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Addendum 1

SNAPSHOT REPORT ON TOURISM TRENDS IN THE MENA REGION

APRIL 2018

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EXECUTIVE SUMMARY

- The Middle East and North Africa (MENA) region recorded 80 million international tourist arrivals in 2017, the highest since the 'Arab Spring' uprising of 2011.
- International tourist arrivals in the Middle East rose by an estimated 5% to a total of 58 million, registering 3 million additional arrivals in 2017 year-on-year, with sustained growth in some destinations and a strong recovery in others.
- North Africa registered double-digit growth of 13% in international tourist arrivals to a total of 21 million, also welcoming nearly 3 million additional arrivals in 2017 compared to the previous year.
- Key performance trends by industry sector were as follows:

Aviation

- Middle East carriers recorded 7% increase in annual passenger traffic in 2017 over 2016. The region was the only one to see a slowdown in annual growth compared to 2016. Year-over-year demand growth in January 2018 was weak at 0.5%.
- Closure of airspace between Qatar and neighbouring countries due to diplomatic situation had a negative impact on Intra-Middle East traffic, creating a knock-on impact for carriers in the region – in particular Qatar Airways.
- African airlines experienced annual increase in demand of 8% in 2017, consolidating on the 7% growth achieved in 2016 over the previous year. January 2018 traffic rose 5% year-on-year.
- January 2018 saw twenty-three African countries sign the open-skies Single African Air Transport Market (SAATM) declaration, though North African countries have yet to come on board.

Accommodation Sector

- Middle Eastern hotels saw drop in each of the three performance metrics, with occupancy down 1%, Average Daily Rate (ADR) down 5% and Revenue per Available room (RevPAR) down 6% in 2017. The hospitality market continued to be affected by the drop in oil prices and challenging economic conditions. An increase in supply in markets like Saudi Arabia and UAE also contributed to the drop in performance. The first two months of 2018 saw occupancy marginally improve, while RevPAR and ADR continued to be down.
- Northern Africa hotels reported positive performance on all three performance metrics: Occupancy (+16%), ADR (+19%) and RevPAR (+38%). The first two months of 2018 saw continued growth momentum, with double-digit increase in all three performance measures.

Travel Distribution

- The overall positive picture of tourism trends across MENA destinations reflected on the performance of the region's travel trade, though travel businesses' profitability was under pressure due to increasing competition. Online travel agencies (OTAs) are also challenging traditional travel operators, as the region witnesses increasing uptake of online bookings year-on-year.

- A similar trend continued in the first months of 2018, with signs of improved tourism performance in key destinations.

Tourism Segments and Products

- Leisure and business tourism trends varied across destinations in MENA, in response to several exogenous and endogenous factors.
- Religious tourism in Saudi Arabia rebounded, and grew impressively in Palestine, rated as the world's fastest-growing destination.
- Return of European cruise liners to Tunisia signalled a recovery in cruise tourism. In the GCC, the sector maintained steady growth in cruise passengers and ship calls.
- Medical tourism continued to be negatively impacted in Jordan due to visa restrictions for tourists. The trend in Dubai's medical tourism sector is one of steady growth.
- New products such as adventure tourism and destination weddings are gaining popularity.
- Performance in the first months of 2018 show positive results, across main tourism segments and products.

Source Markets

- Chinese and Russian visitors led the revival of tourism in key destinations in MENA. However, source market trends varied by destination. Europe also contributed to growth in some destinations such as Jordan, Lebanon and Oman.
- In the first months of 2018, European tourism to Tunisia, Jordan and Egypt was up. In the GCC, Dubai struggled with declines from six of its top ten source markets, though overall visitor arrivals were marginally down. Arrivals from Russia were significantly up (+159%).

Intraregional (Arab) versus Interregional Market

- Intraregional travel maintained its growth momentum (+7%) in 2017, same as in 2016. Travel from other world regions to MENA grew at a faster pace (+8%). Travel from Europe was the strongest (+11%), followed by the Americas (+9%) and Asia and the Pacific (+ 7%).
- Air passenger travel trends for January to April 2018 indicate faster growth in intra-regional travel (+10%), compared to 9% increase in travel from other parts of the world.

Planned Investments

- Over 100,000 rooms in over 300 hotel projects are under construction in the Middle East and over 25,000 rooms in 146 projects are under construction in Africa.

- Various infrastructure and tourism related projects worth billions of dollars are under various stages of development in the GCC, as well as in the Levant and North Africa.

Key factors influencing the development of tourism in MENA

- Firming of global economic recovery contributed to arrivals growth in MENA (+5%) reflecting positively in sustained growth in destinations such as the UAE and Oman, and a firm recovery in those that suffered declines in previous years such as Egypt and Tunisia.
- China's rapid rise to becoming the number one source market in the world has been a boon for destinations in MENA, almost all of which experienced an increasing number of Chinese tourist arrivals. Improved visa facilitation for Chinese citizens was instrumental in boosting arrivals in destinations such as the UAE, Tunisia and Morocco.
- Perceptions of political stability in Lebanon, Egypt and Tunisia have had a positive impact on inbound tourism flows. Egypt's strong recovery from crisis was also helped by devaluation of the pound, while Tunisia's relative stability helped in welcoming a recovery in the Russian market.
- Travel restrictions imposed by governments in source markets have had a detrimental effect on tourism in several MENA destinations such as Lebanon, Tunisia, Egypt, and more recently Qatar. On the other hand, lifting of travel bans has had a positive impact with a rebound in tourist arrivals as witnessed in Tunisia, Lebanon and Egypt in the past year.
- Improvement in visa facilitation policies by several MENA destinations over the last two years are having a positive impact on inbound tourism, as noted in the case of Chinese, Russian and Indian tourist arrivals in MENA. This policy initiative can be expected to accelerate tourist arrivals from these large source markets in the years to come, and potentially reduce dependence on traditional European source markets.
- Concerted efforts are also being made by several destinations in MENA to develop their tourism infrastructure, build capacity, diversify tourism products, and invest in technology and human resources, in order to improve the contribution of tourism to their respective economies. Such efforts should hold the destinations' tourism sector in good stead in the coming years.

Main tourism policies and strategies in MENA

- Egypt has launched a comprehensive reform program to revamp the tourism industry in the country. The aim of the program is to bring tourism back to its place as a main pillar of the Egyptian economy and a main source of foreign currency.
- Jordan's National Tourism Strategy is focused on identifying sector needs and priorities to enable local communities to create business opportunities and products with a higher demand. These include new marketing initiatives, adaptations of the regulatory framework, improvements to facilities, skills and service quality, improvements to technology and access to finance.
- Lebanon's key strategies focus on raising consumer awareness about rural tourism destinations, products and services locally and internationally, enhancing service quality in the hospitality sector and encouraging professional recruitment in tourism establishments.

- Tunisia's tourism strategy for crisis recovery has hinged on the restoration of its destination image among the international community, strengthening internal security, launching promotional campaigns in key source markets and improving visa entry policies. The Open Sky agreement with the European Union is also a strategic policy move to grow European inbound tourism.
- Morocco's 4-year strategic action plan focusses on: activating demand, developing supply, boosting investment, strengthening governance, budget mobilization to support the different regions of the country and improvement of human capital in the tourism sector.
- Bahrain's tourism strategy is driven by focus on four pillars - awareness, attraction, access and accommodation that are aimed to double tourism's contribution to Bahrain's GDP by 2020.
- Oman's long-term tourism strategy provides a clearly defined and structured road map to ensure that tourism becomes one of the most important economic pillars for the country's future, and the destination becomes a model of sustainable tourism in the GCC. "Cluster Planning" is a core element of the Oman's tourism strategy implementation.
- Qatar's national tourism sector strategy focusses on building the capabilities of the MICE sector, developing tourism products, and expanding the presence of the Qatar destination brand internationally.
- Saudi Arabia's tourism strategy is aimed at developing sustainable tourism to support local communities, provide jobs and preserve the natural environment through an integrated partnership with all stakeholders. The recent announcement of significant reformation in the Kingdom such as making electronic tourism visas available for 65 countries, will have a direct impact on the tourism sector for both domestic and international tourism.
- Tourism policy and operations are currently the reserve of the seven individual Emirates in the United Arab Emirates (UAE). A national tourism strategy to help drive sustained and sustainable growth in the tourism economy across the UAE is under consideration.
 - The UAE's leading tourism destination Dubai has a tourism strategy focussed on three key objectives: maintaining market share and momentum in existing source markets, increasing market share in markets with high growth potential, including emerging markets, and increasing the number of repeat visitors from all markets.
 - Abu Dhabi's tourism strategy is geared towards contributing to the nation's vision of economic diversification by positioning and promoting Abu Dhabi as an inspiring destination rich in cultural authenticity, diverse natural offerings and unparalleled family leisure and entertainment attractions.
- Kuwait's tourism sector strategy is geared towards developing sustainable tourism and promoting investment in the sector, in order to reduce unemployment rates, diversify sources of national income and reduce dependency on oil.
- Syria's tourism policy is focused on short-term plans or "crisis management", given the current crisis in the country. Key areas of focus include developing a regulatory framework and legislation for the sector, attracting investment funding for tourism development, activating public-private partnerships and providing incentives for the reconstruction of damaged tourism assets.

Short-term forecast for MENA tourism

- International tourist arrivals are forecast to grow between 4% and 5% worldwide in 2018. For the Middle East, UNWTO forecasts international tourist arrivals to increase by 4% to 6% in 2018, sustaining the 5% growth achieved in 2017. Prospects for Africa point to 5% to 7% growth. The forecast interval is wider in these regions due to higher uncertainty and disruption risks.
- Whilst the diplomatic situation between the GCC countries gives cause for concern, there are more reasons to be optimistic. In the current year, Saudi Arabia is about to introduce new e-visas for tourists and flights to Egypt from Russia are due to resume by April, and the FIFA World Cup, taking place in Russia this summer, is likely to produce a short-term lift in transit passengers.
- Further, destinations will majorly benefit from the forward-looking policies and strategies set in motion in the previous year(s) such as visa facilitation policies, enhanced security measures, product and market diversification, etc.

A- Overall Assessment

- The Middle East (+5%) received 58 million international tourist arrivals in 2017, with sustained growth in some destinations and a strong recovery in others.
- North Africa enjoyed a strong recovery with arrivals growing by 13% to 21 million.
- First months of 2018 show signs of improved performance in MENA, although data is still pending from several destinations.

1. The Middle East and North Africa (MENA) region recorded 80 million international tourist arrivals in 2017, the highest since the 'Arab Spring' uprising of 2011. International tourist arrivals in the Middle East rose by an estimated 5% to a total of 58 million, registering 3 million additional arrivals in 2017 year-on-year. North Africa registered double-digit growth of 13% in international tourist arrivals to a total of 21 million, also welcoming nearly 3 million additional arrivals in 2017 compared to 2016.
2. Key indicators during the first months of 2018 show signs of improved performance in MENA, although data is still pending for several destinations. Bookings for the first quarter of 2018 indicate growth from the Americas (+16%), Europe (+13%) and Asia and the Pacific (+4%) to Middle East and Africa.¹
3. Based on current trends and the UNWTO Confidence Index (based on feedback from over 300 tourism experts worldwide), UNWTO forecasts continued momentum for growth for MENA of between 4% and 6% in 2018.

A.1. Full year results - 2017

4. The Middle East received 58 million international tourist arrivals in 2017. With the exception of a few destinations such as Qatar and Saudi Arabia, most other destinations achieved positive results, though some data is still pending.
5. Participants in the UNWTO Panel of Experts from the Middle East evaluated tourism performance in 2017 with a positive score of 136, well above the neutral 100. This matched their prospects at the beginning of the year (136).
6. Among Gulf Cooperative Council (GCC) countries, Oman performed the best, with visitor numbers in 2017 growing by 13%, representing a substantial increase from the 2.3 million recorded in 2016.² In the United Arab Emirates (UAE), Dubai welcomed a total of 15.8 million visitors in 2017, up by 6% over a year earlier.³ Abu Dhabi reported a 10% increase in hotel guests.
7. In Saudi Arabia, overall inbound tourism flows dropped by 10%, from 18 million in 2016 to an estimated 16 million in 2017, despite the increase in visitor arrivals for religious purposes (Hajj and Umrah) by 1.1 million.⁴ Driven by increase in visitor arrivals from the GCC, Bahrain reported double digit growth (+13%) in inbound tourism flows.

¹ <https://forwardkeys.com/publication-single/middle-east-and-africa-travel-2018-PR.html>

² <https://tradingeconomics.com/oman/tourist-arrivals>

³ <http://gulfnews.com/business/sectors/tourism/15-8-million-people-visited-dubai-in-2017-1.2169807>

⁴ Saudi Commission for Tourism & National Heritage (SCTH)

8. Kuwait also reported positive performance in inbound tourism, although figures are not yet available. In contrast, Qatar (-23%) witnessed a massive decline in visitor arrivals in 2017, a result of the political situation in the GCC region in the second half of the year. The impasse still continues.
9. In the Levant, Lebanon (+10%) continued to perform well, with tourist arrivals reaching a total of 1.9 million in 2017 compared to 1.7 million in 2016. This is the fifth straight year of positive results since 2013.⁵ The stability in Lebanon starting late 2016 and the positive image of the country portrayed through the media had a significant impact on tourism. Jordan registered a 10% increase in overnight visitors until November 2017 year-on-year.⁶
10. Egypt (+51%) witnessed a sharp increase in international arrivals to 8.0 million in 2017, a strong reversal from the 43% fall in arrivals in 2016 over the previous year. Despite the leap in figures, they remain below the 2010 peak levels, when over 14.5 million tourists visited the country.⁷ On a modest base (400,000 international tourist arrivals in 2016), Palestine (+33%) registered an impressive increase during the first nine months of the year.⁸
11. In North Africa (+13%), double digit growth in arrivals was led by Tunisia (+23%) which continued to rebound strongly in 2017. Morocco (+10%) also enjoyed more robust growth, after the marginal increase (+2%) reported in 2016.
12. Experts from Africa also evaluated tourism performance in 2017 with a positive score of 150, well above their expectations at the beginning of the year (141).
13. Data on tourism receipts for full year 2017 is still pending for several MENA destinations. Egypt's tourism revenues jumped 194% year-on-year to US\$7.8 billion in 2017, though still below the US\$12.5 billion figure achieved in 2010. GCC countries Qatar, Saudi Arabia and UAE all reported increase in receipts of 10%, 9% and 8% respectively, while Kuwait registered a massive decline in receipts of 48% in 2017 over the previous year. Morocco's tourism revenues rose by 9% to US\$7.2 billion, the highest since 2005. Tunisia and Jordan also reported a rise in tourism revenues by 18% and 13% respectively.^{9 10}

A.2. Key Indicators for the first months of 2018

14. Tourism in MENA shows signs of improved performance in the first months of 2018, although data is still pending for several destinations. Key tourism destinations in Egypt - Luxor, Aswan and Hurgada continued to receive an influx of visitors in January 2018. Tourist nights increased 97% year-on-year in January 2018, reaching 8.5 million, compared to 4.3 million in January 2017.¹¹
15. In the Levant, Lebanon reported an increase in tourist arrivals (+2%) in January 2018. Jordan continued on its positive performance in 2017, with 7% increase in tourism revenues in the first two

⁵ <https://www.bankmed.com.lb/BOMedia/subservices/categories/News/20180205101121677.pdf>

⁶ <http://jordantimes.com/news/local/tourism-revenues-125-2017>

⁷ <https://www.egypttoday.com/Article/3/40082/Egypt%E2%80%99s-tourism-revenues-jump-123-YoY-in-2017>

⁸ January 2018 edition of the UNWTO World Tourism Barometer

⁹ Ibid

¹⁰ <http://jordantimes.com/news/local/tourism-revenues-125-2017>

¹¹ <https://www.egypttoday.com/Article/3/46071/Tourist-nights-hike-96-5-YoY-in-January-2018>

months of 2018. Growth was led by Petra which witnessed 40% and 55% increase in foreign tourists in January and February respectively, compared to the same period in 2017.^{12 13 14}

16. Dubai's tourism sector reported a slight decline (-3%) in visitor numbers in January 2018, with total international arrivals at 1.52 million compared to 1.57 million in January 2017.¹⁵ Qatar continued to be impacted by the diplomatic situation, reporting 42% decline in tourist arrivals in January 2018, while Oman continued its positive growth trend with 25% rise in tourist arrivals in the first month of the year.
17. In North Africa, visitor arrivals in Morocco were up 13% in January. Tunisia also got off to a good start in the new year, with arrivals up 22% and 16% in January and February 2018, respectively. Tourism revenues rose 16% in January 2018 year-on-year.
18. The UNWTO Panel of Experts from Africa (162) and the Middle East (142) have high expectations for the four-month period January-April 2018, anticipating sustained growth in the region, despite ongoing political and security concerns.
19. Main highlights of trends in performance of the different sectors in the travel and tourism business in the MENA region in 2017 and the first months of 2018 are presented below:

B. Aviation sector

- Middle East carriers' traffic increased 7% in 2017. The region was the only one to see a slowdown in annual growth compared to 2016, and the region's share of global traffic (10%) fell for the first time in 20 years. Year-over-year demand growth in January 2018 was weak at 0.5%.
- African airlines saw 2017 traffic rise 8% compared to 2016. January 2018 traffic rose 5% year-on-year.

B.1. Full year results - 2017

20. Middle East carriers recorded 7% increase in annual passenger traffic in 2017 over 2016. The region was the only one to see a slowdown in annual growth compared to 2016. Capacity climbed 6% and load factor rose 0.1 percentage point to 74.7%.¹⁶
21. Middle East regional share of global traffic (10%) fell for the first time in 20 years. The market segment to/from North America was hit the hardest owing to factors including the temporary ban on large portable electronic devices in the aircraft cabin as well as the US travel bans affecting some countries in the region.
22. Middle East carriers were also hit by diplomatic tensions closer to home when the severing of ties with Qatar by a number of states in the region resulted in the closing of airspace in several markets. As a result, Intra-Middle East traffic suffered, creating a knock-on impact for carriers in the region – in particular Qatar Airways.

¹² <http://en.royanews.tv/news/13725/2018-03-13>

¹³ <http://www.jordantimes.com/news/local/petra-witnessed-increase-number-visitors-january%E2%80%99>

¹⁴ <https://www.albawaba.com/business/jordan-number-petra-visitors-rises-considerably-february-1098306>

¹⁵ <https://www.visitdubai.com/en/tourism-performance-report>

¹⁶ <http://www.iata.org/pressroom/pr/Pages/2018-02-01-01.aspx>

23. International demand for African carriers was up 8% in 2017 compared to 2016. Capacity rose at less than half the rate of demand (4%), and load factor jumped 2.5 percentage points to 70%.

B.2. Key Indicators for the first months of 2018

24. Middle East carriers had the weakest growth, with demand up just 0.5% in January 2018 compared to January 2017, the slowest pace since September 2008. Capacity climbed 5% and load factor fell 3.1 percentage points to 77%.

25. African airlines saw January traffic rise 5% compared to January 2017. With capacity up 4%, load factor rose 0.5 percentage point to 70%.¹⁷

26. Middle Eastern airlines are forecast to see profits double to US\$600 million in 2018 from US\$300 million last year in part due to lower capacity and higher demand growth. Capacity expansion is forecast at 5%, below expected demand growth at 7%.

27. In contrast, carriers in Africa are forecast to lose US\$100 million in 2018, same as in the previous year, because of high operating costs and restrictive aviation policies of most African countries. Capacity and passenger traffic are both expected to grow 8% during the year.¹⁸

28. A historic move in January 2018 saw twenty-three African countries sign the open-skies Single African Air Transport Market (SAATM) declaration, championed by the African Union. This is intended to drive down airfares by allowing the airlines of signatory countries to freely access each other's airports, helping boost the industry and airlines' fortunes. North African countries have yet to come on board.¹⁹

C. Accommodation sector

- Middle Eastern hotels saw drop in each of the three performance metrics, with occupancy down 1%, Average Daily Rate (ADR) down 5% and Revenue per Available room (RevPAR) down 6% in 2017. The first two months of 2018 saw occupancy marginally improve, while RevPAR and ADR continued to be down.
- Northern Africa hotels reported positive performance on all three performance metrics: Occupancy (+16%), ADR (+19%) and RevPAR (+38%). The first two months of 2018 saw continued growth momentum, with double-digit increase in all three performance measures.

C.1. Full year results - 2017

29. The hotel sector in the Middle East region followed the same pattern in 2017 as in the previous year, with key markets experiencing a decline in all three key performance measures: Occupancy (-1%), ADR (-5%) and RevPAR (-6%). Although the region's RevPAR of US\$107 was the third highest in the world, it was the only world region to post a decline.²⁰

¹⁷ <http://www.iata.org/pressroom/pr/Pages/2018-03-08-01.aspx>

¹⁸ <http://www.iata.org/publications/economics/Reports/Industry-Econ-Performance/Central-forecast-end-year-2017-tables.pdf>

¹⁹ <https://www.enca.com/africa/23-african-nations-sign-major-aviation-trade-agreement>

²⁰ http://hotelnewsnow.com/Media/Default/PDFs/GlobalHotelReviewCC_Media_December_2017.pdf

30. According to the EY Middle East Hotel Benchmark Survey Report, the hospitality market continued to be affected by the drop in oil prices and challenging economic conditions, which led to more conservative spending in the government and private sectors as well as among regional tourists. An increase in supply in some of the markets like Saudi Arabia and UAE also contributed to a drop in the performance.²¹
31. On the other hand, Northern Africa hotels reported positive results on all three performance measures: Occupancy (+16%), ADR (+19%) and RevPAR (+38%). Egypt's occupancy levels rose significantly, as tourist arrivals increased, especially since Egypt has now become a cheaper destination for many tourists around the world after floating the local currency in November 2016.
32. Low oil prices and supply expansion in the hotel market continued to affect Saudi Arabia's hotel performance levels. In 2017, the country recorded a 5% decline in occupancy and a 4% drop in ADR, resulting in a 9% decline in RevPAR compared to 2016.
33. In the United Arab Emirates (UAE), supply growth continued to affect hotel performance, especially with Dubai's build-up to the 2020 World Expo and beyond. In Dubai, while occupancy grew marginally (+0.5%) due to increased tourism demand, ADR and RevPAR were down 4% and 3% respectively. Significantly, the number of guests travelling to Dubai using the Airbnb platform has increased by over 50% since 2016.
34. Abu Dhabi witnessed decline in all three performance metrics - occupancy (-2%), ADR (-7%) and RevPAR (-9%). Notably the capital city recorded a 10% increase in hotel guests, boosted by several new product launches in 2017 including Louvre Abu Dhabi, the Dar Al Zain Festival, and the New Year's Countdown Village, to name a few.²²
35. In Kuwait, hotel occupancy was up 9% in 2017. However, room rates decreased (-5%), down for three consecutive years. December 2017 represented the first month with year-over-year ADR growth (+8%) in Kuwait since July 2016 and was just the fourth positive ADR month for the country since the beginning of 2015. RevPAR was up 4%.²³
36. The occupancy rate of Beirut hotels surpassed the 64% rate recorded back in 2011 to reach 65% by November 2017. ADR and RevPAR also improved compared to the previous year.
37. Hotels in Tunisia and Morocco also saw higher occupancy levels due to the increase in international arrivals in 2017.

C.2. Key Indicators for the first months of 2018

38. According to February 2018 data from STR, hotels in the Middle East reported mixed results in the three key performance metrics: occupancy was marginally up (+1%), while ADR and RevPAR were both down 5%. On the other hand, hotels in Africa continued to post double-digit growth in all three parameters, with occupancy, ADR and RevPAR up 13%, 10% and 25% respectively.²⁴

²¹ <http://gulfnews.com/business/sectors/tourism/mena-hotel-sector-softens-in-first-half-of-2017-ey-1.2072149>

²² <http://tcaabudhabi.ae/DataFolder/reports/December%20hotel%20report.pdf>

²³ <http://www.hotelnewsnow.com/Articles/269280/STR-Middle-East-and-Africa-2017-hotel-performance>

²⁴ <http://www.hotelnewsnow.com/Articles/280515/STR-Middle-East-Africa-hotel-data-for-February-2018>

39. Hotels in the UAE began the year with improved occupancy levels. High demand (+6%) was enough to outpace somewhat slowing supply growth (+4%) and push a positive occupancy (+2%) comparison. As a result, Dubai saw its first January increase in RevPAR (+1%) since 2014. February 2018 data for Abu Dhabi indicates strong occupancy growth (+5%) but lower rates (-23%) and RevPAR (-19%) year-on-year.
40. Demand reached an all-time high for a February in Oman. ADR has now increased for two consecutive months in the country after three straight years of mostly ADR declines.
41. In Lebanon, security concerns continue to weigh on the country's hotel performance. Demand, down 0.4% in February, has dropped year-over-year for four straight months, following the unexpected resignation of the Lebanese prime minister in November 2017 (which was later withdrawn). At the same time, supply growth has been minimal.
42. Hotels in Morocco recorded the first RevPAR boost for a January since 2014 due to the rise in visitor numbers during the FIA Formula E Championship race in Marrakech and the Marrakech Marathon. The country's hotels saw occupancy grow 16% while ADR increased 29%. RevPAR also jumped 50% over January 2017.

D. Travel distribution

- The overall positive picture of tourism trends across most MENA destinations reflected on the performance of the region's travel trade, though travel businesses' profitability was under pressure. Online travel agencies (OTAs) are also challenging traditional travel operators, as the region witnesses an increasing uptake of online bookings year-on-year.
- A similar trend continued in the first months of 2018, with signs of improved tourism performance in key destinations.

D.1. Full year results - 2017

43. The overall positive picture of tourism trends across MENA destinations reflected on the performance of the region's travel trade, though travel businesses' profitability was under pressure due to increasing competition. Online travel agencies (OTAs) are also challenging traditional travel operators, as the region witnesses increasing uptake of online bookings year-on-year.
44. In Saudi Arabia, the travel trade that relies on religious tourism performed better as Haj numbers were up by 1.1 million in 2017 over the previous year. This was attributed to expansions in the Holy Mosque of Mecca and the city itself. However, the decline in business, leisure (VFR) and domestic tourism negatively impacted the travel trade in the Kingdom.
45. In the UAE, enhanced entry formalities for citizens from key source markets - China, Russia and India, helped boost visitor arrivals benefiting the local travel trade. The introduction of visas on arrival for Chinese guests, combined with a plentiful supply of high-quality hotels and shopping malls with specially-trained staff and a range of cultural attractions, as well as local efforts to mark the Chinese New Year, are helping to boost the country's attractiveness as a destination.²⁵

²⁵ <https://www.thenational.ae/lifestyle/travel/120-000-chinese-tourists-to-visit-uae-in-next-two-weeks-1.702850>

46. Some markets such as the CIS, specifically the Russian market, came back very strongly. There was also a very good increase from the UK market. Both are very significant source markets for Dubai. Volume growth helped the travel trade increase revenues. The increase in supply of mid-market hotels and hotel apartments also helped growth from markets like India. Further, new attractions and events proved to be a new source of revenue for the travel trade.
47. In the Levant region, the Lebanese travel trade benefited from the ongoing increase in tourist inflows, especially from the GCC which had seen a slow down over the past few years. Improvement in the security situation and promotion of alternative tourism streams such as rural tourism, diaspora and MICE tourism improved the prospects of the Lebanese travel trade.
48. In Jordan, the double-digit growth (+10%) in overnight visitors brought much needed relief for the travel trade. Tour operators, travel guides and restaurant owners saw improved incomes as a result.²⁶
49. In Egypt, the restoration of tourism resulted in significant gains for businesses dependent on tourism for their livelihood. A tour guide program training Bedouins to be guides in South Sinai, in an initiative to lure tourists back to the peninsula, had positive results.²⁷
50. Tourism businesses in Tunisia and Morocco benefited from the massive influx of first-time visitors from China, following the implementation of the new visa-on-arrival rule.

D.2. Key Indicators for the first months of 2018

51. The 2018 edition of the Dubai Shopping Festival (26 December – 27 January) led to an upswing in activity across various sectors in Dubai and gave a boost to ancillary services such as money exchange houses and travel agencies. Travel agencies reported an increase in travel bookings to Dubai from some source markets, particularly from Russia.
52. In the Levant, the Lebanese travel trade witnessed an improvement in business as airport passenger numbers increased by 11% in January 2018.²⁸ The Jordanian travel trade also witnessed positive results, buoyed by the massive influx of foreign tourists to Petra in the first two months of the year.²⁹
53. Continued growth in Egypt's tourism in the first two months of 2018 was welcomed by the local travel trade. Tunisian and Moroccan travel businesses also experienced sustained growth in demand for their services.
54. Online travel agencies (OTAs) report year-on-year growth in online bookings, encouraging them to renew long-term agreements with leading travel technology providers such as Sabre.

E. Tourism segments and products

- Leisure and business tourism trends varied across destinations in MENA, in response to several exogenous and endogenous factors.

²⁶ <http://jordantimes.com/news/local/tourism-sector-expected-continue-recovering-2018%E2%80%99>

²⁷ <http://www.egyptindependent.com/newsweek-bedouins-trained-become-tour-guides-revitalizes-tourism-sinai/>

²⁸ <http://aaco.org/media-center/news/industry/beirut-rafic-hariri-international-airport-pax-up-11-in-january-2018>

²⁹ <https://www.albawaba.com/business/jordan-number-petra-visitors-rises-considerably-february-1098306>

- Religious tourism in Saudi Arabia rebounded, and grew impressively in Palestine, rated as the world's fastest-growing destination by UNWTO.
- Return of European cruise liners to Tunisia signalled a recovery in cruise tourism. In the GCC, the sector maintained steady growth in cruise passengers and ship calls.
- Medical tourism continued to slide in Jordan due to restrictive visa policies. Dubai is expected to have maintained the positive growth trend in medical tourism, as witnessed in the previous year.
- Performance in the first months of 2018 showed positive growth, across main tourism segments and products.

E.1. Full year results – 2017

55. Leisure and business tourism trends varied across destinations in MENA, in response to exogenous and endogenous factors such as the uptick in the global economy, political situation in the region, currency fluctuations, security incidents and travel advisories by Governments in source markets, among others.
56. In North Africa, the increase in international arrivals was boosted by a major upward trend in Chinese leisure tourist arrivals in Morocco and Tunisia, following the removal of the visa requirement for Chinese visitors. In Egypt, leisure tourism grew remarkably from a number of different source markets.
57. Leisure tourism in Lebanon maintained its positive growth for the fifth consecutive year, with growth in both Arab and non-Arab tourist arrivals. Jordan also received an increasing number of international leisure tourists, especially to Petra.
58. Religious tourism in Saudi Arabia rebounded with Haj and Umrah numbers up by 1.1 million over the previous year. Palestine was the world's fastest-growing destination, having experienced a 57% jump in visitors between January and June, majority of whom were faith-based travellers.³⁰
59. The business tourism sector in key GCC countries witnessed mixed results. While business travel was down in Saudi Arabia, business travel spending generated 20% of direct Travel & Tourism GDP in 2017 compared to 13% in 2016.³¹ The UAE maintained positive growth in arrivals of business visitors, particularly the MICE segment.
60. The fall-out in diplomatic relations and closure of air space between Qatar and key Middle East markets had a major negative impact on both business and leisure travel in Qatar. In Kuwait, business travel spending generated 29% of direct Travel & Tourism GDP in 2017 compared to 23% in 2016.³²
61. Qatar annually hosts around 80 sport events and world-class championships. However, due to the diplomatic crisis, the prestigious Gulf Cup football tournament was moved to Kuwait. The UAE, the other key sports tourism destination, hosted several sporting events as scheduled. Leading hotels in Abu Dhabi reported 100% occupancy ahead of the Formula 1 Etihad Airways Abu Dhabi Grand Prix which attracted 195,000 spectators over four days.

³⁰ <http://www.travelweekly.com/Travel-News/Tour-Operators/Demand-up-for-Middle-East-destinations>

³¹ <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2018/saudi-arabia2018.pdf>

³² <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2018/kuwait2018.pdf>

62. Significantly, emerging adventure tourism offerings in countries like Jordan, Egypt and Oman are also noted to be bringing in an increasing number of adventure seekers to the Middle East.
63. Destination weddings is another product that is fast gaining popularity, particularly among Asian source markets, with the UAE leading as the most preferred location. The Middle East accounts for 5% share of the global destination wedding industry pegged at an estimated US\$80 billion worldwide.³³
64. Cruise tourism signalled the start of recovery in Tunisia as European cruise liners began returning to its ports after a gap of three years. In Oman, over 200 cruise ships were expected in the 2017-18 cruise season, an increase of 10-15% over the previous season. In the UAE, Abu Dhabi welcomed a record 315,000 cruise visitors in 2017, nearly 40,000 more than the previous year. Dubai received over 600,000 passengers in the 2016-2017 cruise season reflecting 18% growth year-on-year.
65. Jordan's medical tourism sector saw a drop of 40% in the number of foreign patients during 2016 and 2017, due to restrictive visa policies for citizens of some Middle East and African countries.³⁴ Dubai, which aims to be a medical tourism hub in the Gulf region, received 10% more medical tourists in 2016 over 2015.³⁵ The trend is expected to have continued in 2017.

E.2. Key Indicators in the first months of 2018

66. Leisure and business tourism showed continued growth in the first months of 2018. Growth was noted in Lebanon, Jordan, Tunisia and Egypt.
67. Cruise tourism in the GCC is performing well, with Oman expecting 10-15% growth in the 2017-18 cruise season. The return of cruise ships to Tunisia is leading to an increase in cruise passenger traffic at Tunisian ports.
68. While medical tourism in Jordan is still struggling, new offerings in the adventure tourism space are seeing increasing uptake. Destination weddings in the GCC are also continuing to grow.

F. Source markets

- International visitor arrivals grew in 2017, with Chinese and Russian visitors leading the revival of tourism in MENA. However, source market trends varied by destination.
- Intraregional travel maintained its growth momentum (+7%) in 2017, same as in 2016. Travel from other world regions to MENA grew at a faster pace (+8%).
- In the first months of 2018, European tourism to Tunisia, Jordan and Egypt increased at a healthy pace. In the GCC, Dubai struggled with declines from six of its top ten source markets, though overall visitor arrivals were only marginally down. Russian arrivals were significantly up (+159%).

F.1. Full year results - 2017

69. Chinese and Russian visitors boosted Middle Eastern tourism in 2017 following a 2016 slump as Europeans gave the area a wide berth on security fears, according to the World Tourism Organization (WTO). However, source market trends varied by destination.

³³ <http://emirates-business.ae/uae-emerges-as-hotspot-for-destination-weddings/>

³⁴ <http://www.jordantimes.com/news/local/sector-leader-blames-gov%E2%80%99t-40-decline-medical-tourism>

³⁵ <https://lifecareinternational.com/magazine/2018/02/medical-tourism-uae-assessing-impact-company/>

70. In the UAE, the top five source markets for Dubai were India, Saudi Arabia, United Kingdom, Oman and China, even as GCC arrivals (excluding Saudi Arabia) indicated a negative trend. Growth was maximum from Russia (+121%) and China (+41%), following the visa-on-arrival policy implementation in the previous year. For Abu Dhabi, the top five international source markets were China, India, United Kingdom, Philippines and United States. Chinese visitor arrivals (+61%) grew to 372,000, overtaking Indian arrivals (360,000) for the first time.
71. Other Emirates in the UAE also reported growth in arrivals, especially from Europe. Over 468,000 European tourists visited Sharjah in 2017, representing a 36% increase from the previous year.³⁶ Germany, Russia, UK, India and Kazakhstan came in as Ras Al Khaimah's top five international source markets, with the most prominent growth from Russia (+66%).³⁷
72. Oman saw year-on-year growth in visitors from Europe, with Britain and Germany among the top five tourism generating source markets. GCC nationals topped the number of tourist arrivals, followed by tourists from India, Britain and Germany.³⁸
73. For the sixth consecutive year, European tourists accounted for the lion's share of tourist arrivals (34%) in Lebanon. The number of European visitors grew by 13% year-on-year to reach 639,624, the highest in more than a decade. Despite not reaching pre-2011 levels, at 30% share, Arab tourists constituted the second largest source market, on the back of the GCC countries lifting travel bans to Lebanon. American tourists accounted for 18% share of total tourist arrivals.
74. Jordan's positive performance in 2017 is attributed to the increase in the number of tourists from all major source markets. Growth was led by tourists from Asia and the Pacific region, followed by North America and Europe. Tourists from the MENA region also increased, especially during the summer months.
75. In Egypt, tourist numbers soared 55% last year, even as European numbers dipped, with Chinese and visitors from Egypt's neighbours taking their place. Chinese and Indian visitors rose from 5% to 12% while tourists from Egypt's neighbours doubled their share from 15% to 30%.³⁹
76. In Morocco, there was a surge in arrivals from China, attributed in large part to the abolition of visa for its citizens. Tunisia also witnessed a 23% rise in Russian and Chinese visitors in 2017 over 2016, following visa-on-arrival policy implementation for visitors from the two countries.

F.2. Key Indicators in the first months of 2018

77. International tourist arrivals from key source markets to MENA destinations showed positive growth in the first months of 2018, though trends varied by destination.

³⁶ <http://gulfnnews.com/business/sectors/tourism/over-468-000-europeans-visit-sharjah-in-2017-1.2184932>

³⁷ <https://www.rak.ae/wps/portal/rak/media-center/news/Ras+al-Khaimah+on+course+for+900%2C000+visitor+target+for+2017>

³⁸ https://www.ncsi.gov.om/Elibrary/LibraryContentDoc/bar_December%202017_e23733f6-74f7-437e-8b72-5d5acf507541.pdf

³⁹ <http://www.thejakartapost.com/travel/2018/01/21/chinese-russians-shore-up-middle-east-tourism.html>

78. Dubai's marginal decline in January 2018 was primarily due to reduced numbers from China and the UK. The star performer was Russia with tourist arrivals from the country jumping 159% on the back of visa-on-arrival facilitation in the previous year.⁴⁰
79. The number of overnight tourists in Jordan grew by 9% in January, with growth across all source markets - Europe (+22%), North America (+14%), GCC (+35%) and Asia and the Pacific (+6%).⁴¹
80. Tunisia witnessed a return of British tourists in the first months of 2018, when major UK tour operators restarted tour operations after a gap of three years, following attacks on holidaymakers in 2015 which kept tourists away from the country.
81. In Egypt, tourist nights increased 97% year-on-year in January 2018, reaching 8.5 million, compared to 4.3 million in January 2017, led by tourists from Western and Eastern Europe. Resumption of air traffic between Russia and Cairo in April should bring back the Russian tourists, a major source market for the country.

F.3 Intra-regional versus interregional market

82. Intra-regional travel in the Middle East and Africa region maintained its growth momentum (+7%) in 2017, same as in 2016. Travel from other world regions to the Middle East and Africa grew at a faster pace (+8%).
83. Interregional air travel trends for 2017 reveal that travel from Europe was the strongest for destinations in Africa and the Middle East (+11%), followed by the Americas (+9%). Growth from source markets in Asia and the Pacific was slow until August, but double-digit growth in the September-December months resulted in overall growth of 7% year-on-year.⁴²
84. Air passenger travel trends for January to April 2018 indicate faster growth in intra-regional travel (+10%), compared to an anticipated 9% increase in travel to Africa and the Middle East from other parts of the world. Bookings from the Americas and Europe remain strong at a growth rate of 14% and 9% respectively, while a slight drop in bookings is expected from Asia and the Pacific.⁴³

G. Planned investments

85. STR's January 2018 Pipeline Report shows over 100,000 rooms in over 300 hotel projects under construction in the Middle East and over 25,000 rooms in 146 projects under construction in Africa. Over 400 additional properties are in the planning phase in the two regions, signalling continued interest among investors in the tourism potential of the region.⁴⁴
86. In the UAE, various infrastructure development projects are under way, especially in Dubai where preparations for Expo 2020 continue. Ongoing projects include: Dubai South airport expansion, Dubai Creek harbour development project, Dubai Water Canal Project and the Mall of the World which is

⁴⁰ <https://www.visitdubai.com/en/tourism-performance-report>

⁴¹ <http://en.royanews.tv/news/13517/2018-02-16>

⁴² Forward Keys data from January 2018 edition of the UNWTO World Tourism Barometer

⁴³ Ibid

⁴⁴ <http://www.hotelnewsnow.com/Articles/273554/STR-Middle-East-Africa-hotel-pipeline-for-January-2018>

expected to welcome around 180 million visitors annually. An additional US\$ 4 billion is estimated to be spent on road and transportation for expo related projects.

87. In Abu Dhabi, various tourism projects are under development, that include cultural and entertainment complexes and beachfront resorts. Set to open in 2018 are: Warner Bros. World Abu Dhabi on Yas Island and beachfront development Al Bahar on the Abu Dhabi Corniche. Yas Bay, the US\$3.2 billion waterfront development on Yas Island, is scheduled to open in 2019.
88. Tourism infrastructure is being rapidly advanced in Oman, encompassing the new extended Muscat International Airport, which will be operational soon. Oman's Ministry of Tourism has signed agreements with international companies to boost sustainable and leisure tourism projects in the Sultanate, such as the Sultanate's first snow park, a new-generation Alpine winter-themed real snow and ice amusement park, set to open in 2018. Additionally, the government-owned Oman Tourism Development Company (OMRAN) has launched a US\$1.3 billion Mina Sultan Qaboos Waterfront project aimed at transforming Port Sultan Qaboos into a major tourism base. OMRAN also has a number of integrated tourism complexes (ITC) in the pipeline.
89. Kuwait's investment into the travel and tourism sector valued at approximately US\$400 million in 2017, is expected to rise by 5% in 2018. Over the next ten years, tourism investment is expected to grow by an average of 3% annually to hit US\$554 million by 2028.
90. Bahrain is investing heavily in large infrastructure projects which will have direct benefits to the sector, including the US\$1 billion Bahrain International Airport Modernisation Programme. Travel and tourism investment in 2017 valued at approximately US\$328 million, is expected to rise by 1% in 2018, and by 7% per annum over the next ten years to over US\$646 million in 2028.
91. In Saudi Arabia, travel & tourism investment is forecast to rise by an average of 6% annually to cross the US\$45 billion mark by 2028. More than US\$6.9 billion worth of tourism projects have been approved by the Kingdom's National Transformation Program, part of the nation's Vision 2030 economic diversification strategy.
92. In the Levant and North Africa, several infrastructure and tourism related projects are at various stages of implementation. These include: seven new tourism projects in Egypt's Northern Coast; US\$742 million worth of infrastructure projects in Morocco's economic capital Casablanca; over US\$1 billion worth of travel and tourism projects in Lebanon; and over US\$750 million investment in the travel and tourism sector in Jordan as well as Tunisia.

H. Key factors influencing the development of tourism in MENA

H.1 Key factors

93. Several exogenous (global, regional) and endogenous (internal) factors have shaped and influenced the development of tourism in MENA over the past decade. These include geopolitical events, shape of the world economy, global tourism trends, acts of terrorism, natural disasters, etc. Factors such as visa facilitation policies, currency fluctuations and travel restrictions have also had variable impacts on tourism performance in different destinations in MENA.

94. Equally, market access, infrastructure development, tourism products, facilities, capacity and quality, adoption of technology, and marketing and promotion are some of the endogenous factors that have influenced the state of tourism development in MENA. In 2017, some of the key factors that played a significant role in tourism performance in MENA are highlighted below:
95. Solid economic conditions contribute to stronger demand for both business and leisure travel, which is reflected in international tourist arrivals in destination countries. Firming of global economic recovery contributed to arrivals growth in MENA (+7%) reflecting positively in sustained growth in destinations such as the UAE and Oman, and a firm recovery in those that suffered declines in previous years such as Egypt and Tunisia.
96. China's rapid rise to becoming the number one source market in the world has been a boon to destinations in MENA, almost all of which experienced an increasing number of Chinese tourist arrivals. Improved visa facilitation for Chinese citizens was instrumental in boosting arrivals, as noted in the UAE, Tunisia and Morocco.
97. Perceptions of political stability in Lebanon, Egypt and Tunisia has had a positive impact on inbound tourism flows. Egypt's strong recovery from crisis was also helped by the devaluation of the pound against the dollar end-2016 which made holidays in Egypt even cheaper for inbound tourists. Tunisia's relative stability helped in welcoming a recovery in the Russian market, resulting, in part, from a diversion of traffic from other troubled destinations such as Turkey and Egypt.
98. Travel restrictions, imposed by governments to protect their citizens from visiting conflict zones or 'unsafe' areas or due to diplomatic tensions between countries, have a detrimental effect on tourism. On the other hand, when travel bans are lifted, there is a positive impact with a rebound in tourist arrivals.
- Travel advisories by GCC countries have been an ongoing challenge for Lebanon, a result of diplomatic tensions between Lebanon and the GCC. The lifting of the 2016 travel ban in February 2017 led to a strong recovery from the high spending GCC source markets, even though number of arrivals still lagged behind the highs of 2010. Following the unexpected resignation of the Lebanese prime minister in November 2017 (which was later withdrawn), GCC citizens were once again advised not to travel to Lebanon. The travel warning has yet to be officially lifted.
 - Qatar began reporting negative results from June 2017 following the diplomatic situation with various countries in the region, which led to closure of land and maritime borders and airspace between countries. Flights into Qatar were down 25% and flights by Qatar Airways were cut 20% between the start of the blockade in June and end of 2017. Visitor arrivals were down over 20% and tourism receipts dropped US\$600 million compared to the previous year.⁴⁵
 - The continuing suspension (from end-2015 through to 2017) of passenger flights between Russia and Egypt following the bombing of a Russian airliner over the Sinai Peninsula in October 2015 caused a severe blow to Egypt's tourism industry which depends on Russian business. Flights were also suspended from the UK to Sharm El Sheikh in Egypt due to airport security concerns, causing a nosedive in tourism revenues of local businesses (as well as UK airlines serving the

⁴⁵ <http://www.businesstimes.com.sg/government-economy/qatar-economy-weather-saudi-led-blockade-report>

route). These bans have now been lifted (though Russia has only agreed to resume flights to Cairo from February 2018).

- On the other hand, Germany which also imposed a one-year travel ban but lifted it mid-2016, returned to positive tourism flows, becoming the number one European source market for Egypt, with over one million German tourist arrivals in 2017.

99. In a bid to attract a diversified source market, several MENA destinations have improved their visa facilitation policies, especially focussing on emerging markets in Asia and East/Central Europe. These policies are already having a positive impact on inbound tourism, as noted in the case of Chinese, Russian and Indian tourist arrivals in MENA.

- The UAE offers visa-free or visa on arrival facilities to citizens of over 50 countries worldwide, including China, Russia and India (those with valid US or UK visas). Further, all transit passengers can avail 96-hours visas at UAE airports irrespective of the airlines they are flying in. Previously, such a visa was given only to passengers flying on UAE airlines.
- As of 2016, citizens of 67 countries can get visas on arrival and another 114 countries can apply for online visas for travel to Bahrain. Visa fees have also been reduced.
- Tunisia lifted entry visas for Indian and Chinese tourists (in 2017), and Morocco waived visa requirements for Chinese tourists (in 2016). This resulted in a massive influx of Chinese tourists in Tunisia (+156%) and Morocco (+151%) in 2017. Chinese citizens can now get e-visas or visa on arrival in eight MENA countries - Bahrain, Egypt, Jordan, Lebanon, Morocco, Qatar, Tunisia and UAE.
- Egypt launched a new electronic visa system on June 1, 2017 designed to improve border controls for tourists who wish to visit the country. Eligible countries whose citizens can apply for an e-visa include Australia, Canada, the US, and most European countries.
- During the summer (2017), Qatar introduced an e-visa platform for travellers of all nationalities to apply for tourist visas online. This was followed by waiving entry visa requirements for citizens of more than 80 countries. These policy developments build on the free 96-hour transit visa introduced in November 2016. Despite the overall decline in tourist arrivals in 2017, these measures have resulted in an increase in visitor arrivals from key primary markets, including China, Russia, South Africa, Australia and Brazil.

100. Concerted efforts are also being made by several destinations in MENA to develop their tourism infrastructure, build capacity, diversify tourism products, and invest in technology and human resources, in order to improve the contribution of tourism to their respective economies.

H.2 Main challenges

101. Despite a common language, culture, history, and common threats and challenges, MENA remains the least integrated region in the world. Fragmented political and economic regional policies, lack of progress in reducing barriers to trade, and poor logistics have significantly hindered integration in MENA. The intensity, duration, and level of destruction of the conflicts and civil wars, as well as the

growth slowdowns as a result of political instability and violence, highlight the need for a major recovery and reconstruction effort in MENA.⁴⁶

102. For the tourism sector to attain sustained growth and recovery in MENA, the lack of intra-Arab regional cooperation is a major challenge. Government authorities also need to address the strategic, operational and regulatory bottlenecks in the sector that prevent competition and growth.

103. At a sub-regional level, North African destinations face some of the following challenges that need to be addressed, in order to enhance tourism's contribution to their economies:

- Maintaining political stability and enhancing safety and security
- Driving inward investment into infrastructure and tourism related projects
- Building the capacity of the accommodations sector, with a diverse range of properties attracting luxury and budget travellers
- Targeting tourists from new and emerging markets to reduce the over-reliance on European source markets
- Upgrading existing tourism assets and diversifying tourism products beyond mass beach tourism to attract higher value as well as emerging market tourists
- Expanding air traffic routes and enhancing capacity to/from Asia and within the African continent, to drive revenues and profitability in the aviation sector

104. The fast growing GCC sub-region faces its own set of specific challenges, exacerbated by the diplomatic crisis between Qatar and its neighbours, including Bahrain, Saudi Arabia and the UAE.

- Massive fleet expansion of major GCC-based carriers, leading to overcapacity across the sector. Continuing closure of airspace with Qatar could have a negative impact on Gulf carriers' revenues and profitability.
- Targeting tourists from new and emerging source markets to drive growth in an increasing competitive market
- Diversifying tourism products to appeal to customer segments such as families and experiential travellers, as well as luxury and budget travellers
- Driving investment to enhance capacity in the mid-market accommodations sector to cater to demand from high potential source markets in Asia and Africa
- Ensuring supply of skilled personnel to meet the needs of the tourism industry. Providing employment opportunities to national youth in the sector is also a major challenge.
- Dealing with climate change and resource scarcity which is a pressing issue for the GCC and the wider Middle East.

105. In the Levant, destinations such as Jordan and Lebanon have structural deficiencies that are a key constraint to step up the contribution of their tourism sectors to economic growth and development. They also face additional challenges of addressing the spill-over effect of instability in neighbouring countries.

105.1 Some of the key challenges facing the tourism sector in Lebanon include:

- Ensuring political stability and enhancing safety and security in the country

⁴⁶ <http://pubdocs.worldbank.org/en/275801457980901628/New-MENA-Strategy-Presentation-FINAL-for-Web.pdf>

- Over-reliance on the Gulf market for tourism for several decades
- Lack of sufficient infrastructure to develop other source markets such as Europe, Russia, and China. In particular, there are capacity constraints (lack of resort hotels) in touristic areas.

105.2 In Jordan, some of the key challenges facing the tourism industry include:

- Ensuring political stability and enhancing safety and security in the country
- Limited access to financial resources to develop the tourism sector
- Insufficient policies or regulations to develop the tourism sector, especially with respect to incentivising small and medium enterprises (SME) to invest in the sector
- Lack of sufficient skilled resources (for example, trained tour guides), especially in relatively remote touristic areas such as Petra, Jerash and Wadi Rum
- Lack of regional cooperation with high-spending Gulf countries that can further drive intra-regional tourism

H.3. Key opportunities

106. The tourism sector in the Middle East and North Africa has been largely able to adapt and recover in recent times and even bounce back over the past year. Tourism is one of the most important vehicles for the comeback of the region; this is already happening, creating jobs and eliminating poverty.
107. Tourism experts trust in a strong pent up demand for tourism to the region from both intra and inter-regional generating markets, which will continue to be released as uncertainty fades away and consumer confidence returns.
108. A more stable political framework is conducive to successfully addressing challenges which include the removal of barriers to growth, strengthening the sector's resilience, adapting to changing consumer patterns and technological changes, as well as developing new business models and maximizing tourism's social and economic benefits, while minimizing possible negative impacts.
109. The critical contribution of political stability for tourism to prosper and contribute to socio-economic progress, is underscored by and includes: the need for political will to support tourism (Morocco), consolidation of democracy (Tunisia), an active civil society (Lebanon), as well as the benefits of trans-border cooperation in the MENA region (Jordan and Oman).
110. Politically stable destinations in MENA have the opportunity to leverage their safe and secure tourism environment to international and regional tourists. At the same time, all destinations need to have a crisis management plan in place to deal with any crisis situation, political or otherwise, so that they can react quickly and ensure faster recovery of tourism in a turbulent environment.
111. MENA destinations heavily dependent on Europe as the key tourism source market, are highly vulnerable due to the impact of exogenous and endogenous factors that may reduce demand from European tourists. They have the opportunity to diversify their tourism base by targeting new markets, especially fast growing emerging economies such as India and China, the latter now the world's largest outbound travel market.
112. With vast natural, cultural and heritage, rural and eco-tourism, and religious tourism assets, MENA destinations have the opportunity to create new products and develop new segments to cater to

international and regional tourists. The UAE, for example, is benefitting from medical tourism and the growing trend for destination weddings, especially among key Asian source markets. Adventure tourism is another potential growth area, where Jordan is already seeing positive results.

113. Other opportunities to develop and accelerate the development of tourism in MENA include:
- facilitating visa arrangements, improving air connectivity, and improving airport infrastructure and facilities; several destinations in MENA are already reaping the benefits of implementing visitor friendly visa policies such as the UAE, Bahrain, Tunisia and Morocco;
 - focussing marketing and promotional efforts in traditional as well as new, emerging markets to attract visitors from a diversified target base;
 - harnessing the use of ICT, and mobile technology to cater to the young, millennial travellers
 - improving the quality of tourism facilities and services to meet market requirements;
 - enhancing the capacity of tourism education and training institutions to meet the industry's need for skilled staff;
 - increasing the level of tourism investment promotion; and
 - using existing and developing new training programmes and processes designed to raise the capacity of national tourism administration officials to undertake the above initiatives in partnership with the private sector.

I. Overview of main policies and strategies to enhance the resilience of tourism, accelerate and consolidate recovery and step up the sector's contribution to inclusive and sustainable economic growth and development

I.1 Egypt

114. The Ministry of Tourism has launched a comprehensive reform program to revamp the tourism industry in Egypt. The aim of the program is to bring tourism back to its place as a main pillar of the Egyptian economy and a main source of foreign currency.
115. Tourism performance in 2017 was better than in 2016 due to efforts such as: participation in international tourism fairs, marketing and promotional campaign in source markets, continuation of the aviation incentive program, enhancing safety and security at all airports, flotation of the Egyptian pound in November 2016, launch of new routes and tourism products, and launch of electronic visa systems.
116. Some of the initiatives and campaigns undertaken in 2017 include:
- Launch of a tour guide program to train Bedouins to be guides in South Sinai, in an initiative to lure tourists back to the peninsula. Integrating Bedouin youth into the government's plan to revitalize tourism is the first step towards building a proper tourism system based in preserving Bedouin culture and promoting tourism.
 - Partnership with the CNN to launch a campaign to promote tourism in Egypt, in a bid towards accomplishing an international tourism promotion strategy. CNN sponsored a special report on Egypt's tourism hotspots which was aired on the network. Advertisements were also aired on the CNN channel and its affiliated sites.

- Launch of a new campaign titled Lift up your Ban to encourage Russian tourism back to Egypt. The campaign's idea is to allow the voices of Egyptian people to be heard by Russians and other European political leaders so that travel alerts are lifted on tourist destinations in Egypt.⁴⁷
 - Launch of a campaign featuring promotional content of all Egyptian tourist destinations to promote Egyptian tourist destinations through Trip Advisor, the world's leading travel and tourism website, in five tourist markets –namely, England, Italy, Germany, Sweden and Denmark. The campaign was later expanded to Ukraine, India and the US.
117. The Ministry of Tourism's three year 'This is Egypt' promotional video campaign worth US\$66 million, aimed to promote tourism worldwide and improve Egypt's image in 27 tourism markets, is ongoing.
118. The Egyptian Tourism Promotion Authority also held a series of professional meetings with tour operators from the English and German markets during which they expressed willingness to organize trips to Egyptian resorts.
119. In October 2017, the Ministry gained the approval of the Vatican Pope Francis for Egypt's proposed path for *The Flight into Egypt* - the Holy Family journey in Egypt, to be designated as an official Christian pilgrimage. Reviving the path of the holy family journey is expected to promote religious tourism, luring a large number of Christian tourists worldwide to visit Egypt. Exact dates for the launch of the journey's packages are yet to be announced by the ministry.

I.2 Jordan

120. The new 2017-2021 Jordan National Tourism Strategy is focused on identifying sector needs and priorities for each governorate, "enabling local communities to create business opportunities and products with a higher demand". These include new marketing initiatives, adaptations of the regulatory framework, improvements to facilities, skills and service quality, improvements to technology and access to finance for companies in the tourism sector.
121. The Ministry of Tourism has begun implementation of a nation-wide plan to raise awareness of tourism, in cooperation with the education ministries and the Jordan Tour Guides Association. The plan aims to further awareness among citizens of the importance of the tourism sector in improving the national economy, and seeks to enhance public knowledge of the value of jobs in tourism and the importance of the Kingdom's historical and cultural heritage. The programme that has so far targeted 13,000 students, aims to reach 5 million students in the next five years.
122. The Jordan Tourism Board (JTB) and the Tourism Ministry continued to support the "Al Urdun Ahla" (Jordan is the most beautiful) programme to enhance domestic tourism and provided 40% of its funding. The programme included a number of festivals that took place in all governorates, in addition to the famous Jerash and Fuheis festivals. By hosting performances of internationally recognised musicians like the Greek composer and pianist Yanni and the Italian singer Andrea Bocelli in Jerash, Jordan sought to reassure its global audience of its internal security.
123. Some of the other measures undertaken by the JTB to enhance the resilience of tourism and accelerate growth include:

⁴⁷ <http://www.egyptindependent.com/campaign-to-encourage-russian-tourists-back-to-egypt-tourist-expert/>

- Focussing efforts on the improvement of Jordan's online presence, along with the distribution of brochures targeted to the Asian and European markets.
 - Working on "breaking the negative stereotypes caused by the lack of understanding from foreign media outlets". Following this idea, the marketing model has been shifted to a segmentation of the types of experiences that Jordan has to offer, with a strong focus on religious and adventure tourism.
 - Launch of Jordan's adventure offering through the introduction of the Jordan Trail which has led to a rise in travellers, particularly from the UK (+6%) in 2017 over the previous year.
 - Launch of the #Amman24 campaign to promote tourism in Amman. The campaign aims to help Arab and foreign tourists discover new places they could visit within 24 hours, as well as fun activities they can enjoy in the city. Queen Rania Al Abdullah took part in the campaign and posted on Twitter saying "Pleased to welcome the guests of #Amman24 to #Jordan. Enjoy your tour of our capital city!"⁴⁸
 - Launch of a biblical tourism promotion campaign in Lebanon targeting Lebanese Christians to visit the Baptism Site in Jordan, the third holiest pilgrimage site in the Christian world.
124. The Jordan Tourism Board organized the first Regional Conference on Tourism in MENA Cities: Competitiveness for Sustainable Growth, in Amman in November 2017, with the technical support of the World Tourism Organization (UNWTO), showcasing several investment projects in Jordan along with success stories of joint projects.
125. The launch of the first golf course in Aqaba at its newest waterfront development Ayla in April 2017 added another dimension to Jordan's tourism offering, marking a significant phase in increasing the profile of Aqaba with international tourists. This new product offering, coupled with the hosting of the annual Aqaba Carnival winter festival, helped contribute to the 13% more tourist arrivals in Aqaba in 2017 compared to the year before.

I.3 Lebanon

126. Lebanon has launched a 5-year rural tourism strategy to enhance economic opportunities in Lebanese rural areas through improving the competitiveness of specific value chains, including rural tourism and another set of agriculture sectors and food products. It is also undertaking strategic planning to encourage foreign investment in Lebanon.
127. Key strategies in 2017 focussed on raising consumer awareness about rural tourism destinations, products and services locally and internationally, enhancing service quality in the hospitality sector and encouraging professional recruitment in tourism establishments.
128. Some of the measures undertaken to stimulate and sustain tourism growth include:
- Development of packages of rural tourism sites, products and services for promotion by tour operators
 - Ongoing promotion of the 'Live Love Lebanon' campaign (www.livelovelebanon.com) aimed at boosting visitors to the country. The campaign has received public praise and support, with people sharing photos of different Lebanese sites. It has garnered over 200,000 followers on its social media accounts.

⁴⁸ <http://en.royanews.tv/news/12077/2017-10-30>

- Ongoing promotion of its diaspora tourism promotion programme (Ana) which targets 14 million Lebanese abroad and encourages them to visit Lebanon at least once in their lifetime. The campaign's success has resulted in high demand from the Lebanese diaspora living abroad.
- Launch of the project "Visit Lebanon" in May 2017 which included cooperation with tour operators abroad to attract expatriates and foreigners to Lebanon and promote it as a tourist destination for the coming years.
- Hosting of LEBolution, a ten-day touristic, cultural, social and humanitarian event in Lebanon organized by the Youth of the World Lebanese Cultural Union (WLCUY) for young Lebanese descendants from all over the world to reconnect with their motherland. Founded in 2015, the event takes place every two years and includes a number of fun excursions and activities across the country. 300 young men and women of Lebanese origin came for the event, majority visiting Lebanon for the first time.
- Launch of a promotional campaign on Arab television channels and social media to promote the country's latest tourism offers to citizens of the Gulf and other Arab countries.

I.4 Tunisia

129. Tunisia's tourism development strategy focusses on five pillars: product innovation and diversification, tourism promotion, institutional re-structuring, financial restructuring for hotels and upgrading of technology in tourism.
130. Tunisia's positive performance in 2017 is a result of considerable efforts in the implementation of Tunisia's strategy to get out of the crisis, essentially the restoration of the image of the destination to ensure a positive perception among the international community, total mobilization to strengthen the security apparatus in hotels and the main tourist sites, establishment of creative promotional campaigns inclusive of online video marketing; and hosting of informational events, meetings and missions targeting foreign tour operators. The diversification of the tourism offers and the continuous improvement of tourist services remain strategic priorities.
131. Some of the measures undertaken to stimulate and sustain tourism demand are as follows:
- Enhancing safety and security: specific provisions for safety have been put in place in the different tourist areas
 - Granting of loans to tourism businesses that could be repaid over a period of seven years
 - Lifting of entry visas for Indian and Chinese tourists; initiating the process for setting up an electronic visa system. In 2017, growth in Chinese tourist arrivals in Tunisia was among the highest in the world.
 - Product diversification and promotion of cultural tourism, Sahara safari trips and medical tourism packages in overseas markets
132. On December 11, 2017, Tunisia signed the Open Sky agreement with the European Union (EU), which will gradually open up the country's airspace to low-cost flights to and from Europe. The agreement aims to significantly improve Tunisia's tourism industry with a projected 2.7% GDP growth in tourism and travel.

1.5 Morocco

133. Morocco's Department of Tourism has developed a new 4-year strategic action plan that integrates with the government's priorities, namely: activating demand, developing supply; boosting investment, strengthening governance, budget mobilization to support the different regions of the country and improvement of human capital in the tourism sector.
134. The cities of Fez and Meknès are to benefit from the implementation of a regional tourism strategy that was announced in February 2017. Spanning from 2017 to 2021, this strategy will utilise contract programmes, which are essentially government-backed, outsourced plans, in order to further develop the historic and cultural assets of these formerly imperial cities.
135. The new roadmap of the sector will also focus on the study of the current global system (regulatory and incentive framework, mechanisms of financing and support) to bring practical solutions to stakeholders, especially those in difficulty.
136. Some of the specific measures implemented to promote the country as a tourism destination include:
 - Adoption of an emergency plan in 2016 providing for a set of measures ranging from opening new air routes, launching promotional campaigns to showcasing Morocco's attractions and using the Climate COP22 Summit to attract more tourists, resulted in the majority of the country's tourist destinations seeing significant increases in their overnight stays in 2017.
 - New budget air links with Europe and increased flights by national carrier Royal Air Maroc helped boost the growing demand from European source markets, with overnight stays in classified accommodation establishments increasing by 20% in 2017, compared with the previous year. As an example, Dakhla, a city in Western Sahara, is now accessible by air from Casablanca, with ten flights per week, with Las Palmas (Canary Islands) with two direct flights, and with Paris with one flight per week.
 - Launch of digital promotion campaigns in various international markets from 2016 onwards. These have resulted in positive outcomes, especially from European source markets.
 - Introduction of visa exemption policy for Chinese citizens in June 2016, coupled with promotional campaigns targeting the Chinese traveller has led to significant growth from China (+151%) in 2017.

1.6 Bahrain

137. Bahrain's Tourism Strategy and Action Plan 2017-2026 lays out several strategic and infrastructural initiatives aimed to double tourism's contribution to Bahrain's GDP from 3.6% in 2015 to 6.6% by 2020. The strategy's four driving pillars are: awareness, attraction, access and accommodation.
138. Key measures undertaken to step up the sector's contribution to inclusive and sustainable economic growth and development include:

- In 2016, Bahrain launched a “Brand Bahrain” awareness campaign and opened representative offices in key target markets in Europe and Asia and Middle East (Saudi Arabia) to promote and market the country, while helped boost inbound tourism (+12%) in 2017.
 - Introduction of visa facilitation measures such as e-visas for visitors from several countries including India, visas on arrival for citizens of Russia and China and reduction in visa fees, has had a major positive impact on international tourist arrivals in 2017, with strong growth seen from India, China and Russia.
 - Implementation of a marketing plan to position Bahrain as a wedding destination, especially in Asian source markets.
 - Formulating a strategy for developing the handicrafts sector and linking it to the national tourism strategy.
 - Updating the hotels classification system according to international standards in order to improve the quality of the accommodation sector.
 - Continuous improvement in the road entry port to facilitate visitor flows coming through the causeway from Saudi Arabia
139. The Bahrain Tourism & Exhibitions Authority launched its first ever online training programme, which is designed to promote the destination and build awareness, educating the travel trade about Bahrain and its many tourist attractions.
140. Bahrain has also initiated the implementation of a tourism statistics programs to support informative decision making.

I.7 Oman

141. Oman’s long term Oman Tourism Strategy (2016-2040) provides a clearly defined and structured road map to ensure that tourism becomes one of the most important economic pillars for the country’s future, and the destination becomes a model of sustainable tourism in the GCC. New tourism products, including cruise tourism and iconic tourism projects, construction of new hotels, resorts and themed attractions are under consideration, in line with the overall strategy.
142. Oman’s Ministry of Tourism has initiated “Cluster Planning” which is a core element of its strategy implementation. Each area will offer accommodation options, culinary offerings, transportation and unique experiences. The ministry is facilitating issuance of tourism licenses for small and medium enterprises (SMEs) in different governorates to encourage investment and build capacity in the sector.
143. Some of the key measures undertaken to step up the sector’s contribution to inclusive and sustainable economic growth and development in Oman include:
- Opening of new budget hotels in Muscat in 2017 to cater to the mid-market travel segment. Overall accommodation supply has seen 9% rise in 2017 compared to 2016.
 - Simplification of visa entry procedures and introduction of e-visa system to ease the process for visitors to obtain a visa for Oman.
 - Support to the national initiative “Tanfeedh” to prioritize enabling investment in tourism projects e.g. designating tourism investment zones, and agreeing policies across other areas of government that promote and support the tourism sector for businesses and for visitors.

- Introduction of special incentive schemes for mega projects to attract investment. The World Travel & Tourism Council in its 2017 economic impact assessment has ranked Oman as number 3 out of 185 countries in terms of total investments in the year 2017.
- Increase in the number of charter flights to Salalah which has led to a huge increase in visitor numbers. Hotel occupancy in Salalah was one of the highest in the GCC region in 2017.
- National carrier Oman Airways increased capacity to Europe with more daily flights which improved visitor numbers from main European markets, especially Germany with 40% growth.
- Various marketing initiatives were launched in 2017, which included: development of a world class destination app, an online calendar of events, a website exclusively for marketing Oman and an online digital marketing campaign targeting several markets, including Europe, China and India.

144. The Oman Convention & Exhibition Centre (OCEC) hosted 101 events including the second UNWTO/UNESCO world conference on Tourism & Culture, and welcomed over 750,000 visitors in 2017 - its first year of business.

145. Above all, Oman's reputation as a safe destination is seen as a major contributor to the consistent increase in visitor arrivals. The Sultanate scored 0 in the global terrorism index in 2017.

I.7 Qatar

146. 2017 witnessed the launch of Qatar's National Tourism Sector Strategy: The Next Chapter, a five-year plan which will see Qatar Tourism Authority (QTA) transformed into the National Tourism Council (NTC), and the introduction of three new entities that will build the capabilities of the MICE sector, develop tourism products, and expand the presence of the Qatar destination brand internationally. The strategy charts pathways to leverage key sporting events to attract sports tourists, introduce new festivals and events, capitalize on Qatar's natural assets to create unique coastal, marine and desert experiences; and celebrate Qatar's culture with the world through the development of a Cultural District.

147. The situation in the region since June 2017 caused a constraint on tourism development during the second half of the year. Travel bans on nationals of the GCC countries had a significant impact, as did extended flight times and costs for non-national residents of those countries. These events have acted as a catalyst, fast-tracking strategic developments that are anticipated to spur long-term growth in the years to come.

- During the summer, Qatar introduced an e-visa platform which allows travellers of all nationalities to apply for tourist visas online. This was followed by waiving entry visa requirements for citizens of more than 80 countries. Increases were recorded in visitor arrivals from key primary markets, including China, Russia, South Africa, Australia and Brazil.
- In September 2017, Qatar introduced the Electronic Travel Authorisation System (ETA), which allows visitors of all nationalities who have a visa to or residence permit in certain countries, including Schengen countries, Australia, the UK, the US, and Canada to obtain an ETA 48 hours before visiting Qatar, which in turn allows them to obtain a visa-on-arrival.
- These positive developments build on the free 96-hour transit visa introduced in November 2016, and accompanying +Qatar campaign, which ran from May to December 2017, and continued to attract more stopover visitors.

148. In September, QTA announced the opening of three representative offices in China, in Beijing, Shanghai and Guangzhou. This followed the visa waiver requirements for Chinese citizens, announced in August. QTA has an official website now available in Mandarin.
149. Representative offices in India and Russia were also announced, expected to be opened in early 2018. Qatar has waived entry visa requirements for citizens of both these countries.
150. QTA signed a partnership agreement with visa processing services provider VFS Global for entry procedures for cruise passengers. Qatar welcomed 22 ships at Doha Port during the season ending in April 2017, and expects to triple the number of cruise ships visits over the next three years, bringing the number of cruise tourists to nearly 300,000 during the 2019-2020 season.
151. In addition, QTA launched more than 200 international media and promotion campaigns to encourage tourism in Qatar. It has been ably supported by Qatar Airways which launched a number of consumer promotions through the year, including its 'Global Travel Boutique' promotion, which offered passengers discounts of up to 50% on fares.

I.8 Saudi Arabia

152. To achieve the tourism strategic objectives under the National Transformation Programme of the Saudi Vision 2030, the Saudi Commission for Tourism and National Heritage (SCTH) has launched a number of developmental projects across the Kingdom and initiated several measures for development of tourism and to increase domestic tourism, including:
 - Investment in major transport infrastructure
 - Capacity expansion at the Holy Mosques in both Mecca and Madinah
 - Private sector investment in hotels and resorts
 - Investment in parks, attractions, festivals and other recreational activities
 - Investment in the preservation of heritage sites
 - Introduction of the "Post Umrah Programme" which allows Pilgrims to travel around the Kingdom
 - Provision of tourism skills training to Saudi citizens
153. Developments are under way to achieve these goals by the year 2020. Where some targets have been met, others are at various stages of development. These developments are aimed to make Saudi Arabia a key touristic destination regionally and globally.
154. In 2017, Saudi Arabia underwent significant reformation that directly impacts the tourism sector. The Saudi government made the decision to lift the ban on women driving, and to make electronic tourism visas available for 65 countries. Visas were previously restricted to people traveling to the country for work or to visit its holy sites. Plans are underway to make these decisions fall into effect by June 2018.
155. Other accomplishments in the year include improvements and expansions in airports such as King Khaled Riyadh airport and expansions in the Holy Mosque of Mecca and the city itself which contributed to the overall increase in visitors for religious purposes. The new Haramin high speed rail that ties Mecca, Madinah, downtown Jeddah, and King Abdul-Aziz Jeddah airport together has also been completed.

156. By 2020, key policy decisions and various investment projects will be implemented that will grow the tourism industry in Saudi Arabia significantly.
- Plans and projects are underway to increase the overall number of visitors from 61 million to an estimated 82 million visitors by 2020.
 - As mentioned, the ban on women driving will be lifted and implemented, and electronic tourist visas will be available for 65 countries by June 2018.
 - An increase in the total GDP contribution of tourism in Saudi Arabia from 2.9% to 3.1%.
 - A 15% increase in tourism investments is targeted for the industry.
 - 5 new tourist destinations are being developed in the country, including pristine islands, heritage and historical sites, and attractive natural areas.
 - A 36% increase in the number of public and private museums is underway.
 - 155 national archaeological heritage sites will be developed and open to visitation from an initial 75 sites.
 - An increase in urban heritage sites from 10 to 28 sites.
 - For UNESCO World Heritage Sites, a possible 10 sites are intended for nomination from an initial 4 world heritage sites.

I.9 United Arab Emirates

157. Tourism policy and operations are currently the reserve of the seven individual Emirates in the United Arab Emirates (UAE). A national tourism strategy under the aegis of the UAE Ministry of Economy is under consideration, which would help drive sustained and sustainable growth in the tourism economy across all the Emirates of the UAE. The federal ministry intends to focus on a number of issues, including promotion of domestic tourism and green tourism.
158. Tourism policies and action plans of Dubai and Abu Dhabi, the key tourism destinations in the UAE, are highlighted below.

I.9.1 Dubai

159. Tourism is a central pillar of Dubai's economic growth and diversification strategy. Dubai's Tourism Vision for 2020 is a strategic roadmap with the key objective of attracting 20 million visitors per year by 2020, that is, over 4 million additional arrivals in the next three years, compared to the 15.8 million visitor arrivals in 2017.
160. Dubai's Department of Tourism and Commerce Marketing (DTCM) aims to achieve the target by:
- Maintaining market share and momentum in existing source markets
 - Increasing market share in markets with high growth potential, including emerging markets
 - Increasing the number of repeat visitors from all markets and encourage them to stay longer
161. Additionally, as part of its social and economic development plans, DTCM aims to build future leaders and enhance capacity within the Emirati community to increase the number of nationals working in the tourism industry.
162. DTCM has developed a number of enablers to support the tourism industry. These include:

- Dubai College of Tourism (DCT) - to ensure a superlative and consistent visitor experience, to create brand ambassadors and expertise in the sector and to provide effective sales tools to market and promote the Dubai brand.
- Digital Reputation Report - to provide feedback to the industry on the true voice of the consumer, by amalgamating reviews from different sources and developing a reputation score for each hotel establishment in Dubai
- Dubai expects to fully realise the benefits of the tourism proposition enablers like theme parks that serve to raise the family-attractiveness of Dubai while the recent openings of the Etihad Museum, Dubai Opera, Dubai Frame, Dubai Safari and the development of the Dubai Historic District, all deliver strong appeal to travellers seeking art, culture and heritage.
- The emirate's well-established business and consumer events industry continues to be a key economic contributor, with the delivery of a strong and regularly renewed annual calendar of global pillar events, central to the value-creation agenda for tourism

163. Increase in accommodation options, increase in air connectivity and visa rule relaxation for citizens of China, Russia and India are also enablers that ensure that Dubai remains price competitive and hugely attractive for a broad range of global travellers.

I.9.2 Abu Dhabi

164. The Department of Culture and Tourism (DCT) regulates, develops and promotes the Emirate of Abu Dhabi, with the aim of supporting Abu Dhabi's evolution into a world-class, sustainable destination of distinction. The department is also tasked with cultural and heritage preservation. DCT's strategy is geared towards contributing to the nation's vision of economic diversification by positioning and promoting Abu Dhabi as an inspiring destination rich in cultural authenticity, diverse natural offerings and unparalleled family leisure and entertainment attractions.

165. The Emirate of Abu Dhabi has achieved double-digit (10%) growth in visitor arrivals in 2017 as compared to the previous year. This growth was driven by several factors:

- Easing of visa restrictions for Chinese visitors, which led to an impressive 60% growth year on year in Chinese hotel guests. China became Abu Dhabi's largest overseas source market with over 370,000 visitor arrivals in 2017.
- Visa on arrival for Russian and Indian visitors (with valid UK/US visas) also boosted growth from these markets. In addition, Abu Dhabi has partnered with a leading aviation and tourism services provider, for twice-weekly charter direct flights between Russia and Abu Dhabi.
- Hosting a packed annual calendar of leisure, and culture and business events which included WorldSkills Abu Dhabi 2017, the world's largest vocational skills competition, which attracted 100,000 participants and spectators over three days.
- The Formula 1 Etihad Airways Abu Dhabi Grand Prix was again a resounding success attracting 195,000 spectators over four days.
- Annual events such as the Mother of the Nation Festival, Abu Dhabi Summer Season, Chinese New Year, the Abu Dhabi Food Festival, Dar Al Zain Festival and the New Year's Countdown Village amongst many others added to the domestic and international visitor numbers.
- The opening of Louvre Abu Dhabi on November 11 garnered worldwide headlines and instantly became an iconic landmark on the city's geographical, cultural and tourist landscape, attracting visitors from all over the world.

166. To strengthen ties with key global source markets, the DCT hosted delegations of senior travel industry experts from the United States and India on a tour of the emirate's key attractions, while leading strong industry delegations from Abu Dhabi to several cities in China, Germany, United States, Russia, United Kingdom, Ireland among others. It also participated in major international travel and trade fairs and festivals in key source markets.

I.10 Kuwait

167. Kuwait is seeking to develop its tourism sector as an important economic resource based on its development plan 'New Kuwait 2035', supported by its geographical location, and driven by its vision to transform the country into a commercial and financial centre. Kuwait is working on developing sustainable tourism and promoting investment in this sector, in order to reduce unemployment rates, diversify sources of national income and reduce dependency on oil.

168. Kuwait's positive tourism performance in 2017 is attributed to a number of factors.

- A variety of cultural activities in Kuwait that have led to an increase in visitors from neighbouring countries (GCC). These include round-the-year activities organized by the Jaber Al-Ahmad Cultural Center (JACC), Al Shaheed Park - the largest urban park in Kuwait, and the National Council for Culture, Arts and Literature.
- The Gulf Football Tournament (relocated from Qatar), local exhibitions and shopping festivals held in Kuwait City all contributed to an increase in domestic and regional tourism in Kuwait.
- 2017 also saw the introduction of online visas or visa on arrival for visitors from 54 countries. In addition, visa procedures for GCC residents (of certain professions) have been streamlined to encourage business and leisure tourism, which contributed to the increase in visitor numbers this year.

169. The hotels sector in Kuwait has grown significantly with the establishment of a series of new projects that added value to existing hotels. A comprehensive road network is currently being developed and expansion of Kuwait International Airport is also under way to increase the passenger capacity of the airport. In addition, various cultural and tourism development projects are under construction.

170. Kuwait has earmarked US\$1 billion for tourism promotion over the next six years as it aims to increase visitor numbers to 440,000 a year by 2024.

I.11 Syria

171. Due to the current crisis in the country, Syria's tourism policy has focused on short-term plans or "crisis management" to keep up with a changing reality:

- Attracting funding for developmental programmes and projects related to development of the local communities.
- Putting in place an integrated legislation for tourism investment in the country
- Promoting tourism investment opportunities through tourism investment forums.
- Preparing regulations and facilities for creating tourism cities and free tourism zones.
- Providing incentives and facilities for the reconstruction of damaged tourism projects.
- Developing legislations for regulating the tourism business sector.
- Activating public-private strategic partnerships to develop the tourism sector
- Using information technology tools and programmes, in addition to modern techniques for tourism promotion.

- Completing the programme of workers' qualification in the specialized fields of tourism.
 - Developing a system of monitoring tourism statistics for informed decision making
 - Invigilating tourism facilities to ensure service quality
 - Creating investment opportunities for potential investors or entities that have investment funds such as associations or unions and banks.
172. Visitor arrivals in Syria increased by 25% in 2017 over the previous year, mainly constituted of expatriates, business travellers and religious tourists. The increase in business visitors was attributed, in part, to three large international fairs held in Damascus in the second half of the year.⁴⁹
- The first and largest fair was the 59th Damascus International Fair, held during August 17-26, 2017 and attended by a record number of delegates from 43 countries. Held after a six-year hiatus, the fair attracted two million visitors, more than any of the fairs held before the war.
 - In September, the Rebuild Syria Exhibition 2017 was held, attended by 164 companies from 23 countries in the Arab world and elsewhere, and in October, the sixth International Energy Fair took place in Damascus, attended by some 45 Syrian, Arab and other companies.
173. 2017 saw resumption of work on some stalled projects which have been contracted with external investment companies.

J. Short- term forecasts for MENA tourism

J.1. Outlook for 2018

174. Based on the analysis of tourism trends in 2017, the UNWTO Confidence Index and economic projections, international tourist arrivals are forecast to grow between 4% and 5% worldwide in 2018. For the Middle East, UNWTO forecasts international tourist arrivals to increase by 4% to 6% in 2018, sustaining the 5% growth achieved in 2017. Prospects for Africa point to 5% to 7% growth. The forecast interval is wider in these regions due to higher uncertainty and disruption risks.
175. The latest survey by the UNWTO Panel of Experts confirms these positive expectations. The panel of experts from Africa (162) have the highest expectations for 2018, as international tourism recovered further in 2017 after subdued growth in earlier years. In the Middle East (146), experts also remain optimistic, after a return to growth in 2017.
176. Whilst the diplomatic situation between the GCC countries gives cause for concern; there are more reasons to be optimistic. In the current year, Saudi Arabia is about to introduce new e-visas for tourists, flights to Egypt from Russia are due to resume by April, and the FIFA World Cup, taking place in Russia this summer, is likely to produce a short-term lift in transit passengers.

J.2. Tourism policies and strategies impacting performance in 2018

177. Political stability, enhanced security measures, market and product diversification, visa facilitation policies, lifting of travel restrictions, new routes and capacity enhancement in the aviation sector, capacity growth in the accommodations sector, tourism marketing and promotion in key source

⁴⁹ <https://www.memri.org/reports/damascus-international-fair-%E2%80%93-show-strength-syrian-regime>

markets are some of the key factors that have helped MENA tourism to return to positive growth in 2017. These measures will have an ongoing positive impact on tourism performance in 2018 and beyond.

178. Going forward, several destinations have initiated or are planning to implement additional measures that will help restore, sustain or accelerate growth in the current year, and the years to follow.
- 2018 will see the Egyptian government pursue a number of tourism investments including a new national museum and a series of new airports across the country. In addition, a tourism promotional campaign in the English market has been initiated in January 2018, which is already seeing positive results.
 - The launch of 14 new airline routes to Jordan operated by the European low-cost carrier Ryanair, scheduled to start from summer 2018, is expected to boost tourism demand from Europe.
 - Jordan and Egypt are also looking to develop joint tourism promotional offers to exploit untapped opportunities to boost bilateral and inbound tourism to both countries. The possibility of starting a direct line between Cairo and Aqaba through low cost carriers is currently being studied.
 - International tourism promotion, visa facilitation policies and vigilance in countering terrorist threats contributed to the growth in international tourist arrivals in Morocco in 2017. Morocco's tourism development priorities for 2018 include improving air connectivity with its main tourist markets, as well as with new, high growth markets; enhancing tourism investment; improving the competitiveness of its tourism offer; improving Morocco's visibility as a tourist destination, through promotional campaigns, partnerships with tour operators, and hosting of major events; and strengthening domestic tourism.
 - Oman is looking at a +5% growth year over year in 2018. Strong focus will be on GCC, European and the India market in the short term. In the medium term, Oman is looking at develop the Russian, Chinese and Iranian markets.
179. Qatar has witnessed tourism down by over 20% in 2017. In the current year, Qatar Tourism Authority's focus will be on reviving inbound tourism by pursuing specific initiatives and actions:
- Activating the newly-opened representative offices in China, and to ensure industry members are equipped to tap into the largest outbound tourism market in the world.
 - It will also enter the Russian and Indian markets, with representative offices due to open shortly.
 - Hosting several mass-participation sports events in the country to grow sports tourism, its main tourism product.
 - Upscaling international tourism promotion campaigns to encourage visitor arrivals from global markets, to make up for the drop in arrivals from regional destinations such as Saudi Arabia, UAE and Bahrain due to the ongoing embargo on travel.
180. Other destinations will also have short term measures for the year, but will majorly benefit from forward-looking policies and strategies set in motion in the previous year(s), as highlighted in this report.

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