,500 in 1963 to 827,300 in 1970.

¹³The requirement of hotels and the required investments must be determined according to a special study. The planners of the Seven Year Program stated that American experts will come to undertake the above study, but experts have not come yet. It is advisable that the proposed study be undertaken to guide the Government in its policy regarding hotel construction.

¹⁴According to the new classification of hotels there are only 15 hotels in the said range.

¹⁵The period of exemption from income tax in Jordan for new hotels is 5 years. Full exemption is given for the first 3 years and half exemption for the remaining 2 years. It is suggested that full exemption be given for 5 years for the above class of hotels.

The last proposal concerning hotels is related to the solution of a problem which they face at times of low tourist traffic. Hotels incur fixed charges which are more or less substantial, whether their rooms are occupied or not. Of these fixed charges are: depreciation on building and furniture, insurance, administrative and maintenance expenses. These fixed charges may lead hotels to have losses or little profit during the period of low tourist traffic. To help remedying this situation, hotels are advised to charge lower prices at times of low tourist traffic to stimulate tourists to come.

b. Souvenir Industry and Shops. The Government in Jordan has failed to take measures to help in the development of the souvenir industry in Jordan, which, if fully developed, can be one of Jordan's main industries. Among the necessary measures which are not given any consideration are the provision of technical aid to craftsmen and the undertaking of researches to develop products having more appeal to tourists. At present the variety of merchandise for tourists is limited and their quality is poor in general due to the shortage of skilled craftsmen.

The production of tourist merchandise of good quality is needed in Jordan for two major reasons: First, these goods may stimulate tourists to purchase more, thus increasing the foreign exchange earning of the country from tourism. Secondly, these goods may be a source of publicity for Jordan as returning tourists usually display those goods in their houses, thus creating an opportunity to talk about the visited country to their guests. Moreover, these goods may be given as gifts by returning visitors to their friends and as such, may increase their interest in the touristic country.

To help in the development of the souvenir industry, it is suggested that the Government provide training for the workers in handicrafts. This may be done by establishing an institute with specialists in the art of handicrafts. The emphasis of the institute should be on the development of goods that have local features and a low import content. In addition to the technical help, studies must be made to help in the development of goods which have more appeal to tourists.

With respect to the existing souvenir shops, they are currently charging high prices and attempt to exploit tourists.¹⁶ This is very harmful and may have unfavourable consequences on the development of the tourist industry. If a tourist finds that he is exploited after buying a certain merchandise, he will carry a bad impression about the country. The control of the Jordan Tourism Authority over prices is ineffective at present, and there should be a better control as soon as possible. The Tourism Authority is advised to allow the souvenir shops to mark up the goods by a certain percentage over cost and is advised to require them to mark the price on the goods they sell. This will reduce the possibility of exploiting tourists. It is the responsibility of the Tourism Authority to see to it that the prices are marked and that any merchant who does not mark his prices is fined.

c. Travel Agencies. At present, there are 58 travel agencies in Jordan of which 81 percent are found in Jerusalem.

¹⁶Jordan Tourism Authority, Tourism in Jordan 1964-1965, op. cit., p. 13.

Some of these agencies engage in "cut throat competition", which has unfavourable results on the development of the tourist industry.¹⁷ Others follow the practice of setting one price for the tours they organize, and then later to change it and argue over the bill.¹⁸

The reasons for the cut-throat competition among the travel agencies are the existence of a great number of them in the country, and the failure of the Government to fix prices for tours within Jordan. To help reducing the competition, the Government should encourage amalgamations among travel agencies and should set prices for regular tours in Jordan. Travel agencies which do not follow the prices set by the Government should be fined.

d. Rest Houses, Cafes, and Restaurants. There are important touristic sites in Jordan, which are still deficient in rest houses for tourists. Of these sites

¹⁷ Franklin, op. cit., p. 23.

¹⁸ Program Research, The Travel Agent Looks At Jordan, op. cit., p. 40.

are Qumran, Hisham Palace, Kerak and Amman Citadel. Rest houses in these remote sites would attract more tourists and would lengthen their stay in the country.

Of the ten rest houses proposed in the Seven Year Program,¹⁹ only one was constructed. It is suggested that the Government provide for the construction of all the rest houses proposed in the Program especially that they do not cost a great deal.²⁰

In addition to the need for rest houses in the remote historical places, there is a need for cafes in two important touristic cities in Jordan, namely Jerusalem²¹ and Bethlehem. After visiting the religious sites, most tourists find themselves obliged to return to their hotels to relax. This is not always convenient for tourists.

In these two cities, there is also a shortage in restaurants particularly those offering varieties of

¹⁹For the places of these rest houses, see page 104.

²⁰The construction of the ten proposed rest houses cost J.D. 85, 000.

²¹One of the experts in tourism commented that the tourist's life is hard in Jerusalem because of the shortage of places for relaxation.

food including Western type food. Thus the Government should take measures to encourage private investors to invest in cafes and restaurants.

3. Development of New Touristic Aspects in Jordan.

So far Jordan has emphasised its religious and historical aspects as a touristic country. This can be seen from the Government's efforts to restore the religious and historical sites,²² and from its tourist publicity. In all its tourist publicity, Jordan attempts to appeal to people having religious and historical interests. Its advertisements, its tourist pamphlets, and its posters have contained continuously the following common denominator: "Visit Historic Jordan - The Holy Land." The country has not yet developed places which appeal to people touring abroad for pleasure. The presence of the Red Sea coast in Aqaba, with good climate almost all the year round is a touristic asset which is not yet exploited. Aqaba coastline may be developed to draw pleasure tourists interested

²²In Jordan there is a special department which is responsible for the restoration of historical and religious sites. This is the Antiquities Department. In the Seven Year Program, the Government appropriated J.D. 916,900 to restore the religions and historical sites.

in sea-bathing, fishing, skin-diving and water sports.

In 1966, the Government thought of developing Aqaba coast into a touristic region.²³ It called an expert from the United Nations to undertake a feasibility study of the project. The expert carried out the study and submitted a report to the Government, in which he revealed the feasibility of undertaking the project. He specified in his report the possibility of establishing three kinds of touristic installations along three sites of the coastline. These were: a) a holiday village type installation,²⁴ b) a motel installation and a motel-bungalows type installation, and c) a hotel type installation.²⁵ The expert specified further in his

²³In 1966, an adjustment of frontiers took place between Jordan and Saudi Arabia, whereby 17 kilometers of the Red Sea Coast were ceded to Jordan, thus extending Aqaba coastline into 22 kilometers.

²⁴The holiday village is described by the expert as a touristic, autonomous and complete complex with all services such as: accommodation, restaurants, bars, tea-rooms, sports and land sport equipment.

²⁵R.F. Ginsbach, Setting up an International Touristic Region South of Aqaba, on the Red Sea, A Report Prepared by R.F. Ginsbach, United Nations expert, to the Jordan Tourism Authority (Amman: 1966), p. 11.

report the necessary investments in the fields of public utilities and infrastructures,²⁶ and the economic benefits of the project.²⁷

The Government realizes the need to undertake the above project, but it faces the problem of financing it. The United Nations expert admits that the costs of the project will be high and that the Government cannot provide all the necessary expenditures from the normal budget.²⁸ The expert further proposes the following as sources of finance: a) the World Bank for Reconstruction and Development, b) the United States Agency for International Development, c) long term loans at low interest rate from friendly Governments, and d) private investors who are interested in the exploitation of the proposed tourist installations.²⁹ The Government should study these possible sources of financing with a view to implementing this project.

²⁶ These include construction of roads, levelling of ground, rebuilding of airfield, preparation of beaches, provision of drinking water, electricity and telecommunication.

²⁷ The expert estimated the yearly foreign exchange earnings of the project to be \$3 million.

²⁸ Ginsbach, *op. cit.*, p. 16.

²⁹ *Ibid.*, pp. 16-17.

4. Measures to Lengthen the stay of Tourists in Jordan

The length of stay of tourists in Jordan is short. As shown in Table XXIV, 83.16 percent of the total number of tourists have stayed in Jordan between 1 and 6 days in 1964. The chief reasons for the short stay of visitors in Jordan are as follows: First, the religious sites are concentrated in nearby areas and can be visited thoroughly in a short period of time. Secondly, the existing entertainment facilities are very few. Thirdly, the archeological sites are not developed to induce a substantial number of tourists to visit

TABLE XXIV
DEPARTING VISITORS BY LENGTH OF STAY IN 1964

Length of Stay (In days)	Number of Visitors	Visitors by Length of Stay as a Percentage of Total Number of Visitors.
1 - 6	285830	83.16%
7 -13	34312	9.98%
14 -20	8630	2.51%
21 -31	4056	1.18%
32 -92	1980	0.57%
93 -181	833	0.24%
182 and More	1422	0.42%
Not Stated	6653	1.94%
	343716	100.00

Source: The Hashemite Kingdom of Jordan, Department of Statistics, Statistical Yearbook (Amman: Department of Statistics Press, 1964), pp. 56-57.

Note: The Percentages were computed by the writer.

them.³⁰

Jordan can get greater economic benefits from its tourist industry if it takes measures to stimulate tourists to stay longer in the country. Among these measures are the introduction of special events and entertainment facilities for tourists, and the development of archeological sites.

a. Introduction of Special Events and Entertainment Facilities for Tourists. Although the Government has been conscious of the need for special programs for tourists, no worthy programs have been prepared. It is suggested, therefore, that a department be established to be responsible for the organization of special programs.³¹ Foreign experts may be invited to assist in the organization of such programs.

³⁰ Later we shall see that a very small percentage of tourists visit the archeological sites in Jordan.

³¹ It is preferable not to have these festivals during Christmas and Easter as there are special events on these occasions.

The existing entertainment facilities in Jordan are very limited, and there is a bad need for such facilities. After seeing the religious and historical sites of the country, tourists cannot find opportunities for recreation and entertainment. To help removing this deficiency one of the experts proposed the construction of open air swimming baths in the Jericho area.³² There is also a need for sports facilities. Certain sports such as tennis and golf appeal to many tourists. It is suggested therefore that the Government provide for the establishment of tennis courts and golf courses in Ramallah, Jerusalem, Jericho, and Aqaba.

With respect to the night time entertainment, it is not satisfactory at all in Jordan. The provision of this type of entertainment is in conflict with religious beliefs and social mores; thus it is not easy at all to solve this problem. However, one of the possible night entertainments is the introduction of local folk singing and dancing at hotels.³³ No hotel has yet

³²Florence, op. cit., p. 57.

³³Kovach, op. cit., p. 29.

introduced such evening entertainments. It is suggested that the department proposed to organize special programs, train groups of people in folk dancing and singing, and later make contacts with hotel-keepers to convince them to make use of the services of these groups.

b) Development of Archeological Sites. The visitors who came to Jordan were chiefly interested in the religious aspect rather than the archeological aspect of the country. This can be seen clearly from an examination of the number of tourists who visited archeological sites in Jordan during their stay. As shown in Table XXV, only 9.1 percent, 4.8 percent and 5.1 percent of the total number of tourists have visited Jerash, Petra and Hisham Palace respectively in 1964, which are Jordan's main archeological sites.

TABLE XXV
VISITORS OF ANTIQUITY SITES IN 1964

Antiquity Site	Number of Visitors	Visitors of Antiquity Sites as a Percentage of the Total Number of Visitors.
Jerash	35,459	9.1 %
Petra	18,694	4.8 %
Hisham Palace	19,376	5.1 %

Source: The Hashemite Kingdom of Jordan, Department of Statistics, Statistical Yearbook 1964, op. cit., p. 610.

Note: The percentages were computed by the writer.

The archeological sites should be developed to become more interesting and appealing in order to motivate tourists to visit them, and thus stay longer in the country. The Government of Jordan felt the need to develop the existing archeological sites. It called experts in national parks from the United States of America to undertake special studies and advise the Government on the possibilities of establishing and operating national parks at the archeological sites. The American experts are to produce master development plans of the chief archeological sites namely Jerash, Petra, Amman Citadel and Jericho Complex.³⁴ As stated by the chief of the experts, Mr. George Bagglely, "the products of the plans will provide guidelines for the preservation of resources, procedures to use these resources to supply man's needs for recreation, social and economic opportunities."³⁵

³⁴ A Lecture on "Master Planning in Jordan" delivered by George Bagglely to the USAID General Staff Meeting on April 3, 1967.

³⁵ Ibid.

Until now (August 1967), the American experts have not finished the studies assigned to them. These studies will include the needed facilities and services, the means of operating the national parks at the archeological sites, and the required costs of the project. The costs will be high and the Government cannot but depend chiefly on foreign sources of finance. Hence, the Government should look for these sources upon the termination of the experts' studies.

B. Suggestions in the Field of
Tourist Publicity

The expenditures undertaken by the Tourism Authority on tourist publicity abroad (advertisements, participation in international fairs, public relations, and publicity materials) amounted in 1964 and 1965 to J.D. 100,000 and J.D. 83,000 respectively.³⁶ These expenditures are low

³⁶These information were obtained in reply to questions sent by the writer to Mr. Ghaleb Barakat, the Director of the Jordan Tourism Authority, in August 1967.

relative to expenditures on such publicity undertaken by other touristic countries. In a study prepared for the Lebanese National Council of Tourism by a public relations firm in the United States, it was found that not a single country which carries out tourist publicity there spends less than \$ 500,000.³⁷ Jordan cannot spend as much as other touristic countries on publicity because

its economic potentialities are less than those of other touristic countries which can afford to spend a good deal on publicity. However, Jordan is not at all justified in spending as little on publicity as it is currently doing, because the tourist industry is extremely competitive and numerous countries are publicizing their touristic attractions. The increase in the allocations to the Tourism Authority from the Government's General Budget, which has been suggested elsewhere in this paper³⁸ will enable the Authority to spend more on tourist publicity. It is further suggested that at least 50 percent of the Authority's allocations be spent on publicity.

³⁷Charles Helou, "The Development of Tourism in Lebanon," Middle East Express, October 29, 1962, p. 5.

³⁸See page 119.

The markets in which tourist publicity has been carried out by the Tourism Authority have been the following: the United States, the Federal Republic of Germany, the United Kingdom, France, Italy, Lebanon, Kuwait, and Saudi Arabia. Jordan cannot afford at all to spend on publicity in every tourist market in the world because publicity is extremely expensive. It is therefore reasonable to select certain markets where desirable results of publicity may be obtained. The selection of tourist markets on the part of the Tourism Authority is satisfactory, particularly those of the United States, Federal Republic of Germany, the United Kingdom and France.³⁹ The expenditures of the Tourism Authority on publicity in all tourist markets amounted to \$ 158,445⁴⁰ in the Fiscal Year 1966.⁴¹ These

³⁹Citizens in these countries spend a good deal on travel abroad. According to the Balance of Payments Yearbook issued by the International Monetary Fund, inhabitants in these countries spent in 1965 on travel abroad as follows: U.S.A. \$ 2400 million, the Federal Republic of Germany \$ 1391 million, the United Kingdom \$ 812 million, and France (together with other countries in the Franc Area) \$ 932 million.

⁴⁰This was obtained in reply to a question sent by the writer to Mr. Ghaleb Barakat, the Director of the Jordan Tourism Authority, in August 1967.

⁴¹Fiscal Year 1966 comprises 9 months, from April 1st to December 31st.

expenditures are distributed over the tourist markets as shown in Table XXVI.

TABLE XXVI
EXPENDITURES OF THE TOURISM AUTHORITY ON
TOURIST PUBLICITY ABROAD
(April 1st to Dec. 31st 1966)
(In U.S. Dollars)

<u>Tourist Market</u>	<u>Expenditures</u>	<u>Percentage</u>
United States	61,745	38.96
United Kingdom	14,000	8.84
Federal Republic of Germany	11,000	6.95
France	11,000	6.95
Italy	20,000	12.62
Lebanon	24,000	15.15
Kuwait	8,500	5.36
Saudi Arabia	8,200	5.17
Total	158,445	100.00

Source: These information were obtained in reply to a question sent by the writer to Mr. Ghaleb Barakat, the Director of the Jordan Tourism Authority, in August 1967.

It is clear from Table XXVI that 38.96 percent of expenditures on publicity is directed to the United

States and that a smaller portion (35.36%) is directed to all European markets where publicity is carried out. The Tourism Authority is justified in directing a good proportion of its publicity expenditures to the United States, as this is the most important tourist market in the world.⁴²

The suggested increase in expenditures on publicity should be directed chiefly to the United States and those European markets in which publicity is undertaken. These markets should absorb at least 80 percent of total publicity expenditures. It is suggested further that the Tourism Authority conclude contracts with public relations firms in the United Kingdom, the Federal Republic of Germany, and France in order to help the tourist attaches there in promoting tourism in Jordan.

With respect to the publicity media used currently by the Tourism Authority,⁴³ they are satisfactory but are

⁴²The U.S.A. tourist market is of equal importance as all European tourist markets. In 1964, about 2 million tourists went outside the United States and about 2 million European tourists went outside Europe.

⁴³For a thorough discussion of the publicity media used by the Tourism Authority, see pp. 83 - 87.

undertaken to only a limited degree because of financial limitations. The Tourism Authority should use all its publicity media to a greater extent; however, particular emphasis should be given to (a) advertisements in magazines and (b) organization of familiarization trips for journalists and travel agents.

a. Advertisements in Magazines. In the Fiscal Year 1966, J.D. 10,000 (about 17% of expenditures on tourist publicity abroad) were spent by the Tourism Authority on advertisements in magazines in all the markets in which publicity is undertaken. Magazine Advertisements are an extremely expensive publicity medium, and the amount spent by the Tourism Authority is too small to have real impact in all the markets where publicity is carried out. It is even too small to have real effect, in one important tourist market, the United States.⁴⁴ The Tourism Authority should

⁴⁴In a study prepared for the Tourism Authority, it has been revealed that advertisements in double half columns in Time Magazine in the United States, once every three weeks throughout the year will cost \$ 100,000. This amount which is required for advertisements in one magazine is equal to 63.1 percent of all expenditures undertaken abroad on tourist publicity by the Tourism Authority in 1966.

direct a good proportion of its publicity expenditures for advertisements in order to increase the possibilities of obtaining desirable results through this medium. It is reasonable that the Tourism Authority should appropriate between 25 and 35 percent of its publicity expenditures for advertisements. At present (August 1967), the Tourism Authority has studies about the readership of magazines in the United States, the Federal Republic of Germany, and the United Kingdom. These studies, which were prepared by a public relations firm to the Tourism Authority, guide it in its advertising campaigns in the said markets. It is suggested that similar studies be made in France, in order to guide the Authority in its advertising policy there.

b. Familiarization Trips for Foreign Journalists and Travel Agents. The familiarization trips which were organized by the Jordan Tourism Authority for foreign journalists and travel agents proved to be an effective publicity medium. As already shown, almost all foreign journalists who were invited to Jordan by the Tourism Authority, wrote articles about the tourist attractions of

Jordan upon their return to their countries.⁴⁵ In a study prepared for the Tourism Authority, it was found that the travel agents in the United States, the Federal Republic of Germany, and France, who were most actively engaged in arranging tours to Jordan, were those who themselves had visited the country within the last few years.⁴⁶ Thus, the Tourism Authority should give particular emphasis to this medium of publicity. In the Fiscal Year 1966, however, we find that only J.D. 5000⁴⁷ were spent on familiarization trips⁴⁸ by the Jordan Tourism Authority. This is a small sum and

⁴⁵See page 85.

⁴⁶Program Research, Tourist Program for Jordan, A Report Prepared under an Agreement with the Jordan Development Board (New York: 1961), p. 7.

⁴⁷Files of the Jordan Tourism Authority.

⁴⁸The expenditures on familiarization trips for foreign journalists and travel agents do not include their transportation costs from their countries. Some airline companies offer free tickets to travel agents because of their promotional efforts in the field of international travel and to journalists provided they mention in the articles they write, the name of the airline company which offer them free tickets.

reflects that only a small number of travel agents and journalists were invited to Jordan.⁴⁹ It is suggested that at least 200 foreign journalists and travel agents be invited yearly by the Authority, and that the Jordanian tourist attaches abroad take the responsibility of making extensive contacts with journalists and travel agents and invite those who have never come to Jordan before to visit it.

⁴⁹ According to Mr. Ghaleb Barakat, the Director of the Jordan Tourism Authority, a visit of one week by a journalist or a travel agent, costs the Authority between J.D. 50 and J.D. 60. Taking the average as J.D. 55, and dividing the total expenditures on familiarization trips by this average, we find that about 90 journalists and foreign agents have visited Jordan in 1966.

APPENDICES

APPENDIX I

COMPARISON OF TOURIST RECEIPTS IN ARAB, EUROPEAN
AND NORTH AMERICAN COUNTRIES
(1962)
(In Millions of U.S. Dollars)

<u>Arab Countries</u>	<u>Tourist Receipts</u>
Iraq.	9.0
Jordan.	14.1
Lebanon.	40.3
Libya.	3.9
Morocco.	32.0
Sudan.	0.6
Tunisia.	4.8
United Arab Republic.	45.5
 <u>European Countries</u>	
Austria.	356.9
Belgium.	136.0
Bulgaria.	16.4
Denmark.	129.5
Finland.	24.4
France.	639.8
Germany F.R.	540.0
Greece.	76.0
Iceland.	1.2

<u>European Countries (Continued)</u>	<u>Tourist Receipts</u>
Ireland.	127.6
Italy.	847.3
Luxemburg.	10.0
Malta.	4.3
Netherlands.	180.0
Norway.	60.5
Portugal.	50.4
Spain.	512.6
Sweden.	122.3
Switzerland.	380.0
United Kingdom.	534.3
Yugoslavia.	9.2

North American Countries

Canada.	524.0
United States of America.	870.0

Source: International Union of Official
Travel Organizations (IUOTO), Inter
national Travel Statistics (Geneve:
Publication of I.U.O.T.O. Technical
Commission on Research, 1965), pages
18 and 19.

APPENDIX II
PUBLIC AND PRIVATE GROSS CAPITAL INVESTMENTS
OVER THE PERIOD OF THE SEVEN YEAR PROGRAM
(1964 - 1970)
(In Thousands of Jordanian Dinars)

<u>Economic Activity</u>	<u>Public Sector</u>	<u>Per-centage</u>	<u>Private Sector</u>	<u>Per-centage</u>
Agriculture and Water.	57,940	39.8%	16,270	12.5
Tourism (Including Hotel Construction).	2,795	1.9%	9,700	7.5
Mining.	7,589	5.2%	22,645	17.5
Industry and Electricity.	5,832	4.0%	10,980	8.5
Roads, Railways, Ports, Aviation.	34,932	24.0%	-	-
Communications.	5,810	4.0%	-	-
Education (including, the Sports Stadium).	4,328	3.0%	3,125	2.4
Health and Social Affairs.	2,365	1.6%	735	0.3
Trade and Services.	-	-	7,070	6.0
Housing and various con- structions.	16,494	11.3%	31,720	24.5
Transportation Equip- ment.	-	-	12,300	9.5
Other Unallocated Invest- ments.	7,571	5.2%	14,650	11.3
Total	145,656	100	129,195	100.0

Source: The Hashemite Kingdom of Jordan, The Jordanian Economy (Amman: The Hashemite Press, 1966), p. 113.

APPENDIX III
 CLASSIFIED HOTELS IN JORDAN AND THE PRICES
 THEY CHARGE
 (As of January 1st 1967)

Grade	Number of Hotels	Number of Rooms	Number of Beds	Charges (Full Board)	
				for Single	Double
5 Stars (A)	2	305	600	J.D. 6.150	J.D. 4.775
5 Stars (B)	2	201	360	4.250	3.500
4 Stars (A)	6	426	696	3.300	2.800
4 Stars (B)	7	360	663	3.100	2.650
3 Stars (A)	6	243	438	2.700	2.300
3 Stars (B)	4	126	245	2.500	2.150
2 Stars (A)	12	381	831	2.200	1.900
2 Stars (B)	4	125	227	2.000	1.750
1 Star	11	286	578	1.800	1.600
Total	54	2453	4638		

Source: Files of the Jordan Tourism Authority.

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Replies to questions sent by the writer to Mr. Ghaleb Barakat, the Director of the Jordan Tourism Authority, and to Mr. Munther Anab, Personnel Officer of the Royal Jordanian Airlines in Amman.