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Tourism trends in mediterranean countries

EUROPEAN COMMISSION

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4

THEME 4
Industry, trade and services

CONTENTS

For further information on Tourism Statistics by Eurostat, please refer to the following publications:

Tourism in Europe and the Mediterranean countries - Key Figures 1998-1999, 2000, Eurostat (CA-23-00-047-EN-C)
Tourism in the Mediterranean countries - Key Figures 1997-1998, 1999 Eurostat (CA-23-99-039-EN-C)
Tourism in the Mediterranean countries, Statistics in Focus - Tourism, Theme 4, 04/1999, Eurostat (CA-NP-99-004-EN-C).
Tourism in Europe - Trends 1995 - 98, 2000, Eurostat (KS-28-00-591-EN-C)
Tourism in Europe - Key figures 1997-1998, 1999, Eurostat (CA/23/99/031/En/C)
Inbound tourism flows rising in Europe, Statistics in Focus - Tourism, Theme 4, 05/1999, Eurostat (CA-NP-99-005-EN-C).
Community methodology on tourism statistics, 1998, Eurostat – DG XXIII (ISBN 92-828-1921-38).

For general information on statistics produced at Community level, please refer to the Eurostat Catalogue (ISBN 92-828-0093-8) and to the internet site: www.europa.eu.int/comm/eurostat

For information on Euro-Mediterranean statistical co-operation, please contact Eurostat:
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For information on statistics and methodology in this publication, please contact Eurostat:
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For information on Community activity in the field of Tourism, please refer to :

Enhancing Tourism's Potential for Employment - COM(1999) 205 final of 28.04.1999.
Conclusions and recommendations of the High Level Group on Tourism and Employment, European Commission, DG XXIII, October 1998.
Community Measures Affecting Tourism (1995-96) - Third Report from the Commission, COM (97) 332 final of 02.07.1997
Results from the Eurobarometer survey no 48 regarding the profile of the Europeans on holiday:Facts and figures on the Europeans on holiday, (1997-98), 1998, DG XXIII

For further information on Community activity in the field of Tourism, please contact DG ENTERPRISE:
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FOREWORD

The exchange of comparable information collected at Community level increases the value of the information produced at national level due to the importance of international tourism flows in the Mediterranean region. Moreover, tourism includes a wide range of economic activities that have an influence on - and depend upon - various economic sectors. Compilation of statistical information in a global framework is essential for evaluating the impact of tourism and its performance, exploiting all relevant sources, thus providing public authorities and the industry with valuable information.

Tourism and the need for information on tourism has from the outset of the Euro-Mediterranean co-operation initiative been considered of high interest. The Barcelona Declaration on Euro-Mediterranean co-operation adopted in November 1995 makes in its work programme specific reference to actions on tourism, notably in the field of "information, promotion and training" and to statistics to "promote co-operation on statistics in order to harmonise methods and exchange data". Moreover, the Council Resolution on Euro-Mediterranean co-operation regarding tourism, explicitly mentions statistical co-operation in this field.

In response to the Barcelona Declaration statistical co-operation (MEDSTAT) between EU and the Mediterranean countries was launched in 1996. The European Community under the MEDA regulation finances the MEDSTAT programme, which is a programme running up to the year 2004. This general statistical programme covers a number of priority fields including tourism, migration, transport, national accounts, external trade, environment and non observed economy.

Under the control and guidance of the responsible services of the European Commission, CESD-Madrid, an agency of the Spanish National Statistical Institute (INE), has been given the responsibility to guarantee the execution of the tourism statistics project (MED-Tour).

This first panorama publication on Tourism in the Mediterranean countries has been produced within the framework of the Euro-Mediterranean co-operation project on tourism statistics (MED-Tour. This project, whose principal objectives are to improve the exchange of statistical information and achieve comparability through convergence in data collection methods, comprises a number of actions including the dissemination of existing statistical information. As the project bears its fruits, this publication and other means of dissemination can provide a reliable and comparable of source of information on tourism between the EU and Mediterranean countries and between the Mediterranean countries themselves.

Thanks to the active involvement of Statistical Institutes and Public Administrations responsible for tourism statistics within the Euro-Med region, co-operation with and among the participating countries is making significant progress.

Yves Franchet
Director General, Eurostat

Fabio Colasanti
Director General, DG Enterprise

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The views expressed in the publication are those of the authors and do not necessarily reflect the opinion of the European Commission.

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Ministry of Tourism of Turkey

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Symbols used throughout the publication:

:	➜ not available
. .	➜ not applicable or not existing
-	➜ Value "0" or less than half the unit used

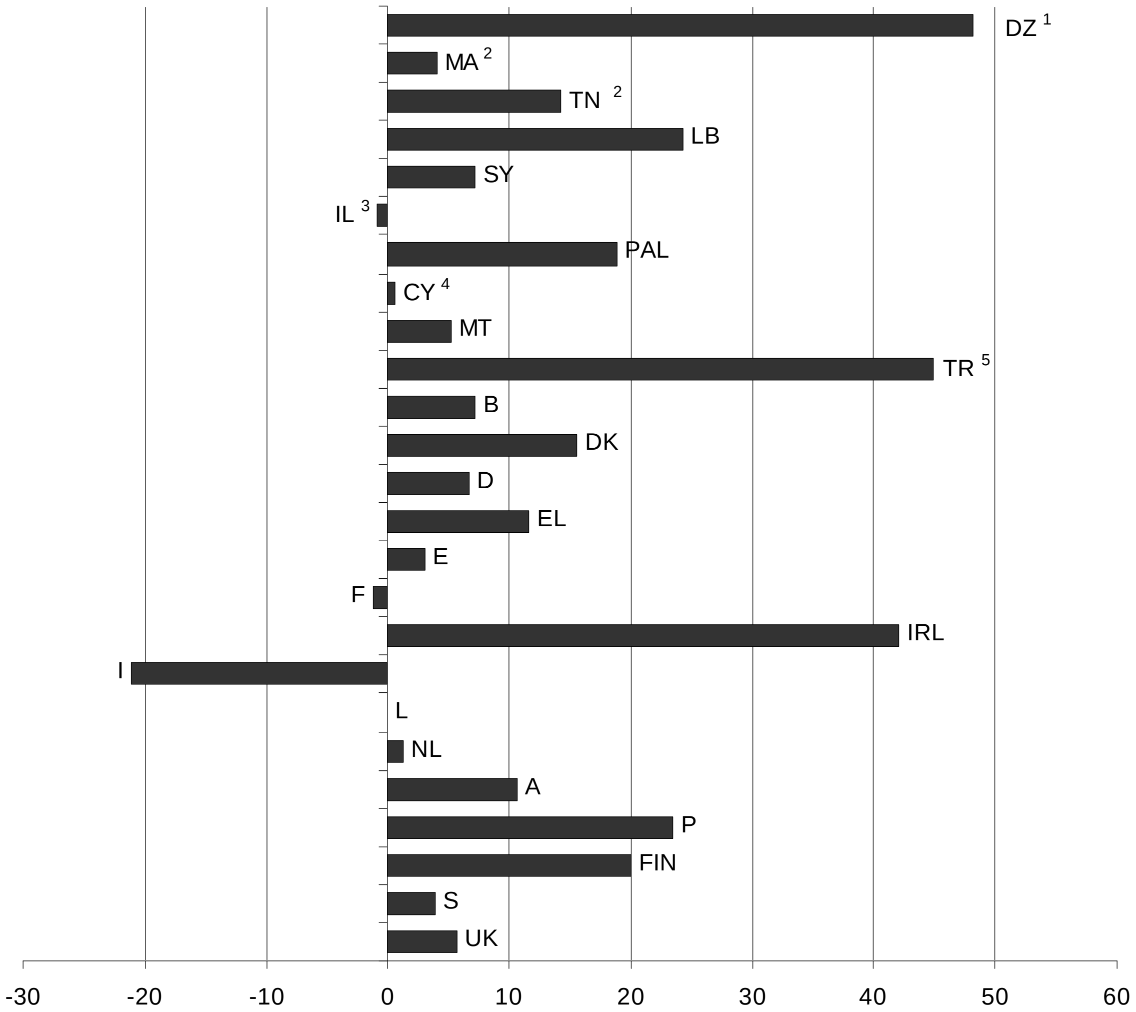
TOURISM IN THE EURO-MEDITERRANEAN REGION

Part I: General situation and main indicators

Employment

Since the mid '90s employment generated by the tourism industry within the Euro-Mediterranean area has been generally increasing. Tourism employment in Algeria increased by 48% in 1998 compared to 1995, in Turkey by 45% and in Tunisia by 14%. In the European Union, the labour force employed in the hotel and catering sector has increased by 2.3% for the same reference years. Exceptionally in Ireland it increased by about 42%, in Portugal by nearly 24% and in Finland by 20%. On the other hand, in Italy it diminished by 21%.

% change in employment in the tourism industry - 1998/1995



([1]) Employment in the hotel and catering in the public sector. ([2]) Direct employment in the tourism industry.
([3]) Accommodation services and restaurants.
([4]) Restaurants & Hotels, Travel Agencies, Foreign Airline Offices, Activities of Tourist Guides, Rental of Self-drive cars.
([5]) Estimates of the total number of personnel in MOT Licensed establishments.
For EU countries: Total employment for 15 years and over in Hotels and restaurants. Source: Labour Force Surveys.

Employment in the tourism industry/lodging and catering sector (in thousands)

		1993	1994	1995	1996	1997	1998	1999	% 95/98	% 99/98
DZ	Algeria [1]	7.8	8.6	7.7	8.5	10.8	11.4	12.1	48.1	5.5
MA	Morocco [2]	321.6	327.6	350.4	357.6	361.2	364.8	372.0	4.1	2.0
TN	Tunisia [2]	:	60.0	64.6	68.0	71.3	73.8	76.8	14.3	4.0
EG	Egypt [3]	:	:	:	201.3	:	:	:	. .	. .
JO	Jordan	:	:	:	:	:	:	:	. .	. .
LB	Lebanon	:	:	32.8	:	:	40.7	:	24.3	. .
SY	Syria	32.5	33.2	33.4	34.8	35.0	35.8	:	7.2	. .
IL	Israel [4]	60.1	73.5	81.0	75.9	75.5	80.6	90.2	-0.5	11.9
PAL	Palestine		5.2	6.1	6.2	7.8	7.3	:	18.9	. .
CY	Cyprus [5]	:	:	33.0	33.3	32.8	33.2	:	0.6	. .
MT	Malta [6]	8.1	8.2	8.6	8.5	9.1	9.0	9.5	5.3	5.1
TR	Turkey [7]	88	104	117	132	150	169	:	44.8	. .
EU15		**:**	**:**	**5 830**	**5 903**	**6 120**	**5 965**	**6 132**	**2.3**	**2.8**
B	Belgium	109.0	116.0	125.0	124.0	130.0	134.0	127.0	7.2	-5.2
DK	Denmark	71.0	62.0	64.0	71.0	78.0	74.0	65.0	15.6	-12.2
D	Germany	:	:	1 053.0	1 131.0	1 165.0	1 124.0	1 163.0	6.7	3.5
EL	Greece	203.0	212.0	223.0	229.0	230.0	249.0	253.0	11.7	1.6
E	Spain	650.0	715.0	772.0	736.0	786.0	796.0	855.0	3.1	7.4
F	France	716.0	729.0	736.0	718.0	726.0	727.0	762.0	-1.2	4.8
IRL	Ireland	62.0	68.0	69.0	72.0	76.0	98.0	103.0	42.0	5.1
I	Italy	801.0	824.0	840.0	851.0	883.0	663.0	742.0	-21.1	11.9
L	Luxembourg	9.0	10.0	8.0	8.0	9.0	8.0	6.0	0.0	-25.0
NL	Netherlands	192.0	235.0	237.0	207.0	220.0	240.0	253.0	1.3	5.4
A	Austria	:	:	187.0	194.0	205.0	207.0	209.0	10.7	1.0
P	Portugal	213.0	200.0	204.0	215.0	218.0	252.0	252.0	23.5	0.0
FIN	Finland	:	:	50.0	66.0	60.0	60.0	78.0	20.0	30.0
S	Sweden	:	:	101.0	101.0	104.0	105.0	110.0	4.0	4.8
UK	United Kingdom	1 096.0	1 092.0	1 161.0	1 180.0	1 230.0	1 228.0	1 154.0	5.8	-6.0

([1]) Employment in the hotel and catering in the public sector. ([2]) Direct employment in the tourism industry. ([3]) Situation in June. ([4]) Accommodation services and restaurants. ([5]) Restaurants & Hotels, Travel Agencies, Foreign Airline Offices, Activities of Tourist Guides, Rental of Self-drive cars. ([6]) Figures for 1993 cannot be compared with the other years. Revised figures as from January 1994. ([7]) Estimates of the total number of personnel in MOT Licensed establishments. For MED countries: data not comparable. For EU countries: Total employment for 15 years and over in Hotels and restaurants. Source: Labour Force Surveys.

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TOURISM IN THE EURO-MEDITERRANEAN REGION

Travel item in the Balance of Payments

Total international travel receipts in the Euro-Mediterranean region[1] in 1995, amounted to ECU 140 247 million, of which 90% is attributable to the European Union. In 1998, total travel receipts for the Euro-Mediterranean region amounted to ECU 175 823 million, i.e. 25.4% more than in 1995. In 1998 the Mediterranean countries[1] recorded an increase of 32.7% in their total international tourism earnings compared to 1995 and the European Union, 24.6%.

Travel item in the Balance of Payments (Mio ECU)

		1995			1998			% change 98/95		
		Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
Euro-Med total [1]		**140 247**	**127 520**	**12 727**	**175 823**	**159 594**	**16 229**	**25.4**	**25.2**	**27.5**
MED – Total [1]		**13 778**	**5 099**	**8 679**	**18 289**	**7 123**	**11 166**	**32.7**	**39.7**	**28.7**
DZ	Algeria	24	142	-118	66	240	-174	169.8	68.7	-47.7
MA	Morocco [2]	889	231	658	1 528	378	1 150	71.9	63.5	74.9
TN	Tunisia	1 165	191	974	1 477	209	1 268	26.8	9.5	30.2
EG	Egypt	2 052	977	1 075	2 288	1 024	1 264	11.5	4.8	17.6
JO	Jordan	505	325	180	690	315	375	36.5	-3.3	108.5
LB	Lebanon	534	:	:	974	:	:	82.4	. .	. .
SY	Syria	1 023	381	642	1 061	517	544	3.8	35.9	-15.3
IL	Israel	2 266	1 620	646	2 370	2 120	250	4.6	30.9	-61.3
PAL	Palestine	186	119	66	284	217	66	52.8	82.4	-0.1
CY	Cyprus [2]	1 374	252	1 122	1 538	366	1 172	12.0	45.2	4.5
MT	Malta [2]	505	163	341	585	172	413	16.0	5.4	21.0
TR	Turkey	3 790	697	3 092	6 402	1 565	4 837	68.9	124.4	56.4
EU15		**126 469**	**122 421**	**4 048**	**157 534**	**152 471**	**5 063**	**24.6**	**24.5**	**25.1**
B	Belgium [3]	4 475	6 869	-2 394	4 877	7 927	-3 050	9.0	15.4	-27.4
DK	Denmark	2 814	3 275	-461	2 909	4 097	-1 188	3.4	25.1	-157.7
D	Germany	13 668	39 845	-26 177	14 676	41 925	-27 249	7.4	5.2	-4.1
EL	Greece	3 146	1 011	2 135	5 264	1 558	3 706	67.3	54.1	73.6
E	Spain	19 476	3 422	16 054	26 666	4 470	22 196	36.9	30.6	38.3
F	France	21 064	12 497	8 567	26 745	15 896	10 849	27.0	27.2	26.6
IRL	Ireland	1 687	1 552	135	2 316	2 117	199	37.3	36.4	47.4
I	Italy	20 946	9 711	11 235	26 640	15 707	10 933	27.2	61.7	-2.7
NL	Netherlands	5 021	8 908	-3 887	6 070	9 816	-3 746	20.9	10.2	3.6
A	Austria	10 936	8 810	2 126	9 989	8 498	1 491	-8.7	-3.5	-29.9
P	Portugal	3 709	1 616	2 093	4 755	2 159	2 596	28.2	33.6	24.0
FIN	Finland	1 253	1 738	-485	1 456	1 843	-387	16.2	6.0	20.2
S	Sweden	2 642	4 156	-1 514	3 738	6 891	-3 153	41.5	65.8	-108.3
UK	United Kingdom	15 632	19 011	-3 379	21 433	29 567	-8 134	37.1	55.5	-140.7

([1]) Lebanon not included. ([2]) Converted from National currency into ECU. For all other Mediterranean countries converted from US$ into ECU. ([3]) Belgium-Luxembourg Economic Union.

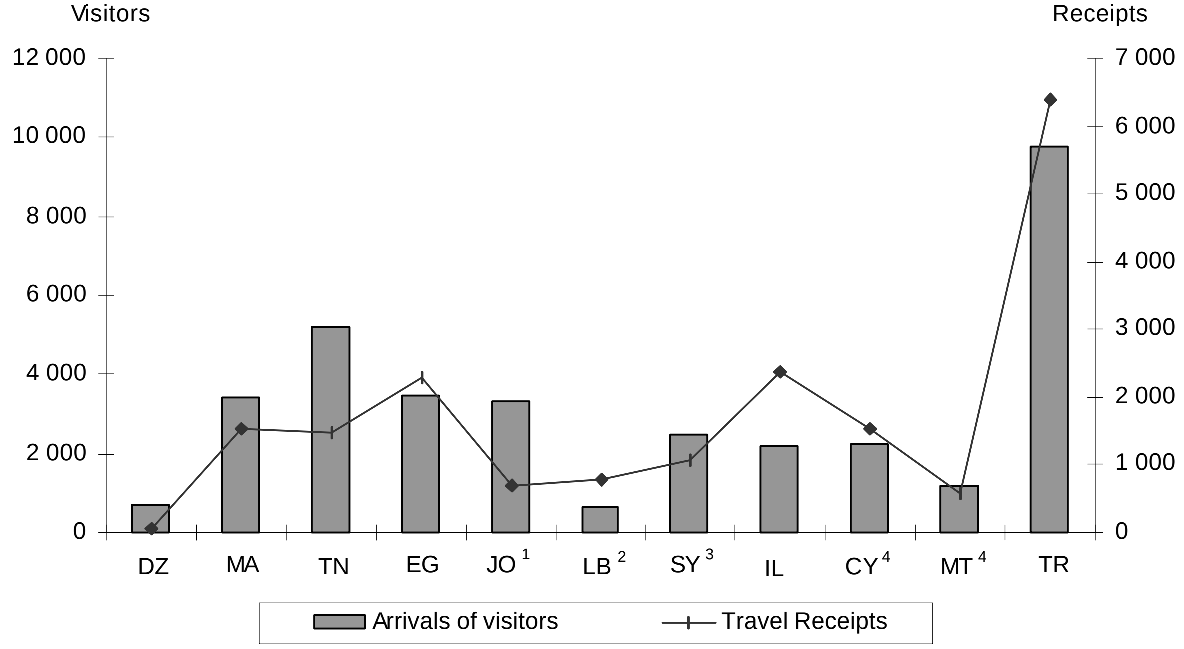
[1] Lebanon not included.

The EU countries that recorded the highest increases in travel receipts in 1998 compared to 1995 were Greece (67.3%), Sweden (41.5%), Ireland (37.3%), Spain (36.9%), Portugal (28.2%), followed by Italy, France and The Netherlands. However, Austria recorded in this same period a decrease of 8.7% in its income from inbound tourism. All the Mediterranean countries recorded an increase in receipts from international tourism in 1998 compared to 1995. Noteworthy are: Algeria, with an increase of 169.8%, Morocco (71.9%), Turkey (68.9%), Palestine (52.8%), Jordan (36.5%) and Tunisia (26.8%), followed by Malta, Cyprus, Egypt, Israel and Syria.

Of the EU countries France, Spain and Italy are the top ranking international tourism export earners, with ECU 26 745 million, ECU 26 666 million and ECU 26 640 million respectively in 1998. Of the Mediterranean countries Turkey is the largest international tourism export earner, with ECU 6 402 million, followed by Israel with ECU 2 370 million and Egypt with 2 288 million in 1998.

The graph below illustrates the relationship between physical flows of inbound tourism (arrivals of visitors from abroad to the Mediterranean countries) and the foreign trade earnings generated by inbound tourism.

Arrivals of visitors at borders (in thousands) and Travel Receipts (Mio ECU) in the Mediterranean Countries – 1998

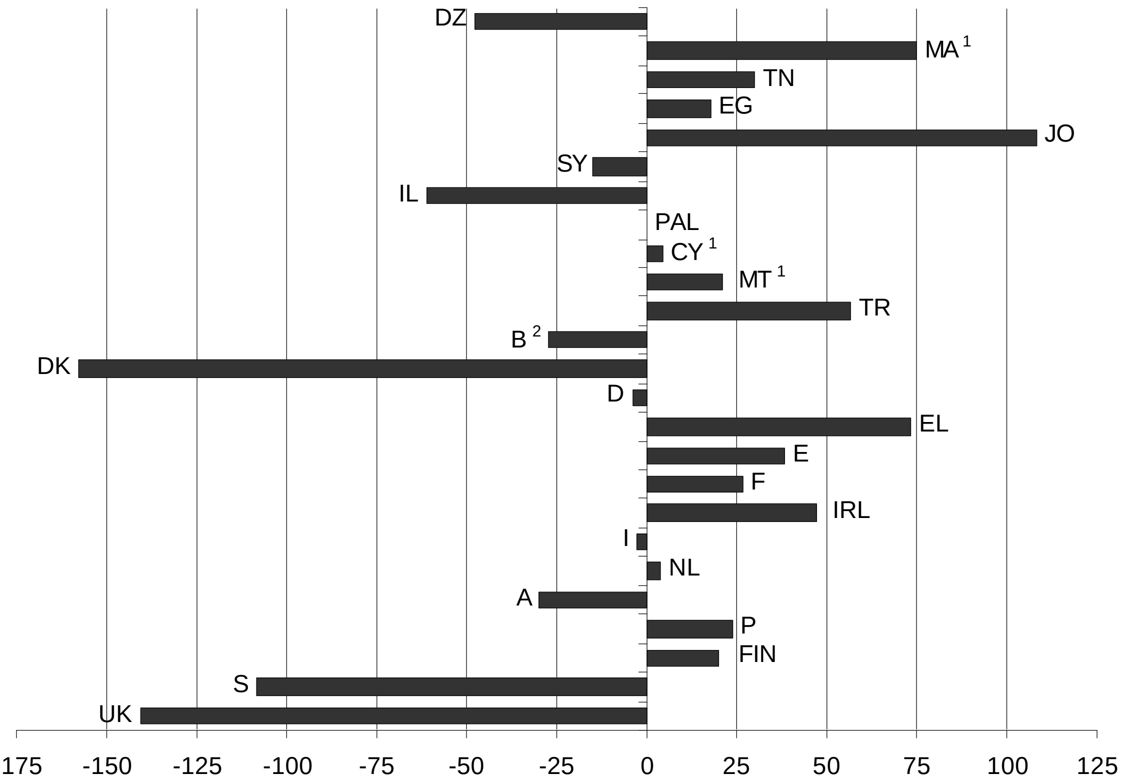


(1) Excluding Jordanians. (2) Lebanese and Syrians excluded. (3) Excluding Syrians. (4) Arrivals of tourists from abroad.

All the Mediterranean countries[2], except Algeria enjoy a surplus in their international travel account. In 1998, Turkey recorded the largest surplus with ECU 4 837 million, followed by Tunisia with ECU 1 268 million and Egypt with ECU 1 264 million, followed by Cyprus and Morocco. In 1998 Jordan recorded the highest percentage increase in its net travel account (108.5%), followed by Morocco with a 74.9% increase and Turkey with a 56.4% increase compared to 1995. The travel account surplus for the Mediterranean countries as a whole amounted to ECU 11 166 million compared to ECU 8 679 million in 1995, increasing by 28.7%, and amounting to double that of the surplus of the EU (ECU 5 063 million) in 1998.

Of the EU countries Spain recorded the largest surplus in 1998, with ECU 22 196 million, followed by Italy with ECU 10 933 million and France with ECU 10 849 million. Between 1995 and 1998, the EU net travel account increased by 25.1%. The countries with the highest increases were Greece (73.6%), Ireland (47.4%), Spain (38.3%) and Portugal (24.0%). In 1998, the EU countries whose balance showed the highest deficit were Germany (ECU -27 249 million), United Kingdom (ECU -8 134 million), Sweden (ECU -3 153 million), The Netherlands (ECU - 3 746 million), Denmark (ECU -1 188 million).

% change of Net account in the Travel Item in the Balance of Payments 1998/1995



([1])Converted from National currency into ECU. All the others figures for the Mediterranean countries are converted from US$ into ECU. ([2]) Belgium-Luxembourg Economic Union.

The graph above illustrates that the variation of the net account of the travel item of the balance of payment in 1998 compared to 1995 indicates a positive trend for the majority of the countries.

[2] *Lebanon not included.*

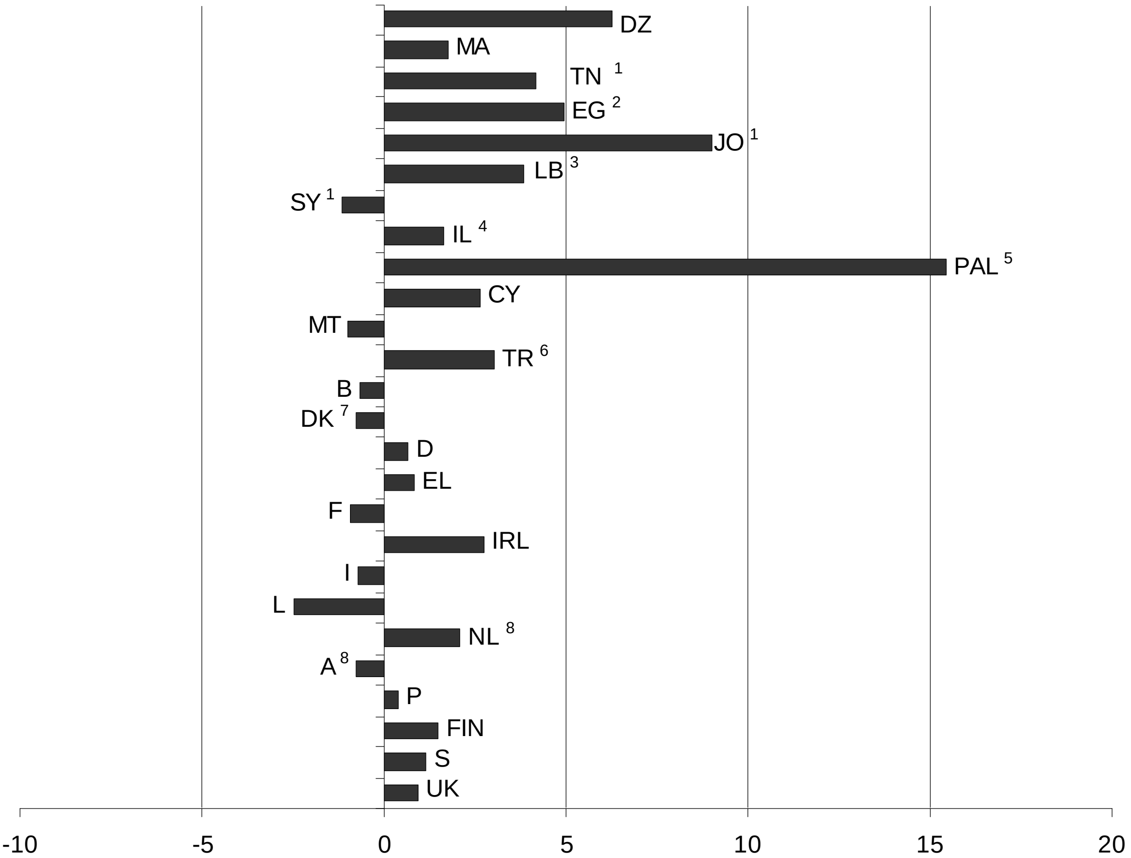
Part II: Tourism Supply

Infrastructure and Accommodation Capacity

In 1998 there were over 194 669 hotels and similar establishments in the Euro-Mediterranean region, of which 8 177 were accounted for by the Mediterranean countries with an accommodation capacity of nearly 1.2 million bed-places. In the European Union, there were over 186 492 hotels and similar establishments with an accommodation capacity of over 9 million bed-places. Compared to 1995, the number of hotels and similar establishments in the Euro-Mediterranean region dropped slightly by 1.1%, whereas the number of bed-places increased by 5.6%.

In 1998 compared to 1995, the number of hotels and similar establishments in the Mediterranean countries increased significantly by 10.1% and the number of bed-places by 13.5%. On the other hand in the European Union the number of establishments decreased by 1.5% in 1998 compared to 1995, but registered an increase of 4.6% in the number of bed-places.

Annual average growth rate of hotels and similar establishments (%) - 1995/1998



([1]) Classified and unclassified hotels. ([2]) Hotels, tourist villages and floating hotels. ([3]) Hotels. ([4]) Tourist hotels and not yet listed hotels. End of the year. ([5]) Includes hotels, inns, and hostels. ([6]) Establishments licensed by the Ministry of Tourism. ([7]) Only hotels with at least 40 bed-places. Change in methodology in 1996: variation refers to 1998-1996. ([8]) Change in methodology in 1998: variation refers to 1997-1995.

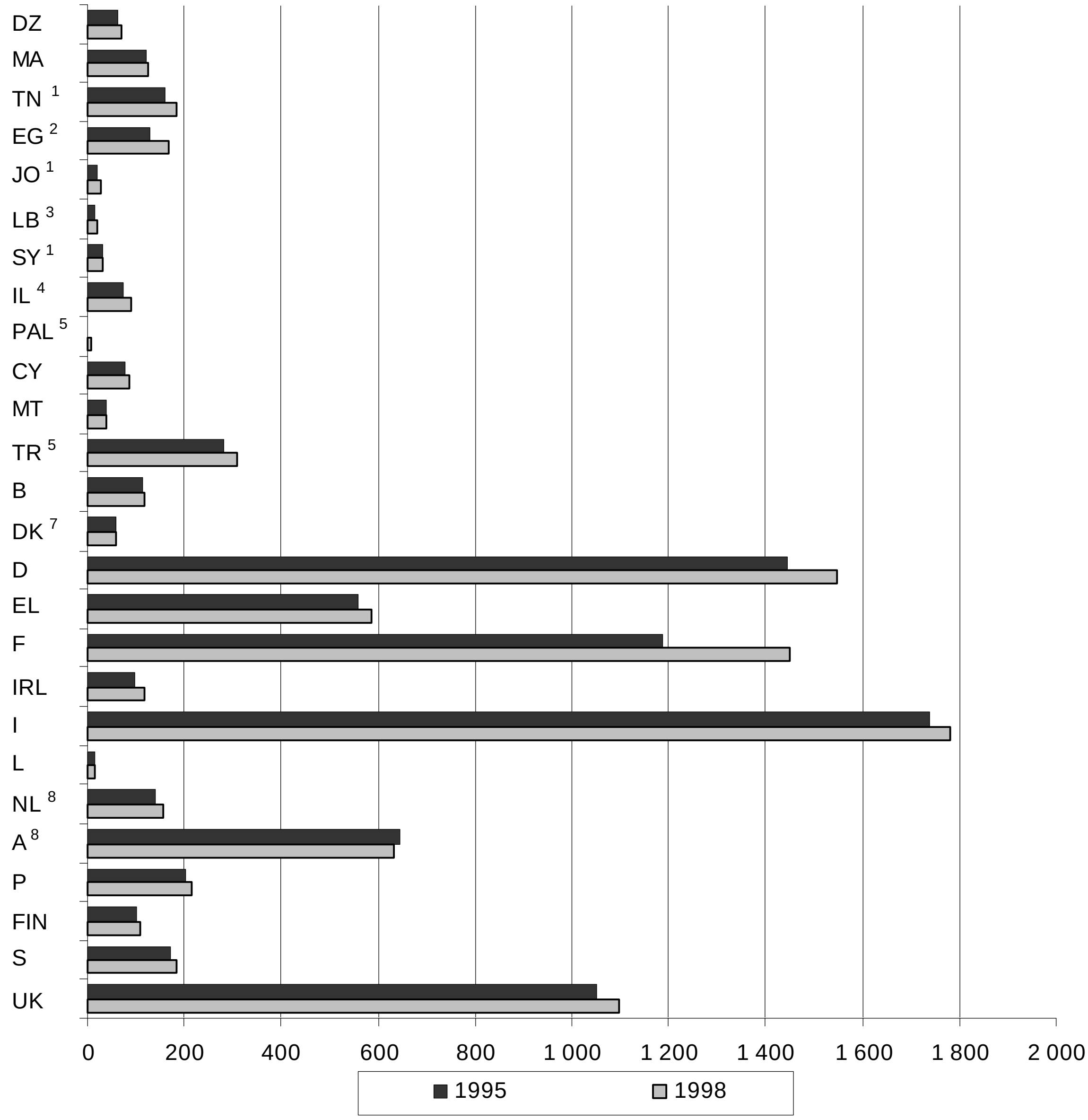
Number of hotels and similar establishments and bed-places – 1995/1998

		Establishments			Bed-places (in thousands)		
		1995	1998	Annual average growth rate 95-98 (%)	1995	1998	Annual average growth rate 95-98 (%)
Euro-Med total [1]		**196 818**	**194 669**	**-0.3**	**9 631**	**10 168**	**2.5**
MED – Total		**7 429**	**8 177**	**3.2**	**1 018**	**1 155**	**4.3**
DZ	Algeria	653	781	6.3	62	71	4.6
MA	Morocco	1 553	1 635	1.7	123	125	0.4
TN	Tunisia [2]	612	692	4.2	161	185	4.6
EG	Egypt [3]	752	869	4.9	129	167	9.0
JO	Jordan [2, 4]	294	380	9.0	21	27	9.5
LB	Lebanon [5]	191	214	3.9	15	19	7.6
SY	Syria [2]	454	438	-1.2	31	32	0.1
IL	Israel [6]	298	313	1.7	75	90	6.3
PAL	Palestine [7]	60	92	15.4	6	8	9.8
CY	Cyprus	537	580	2.7	77	85	3.4
MT	Malta	256	248	-1.0	37	39	1.4
TR	Turkey [8]	1 769	1 935	3.0	280	309	3.3
EU15 [1]		**189 389**	**186 492**	**-0.5**	**8 613**	**9 013**	**1.5**
B	Belgium	2 038	1 998	-0.6	115	116	0.4
DK	Denmark [9]	564	467	-0.8	99	60	-0.2
D	Germany	38 172	38 914	0.6	1 447	1 547	2.3
EL	Greece	7 754	7 946	0.8	557	585	1.6
E	Spain [10]	10 422	7 539	. .	1 032	979	. .
F	France	20 147	19 555	-0.9	1 193	1 451	7.3
IRL	Ireland	5 039	5 460	2.8	97	117	6.6
I	Italy	34 296	33 548	-0.7	1 740	1 782	0.8
L	Luxembourg	369	342	-2.5	15	15	-0.1
NL	Netherlands [11]	1 749	2 788	2.1	143	169	3.6
A	Austria [11]	18 120	15 780	-0.8	646	585	-0.6
P	Portugal	1 733	1 754	0.4	204	216	1.8
FIN	Finland	936	978	1.5	103	110	2.3
S	Sweden	1 829	1 891	1.1	174	185	2.0
UK	United Kingdom	46 221	47 532	0.9	1 050	1 096	1.5

([1]) Variations exclude Spain. ([2]) Classified and unclassified hotels. ([3]) Hotels, tourist villages and floating hotels. ([4]) Revised time series. ([5]) Only hotels. ([6]) Tourist hotels and not yet listed hotels. End of the year. ([7]) Includes hotels, inns, and hostels. ([8]) Number of establishments licensed by the Ministry of Tourism. ([9]) Only hotels with at least 40 bed-places. Change in Methodology in 1996: variation refers to 1998-1996. ([10]) Change in methodology in 1997. Data are not comparable. ([11]) Change in methodology in 1998: variation refers to 1997-1995.

The country that registered the highest increase in the number of hotels and similar establishments in the Mediterranean country in 1998 compared to 1995 was Palestine (53.3%), with an annual average growth rate of 15.4% over the four years. A number of other Mediterranean countries also recorded increases at 2 digit level in 1998 compared to 1995; Algeria by 19.6%, Egypt by 15.6% Tunisia by 13.1% and Lebanon by 12.0%. With regards to the EU countries, Ireland showed a strong increase compared to 1995, with 8.4%. Finland and Sweden recorded also good increases of 4.5% and 3.4% respectively in 1998 compared to 1995. Luxembourg, France and Italy recorded decreases of 7.3%, 2.9% and 2.2% for the same reference years. For most of the other EU countries the figure remained fairly stable or tended to decrease slightly.

Bed-places in hotels and similar establishments in 1995 and 1998 (in thousands)

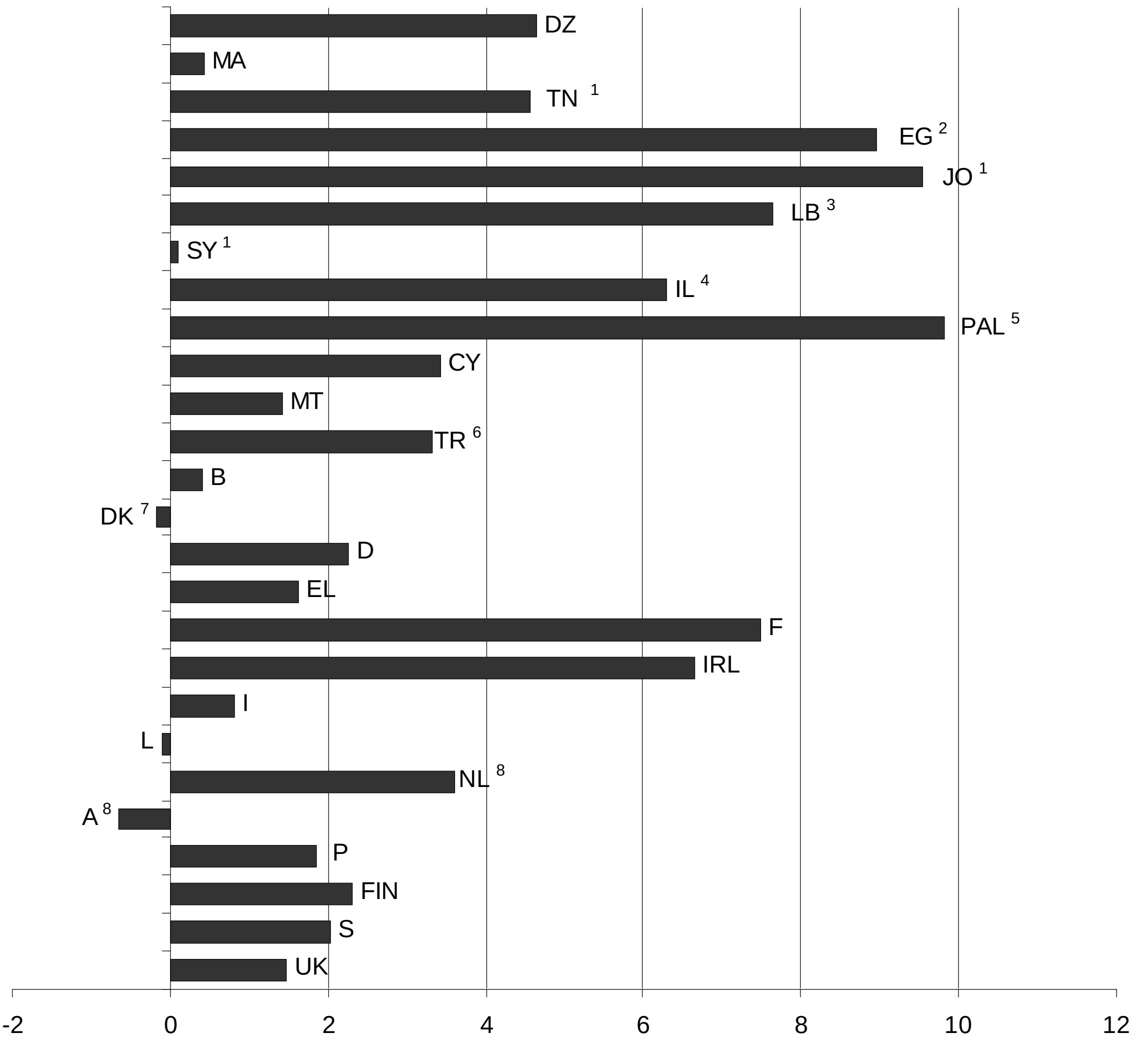


([1]) Classified and unclassified hotels. ([2]) Hotels, tourist villages and floating hotels. ([3]) Hotels. ([4]) Tourist hotels and not yet listed hotels. End of the year. ([5]) Includes hotels, inns, and hostels. ([6]) Number of establishments licensed by the Ministry of Tourism. ([7]) Only hotels with at least 40 bed-places. Change in methodology in 1996: 1995 refer to 1996 data. ([8]) Change in methodology in 1998: 1998 refer to 1997 data.

All the Mediterranean countries reported positive trends also in the number of bed-places in 1998 compared to 1995, albeit to varying degrees. Palestine increased its bed-places capacity by more than 32% and Egypt by 29%; Lebanon followed with a growth of nearly 25% and Israel with 20%.

With regards to the EU countries, France and Ireland showed substantial increases in 1998 compared to 1995, of 21.6% and 20.9% respectively. Finland and Sweden recorded also recorded good increases of 7.1% and 6.2% respectively. Although the number of establishments in Luxembourg decreased by 7%, the number of bed-places remained stable (-0.3%). None of the EU countries registered any significant decreases.

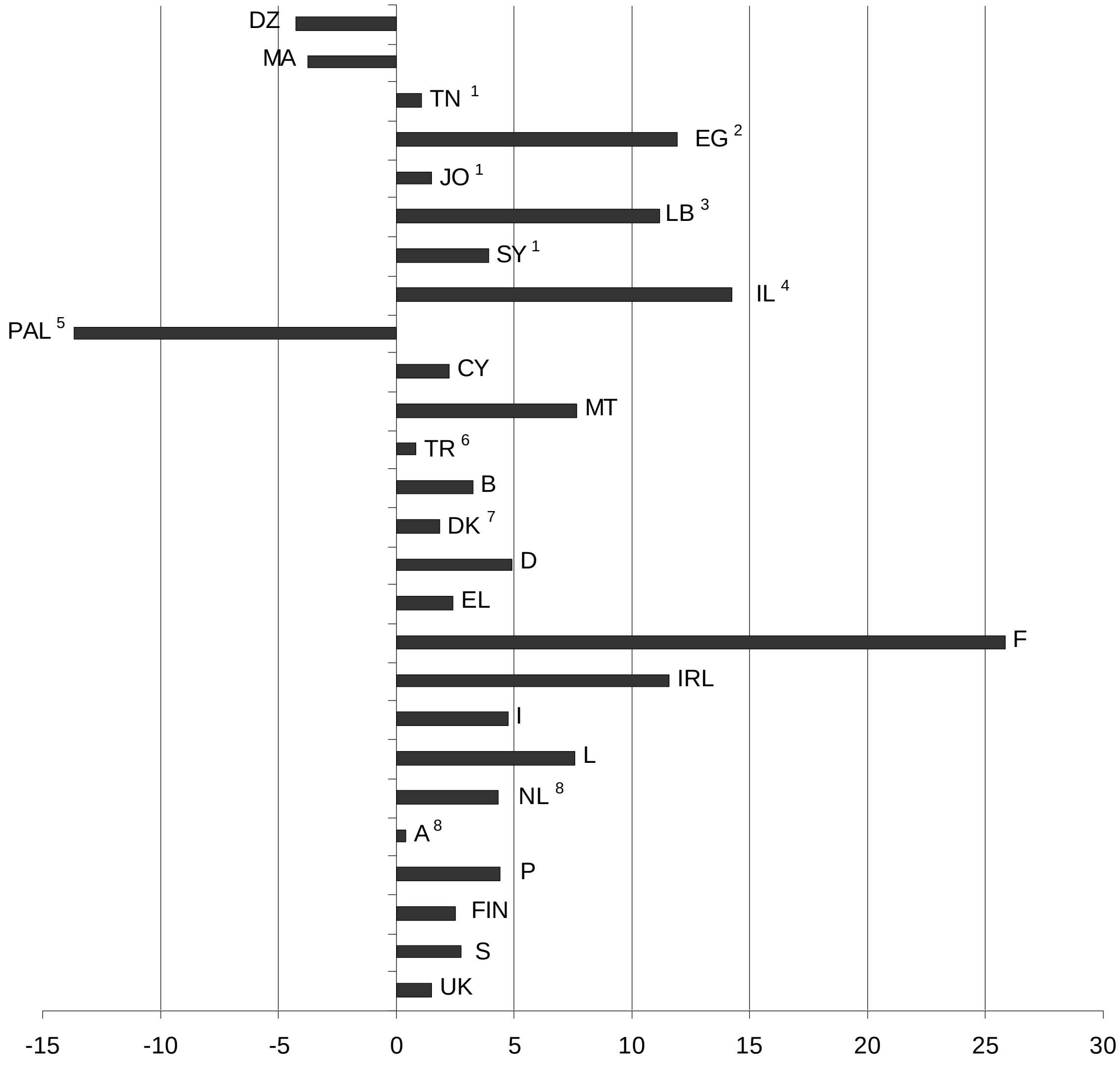
Bed-places in hotels and similar establishments, annual average growth rate (%) – 1995/1998



(1) Classified and unclassified hotels. (2) Hotels, tourist villages and floating hotels. (3) Hotels. (4) Tourist hotels and not yet listed hotels. End of the year. (5) Includes hotels, inns, and hostels. (6) Number of establishments licensed by the Ministry of Tourism. (7) Only hotels with at least 40 bed-places. Change in methodology in 1996: variations refer to 1998-1996. (8) Change in methodology in 1998: variations refer to 1997-1995.

In 1998 the average size of establishments in the Mediterranean countries was 141 bed-places per establishment, thus showing an increase of 3.1% with respect to 1995. On the other hand, the average size of establishments in the European Union shows an increase of 6.3%, with 48 bed-places per establishment.

Average size of hotels and similar establishments, % change - 1998/1995



(1) Classified and unclassified hotels. (2) Hotels, tourist villages and floating hotels. (3) Hotels. (4) Tourist hotels and not yet listed hotels. End of the year. (5) Includes hotels, inns, and hostels. (6) Number of establishments licensed by the Ministry of Tourism. (7) Only hotels with at least 40 bed-places. Change in methodology in 1996: variations refer to 1998-1996. (8) Change in methodology in 1998: variations refer to 1997-1995.

Part III: Tourism Demand

Occupancy of collective tourist accommodation establishments: inbound and domestic tourism

Nights spent by residents and non-residents in hotels and similar establishments (in thousands) and % share of non-resident nights in total

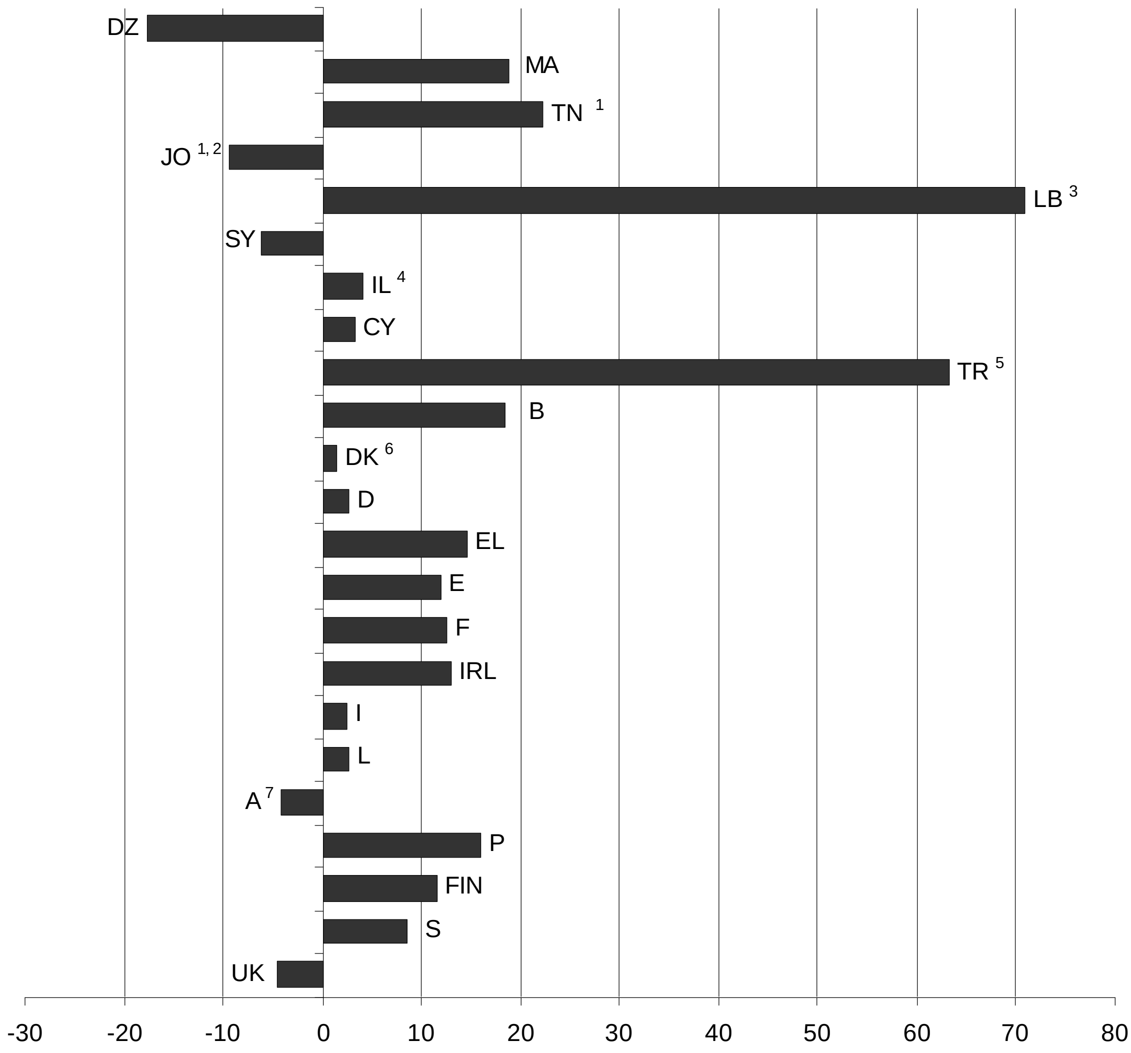
		Non-Residents			Residents		Total	
		1995	1998	% Share 98	1995	1998	1995	1998
Euro-Med total		**:**	**646 834**	**. .**	**:**	**:**	**:**	**:**
MED – Total		**:**	**125 523**	**. .**	**:**	**:**	**:**	**:**
DZ	Algeria	76	133	4.4	3 573	2 870	3 649	3 003
MA	Morocco	8 501	10 676	72.2	3 951	4 114	12 453	14 790
TN	Tunisia [1]	23 514	28 788	92.9	1 832	2 194	25 346	30 982
EG	Egypt [2]	20 451	20 151	. .	:	:	:	:
JO	Jordan [1, 3]	2836	2 682	84.4	406	498	3 242	3 179
LB	Lebanon [4]	:	75	39.8	:	113	110	188
SY	Syria	1 823	1 804	60.9	1 337	1 158	3 160	2 962
IL	Israel [5]	9 496	7 709	46.2	6 522	8 978	16 018	16 688
PAL	Palestine [6]	103	565	94.0	:	36	:	601
CY	Cyprus	14 181	14 430	96.2	346	570	14 527	15 000
MT	Malta [7]	7 632	8 078	. .	:	:	:	:
TR	Turkey [8]	18 477	30 433	66.2	9 678	15 513	28 155	45 946
EU15		**477 500**	**521 311**	**46.1**	**587 164**	**609 769**	**1 064 663**	**1 131 080**
B	Belgium	7 900	9 483	73.1	3 054	3 498	10 953	12 981
DK	Denmark [9]	4 146	4 462	50.7	3 908	4 339	8 054	8 802
D	Germany	27 184	29 735	16.8	145 147	147 274	172 331	177 009
EL	Greece	37 474	42 565	75.3	11 908	13 984	49 382	56 549
E	Spain	101 000	111 803	62.7	58 281	66 552	159 281	178 356
F	France	54 339	66 330	40.7	90 349	96 696	144 688	163 026
IRL	Ireland	11 348	13 712	67.3	6 698	6 667	18 046	20 379
I	Italy	84 566	87 192	40.9	123 467	126 178	208 033	213 370
L	Luxembourg	1 051	1 089	93.1	89	81	1 140	1 170
NL	Netherlands [10]	9 581	14 262	53.1	8 799	12 622	18 380	26 884
A	Austria [11]	56 198	53 503	76.4	16 302	16 483	72 501	69 986
P	Portugal	20 357	23 241	71.7	7 580	9 164	27 937	32 404
FIN	Finland	2 926	3 226	25.4	8 464	9 494	11 391	12 720
S	Sweden	3 694	4 409	22.0	14 771	15 643	18 465	20 052
UK	United Kingdom	55 735	56 299	41.0	88 346	81 093	144 081	137 392

([1]) Classified and unclassified hotels. ([2]) Hotels, tourist villages and floating hotels. ([3]) 1995 data refer to 1996. ([4]) Only hotels. ([5]) Tourist hotels and not yet listed hotels. ([6]) Includes hotels, inns, and hostels. Non residents refers to nationality of the guest, not place of residence. ([7]) Days spent by foreign visitors. ([8]) Number of establishments licensed by the Ministry of Tourism 1996. ([9]) Changes in methodology in 1996. ([10]) Change in methodology in 1997-1998. ([11]) Change in methodology in 1998.

Total nights spent in hotel and similar establishments in the European Union countries grew by 66 million nights, from 1 065 million in 1995 to 1 131 million in 1998, showing an increase of 7.8%[3] in 1998 compared to 1995. The EU countries bordering the Mediterranean sea all recorded increases in total nights spent in 1998 compared to 1995: Greece 14.5%, Spain 12.0%, France 12.7% and Italy 2.6%. But the highest increase was in Belgium (18.5%). The United Kingdom recorded a decrease of 4.6% compared to 1995.

In the Mediterranean countries, Lebanon and Turkey registered the highest increases in the total number of nights spent in hotels and similar establishments for the reference years, with 70.8% and 63.2%, respectively. On the other hand, Algeria (-17.7%), Jordan (-9.3%) and Syria (-6.3%) showed a decrease in the total number of nights in hotels and similar establishments in 1998 compared to 1995.

Total nights spent in hotels and similar establishments - % change 1998/1995



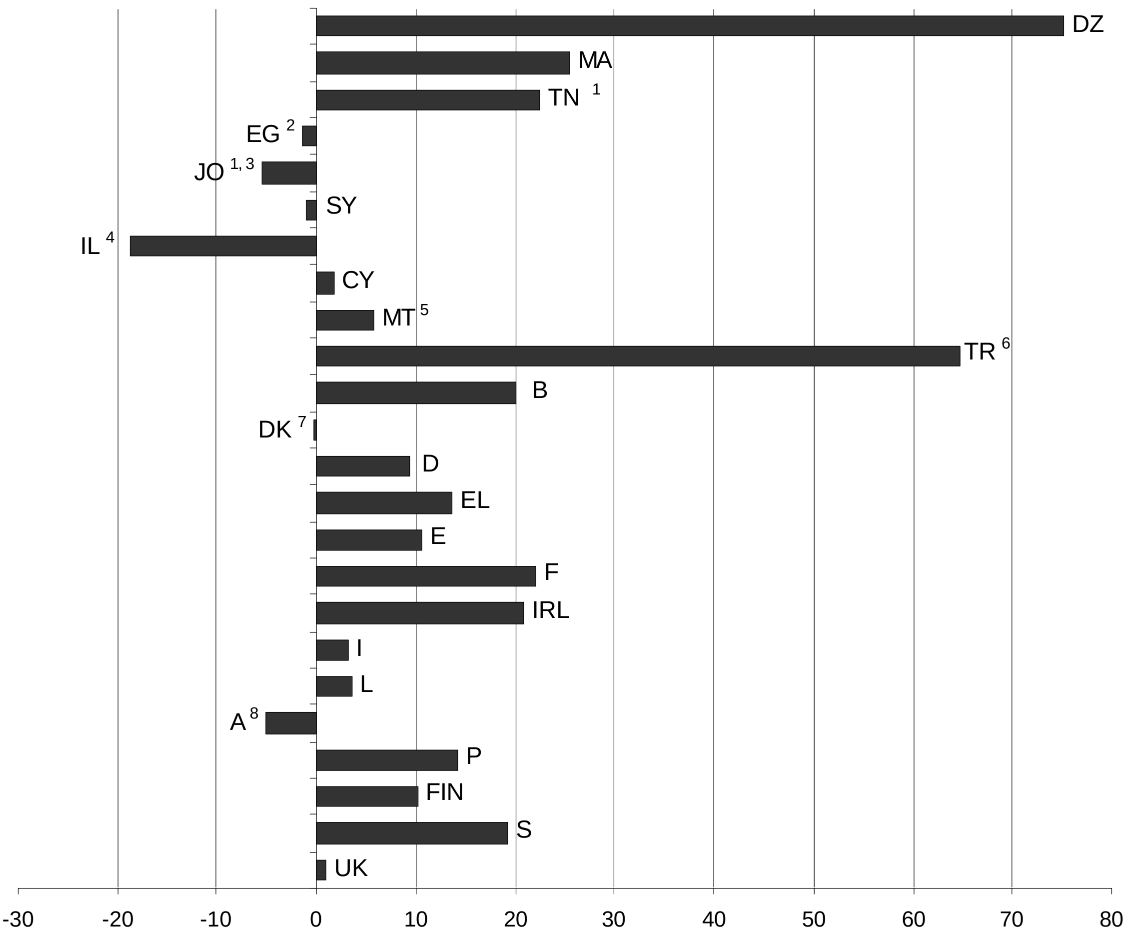
([1]) Classified and unclassified hotels. ([2]) Variation refers to 1998-1996. ([3]) Hotels. ([4]) Tourist hotels and not yet listed hotels. ([5]) Number of establishments licensed by the Ministry of Tourism. ([6]) Change in methodology in 1996: variation refers 1998-1996. ([7]) Change in methodology in 1998: variation refers 1997-1995.

[3] *Variation excludes The Netherlands. Denmark: 1996 data for 1995. Austria: 1997 data for 1998.*

Concerning inbound tourism, the number of nights spent by non-residents in hotels and similar establishments in the countries of the European Union, totalled 521 million in 1998 compared to 478 million in 1995 (increase of 8.3%[4]). Almost all the EU countries registered in 1998 a positive trend compared to 1995. In 1998 Spain recorded the highest number of nights spent by non-residents in the EU, accounting for approximately 21% of total nights spent by non-residents in the EU, followed by Italy (17%) and the United Kingdom (10%).

With the exception of Israel (-18.8%), Egypt (-1.5%) and Syria (-1.0%), the number of nights spent by non-residents in hotels and similar establishments in the Mediterranean countries increased during the period 1995-1998. Turkey registered the highest number of nights spent by non-residents in hotels and similar establishments within the Mediterranean region, showing a growth of 64.7% in 1998 compared to 1998. The growth rate for Palestine was enormously high (450.5%) in 1998 compared to 1995.

Nights spent by non-residents in hotels and similar establishments in the EU and Mediterranean countries, % change 1998-1995

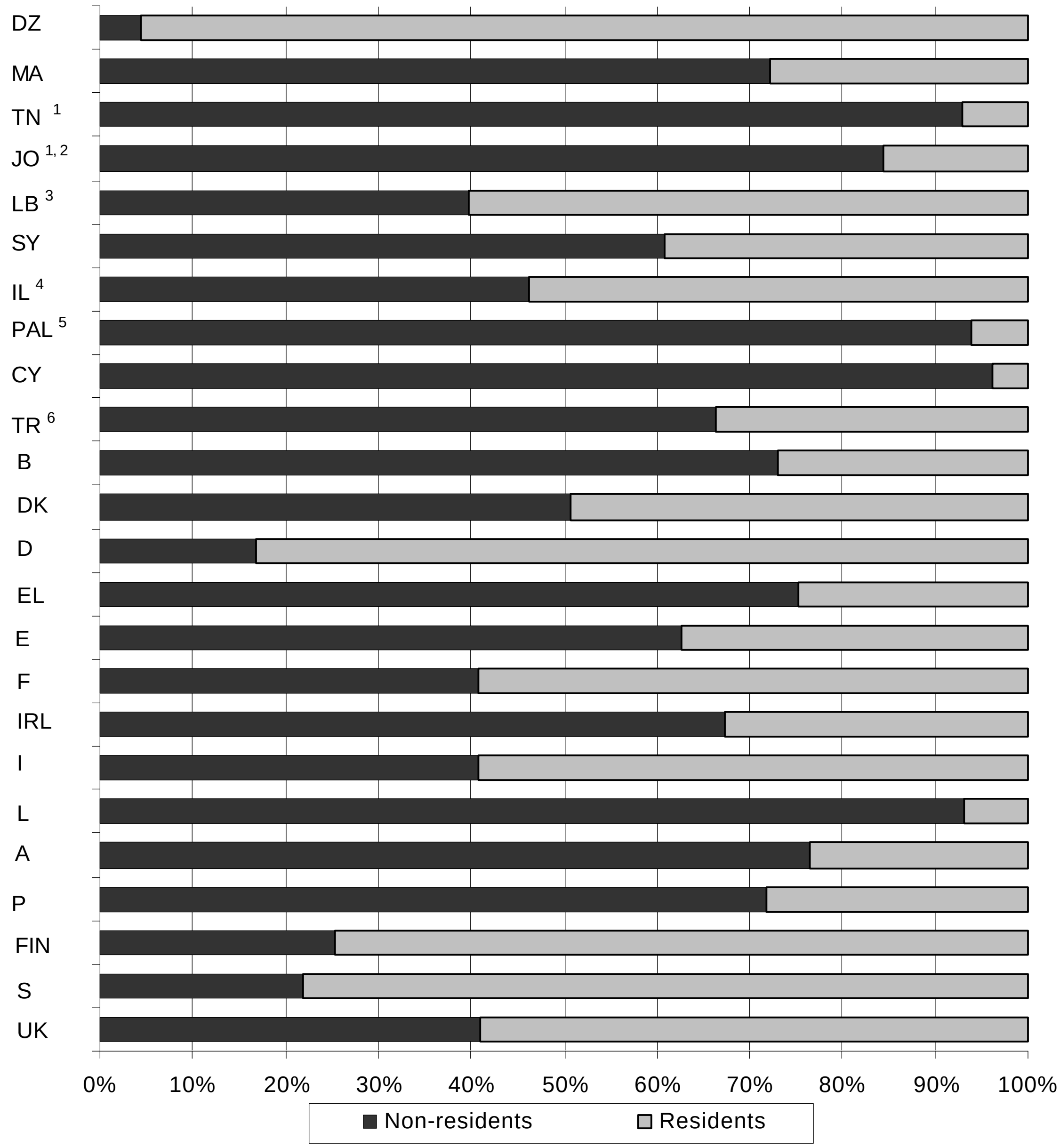


(1) Classified and unclassified hotels. (2) Hotels, tourist villages and floating hotels. (3) Variation refers to 1998-1996. (4) Tourist hotels and not yet listed hotels. (5) Days spent by foreign visitors. (6) Number of establishments licensed by the Ministry of Tourism. (7) Change in methodology in 1996: variation refers 1998-1996. (8) Change in methodology in 1998: variation refers 1997-1995.

[4] *Variation excludes The Netherlands. Denmark: 1996 data for 1995. Austria: 1997 data for 1998.*

In 1998, the number of nights spent by non-residents in hotels and similar establishments in almost all the EU and Mediterranean countries represented the most important segment. In Mediterranean area, there is the exception of Algeria with non-resident nights accounting for only 4.4% of total nights. In the case of the EU countries the share of nights spent by non-residents in the total is fairly low for Germany (16.8%), Finland (25.4%) and Sweden (22.0%).

% share of nights spent by residents and non residents in hotels and similar establishments in 1998



([1]) Classified and unclassified hotels. ([2]) 1998 data refer to 1997. ([3]) Hotels. ([4]) Tourist hotels and not yet listed hotels. ([5]) Includes hotels, inns, and hostels. Non residents refers to nationality of the guest, not place of residence. ([6]) Number of establishments licensed by the Ministry of Tourism.

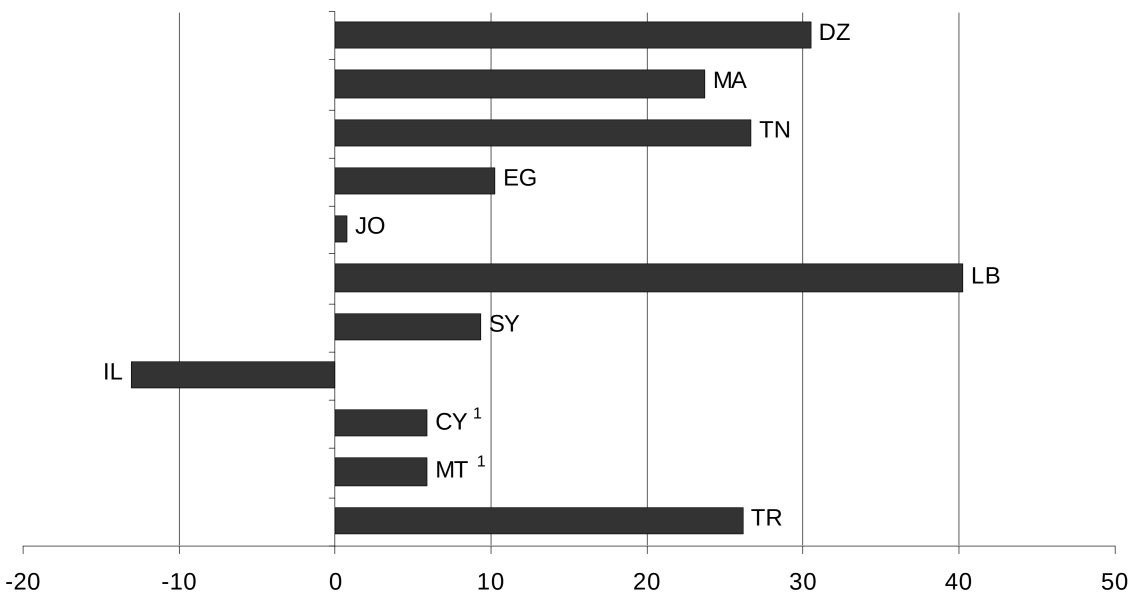
Tourism demand: Inbound Tourism

Arrivals of visitors at the borders (in thousands)

		1992	1993	1994	1995	1996	1997	1998	1999	% 98/95	% 99/98
DZ	Algeria	1 120	1 128	805	520	605	635	678	748	30.6	10.1
MA	Morocco	4 505	4 150	3 599	2 759	2 856	3 203	3 414	:	23.8	..
TN	Tunisia [1]	3 540	3 656	3 856	4 120	4 344	4 750	5 218	5 915	26.7	13.4
EG	Egypt	3 207	2 508	2 582	3 133	3 896	3 961	3 454	4 797	10.2	38.9
JO	Jordan [2]	3 243	3 099	3 225	3 277	3 164	3 068	3 303	3 315	0.8	0.4
LB	Lebanon [3]	210	311	380	450	424	558	631	673	40.2	6.7
SY	Syria [4]	1 740	1 910	2 012	2 253	2 435	2 332	2 464	2 682	9.4	8.8
IL	Israel [5]	1 805	1 946	2 168	2 531	2 361	2 295	2 200	2 537	-13.1	15.3
PAL	Palestine	:	:	:	:	:	:	:	:	..	..
CY	Cyprus	:	:	:	:	:	:	:	:	..	..
MT	Malta	:	:	:	:	:	:	:	:	..	..
TR	Turkey	7 104	6 525	6 671	7 727	8 614	9 689	9 753	7 487	26.2	-23.2

([1]) Before 1996 excluding Tunisians residing abroad. ([2]) Excluding Jordanians. ([3]) Lebanese and Syrians excluded.
([4]) Excluding Syrians. ([5]) These figures are the sum of Tourists (by country of residence) + Cruise passengers (by citizenship).

Arrivals of visitors at the borders, % change 1998-1995



([1]) Arrivals of tourists.

Arrivals at the borders both in terms of total visitor arrivals and tourist arrivals (overnight visitors) have experienced in general a positive trend for the reference years, with the exception of Israel that registered a decrease of 13.5% in the arrivals of visitors in 1998 compared to 1995. Turkey registered the highest number of arrivals of visitors in the Mediterranean countries, and recorded an increase of 26.2% in 1998 compared to 1995. For the same years, Lebanon showed a significant increase of 40.2%. Tunisia and Morocco also recorded robust increases of 26.7% and 23.8%.

In 1999 compared to 1998 all the Mediterranean countries except Turkey recorded increases.

Arrivals of tourists at the borders (in thousands)

		1990	1995	1996	1997	1998	1999	% 98/90	% 98/95	% 99/95	% 99/98
DZ	Algeria	:	:	:	:	:	:	. .	. .	. .	. .
MA	Morocco	4 024	2 602	2 693	3 072	3 242	3 824	-19.4	24.6	47.0	17.9
TN	Tunisia		:	:	:	:	:	. .	. .	. .	. .
EG	Egypt	2 411	2 872	3 527	3 656	3 213	4 490	33.3	11.9	56.3	39.7
JO	Jordan	577	1 074	1 103	1 127	1 256	1 358	117.7	16.9	26.4	8.1
LB	Lebanon	:	:	:	:	:	:	. .	. .	. .	. .
SY	Syria	562	815	830	891	890	916	58.4	9.2	12.4	3.0
IL	Israel	1 132	2 216	2 100	2 010	1 942	2 284	71.6	-12.4	3.1	17.6
PAL	Palestine	:	:	:	:	:	:	. .	. .	. .	. .
CY	Cyprus	1 561	2 100	1 950	2 088	2 223	2 434	42.3	5.8	15.9	9.5
MT	Malta [1]	872	1 116	1 054	1 111	1 182	1 214	35.6	5.9	8.8	2.7
TR	Turkey	4 799	7 083	7 888	9 063	8 638	6 893	80.0	21.9	-2.7	-20.2

([1]) 1999: Excluding Maltese passengers which in 1999 were estimated at 130 000.

DETAILED TABLES

- **The Travel item in the Balance of Payments:**
  - ⇒ **Receipts**
  - ⇒ **Expenditures**
  - ⇒ **Net Account**

- **Accommodation supply:**
  - ⇒ **Number of hotels and similar establishments**
  - ⇒ **Number of bed-places in hotels and similar establishments**
  - ⇒ **Average size of hotels and similar establishments**

- **Nights spent in hotels and similar establishments:**
  - ⇒ **by non-residents**
  - ⇒ **by residents**
  - ⇒ **Total**

Travel receipts in the Balance of Payments (Mio ECU)

		1990	1995	1996	1997	1998	1999	% 98/95	% 99/98
Euro-Med total [1]		**:**	**140 247**	**149 460**	**165 751**	**175 823**	**:**	**25.4**	**. .**
MED – Total [1]		**:**	**13 778**	**15 446**	**18 431**	**18 289**	**:**	**32.7**	**. .**
DZ	Algeria	82	24	35	25	66	75	169.8	13.7
MA	Morocco [2]	1 005	889	1 318	1 275	1 528	1 839	71.9	20.3
TN	Tunisia	1 193	1 165	1 255	1 355	1 477	1 682	26.8	13.9
EG	Egypt	1 566	2 052	2 523	3 286	2 288	3 662	11.5	60.1
JO	Jordan	404	505	585	682	690	745	36.5	8.1
LB	Lebanon	:	534	556	875	974	:	82.4	. .
SY	Syria	251	1 023	950	913	1 061	967	3.8	-8.9
IL	Israel	1 097	2 266	2 327	2 501	2 370	2 781	4.6	17.4
PAL	Palestine	:	186	180	188	284	:	52.8	. .
CY	Cyprus [2, 3]	987	1 374	1 323	1 461	1 538	1 785	12.0	16.0
MT	Malta [2]	390	505	500	571	585	637	16.0	8.9
TR	Turkey	2 533	3 790	4 450	6 174	6 402	4 882	68.9	-23.7
EU15		**90 493**	**126 469**	**134 014**	**147 320**	**157 534**	**171 984**	**24.6**	**9.2**
B	Belgium [4]	2 914	4 475	4 688	4 666	4 877	6 610	9.0	35.5
DK	Denmark	2 613	2 814	2 697	2 806	2 909	3 385	3.4	16.4
D	Germany	8 283	13 668	13 746	14 549	14 676	15 694	7.4	6.9
EL	Greece	2 011	3 146	2 934	4 078	5 264	8 297	67.3	57.6
E	Spain	14 543	19 476	21 695	23 725	26 666	30 482	36.9	14.3
F	France	15 897	21 064	22 346	24 708	26 745	29 574	27.0	10.6
IRL	Ireland	1 132	1 687	1 947	2 295	2 316	2 410	37.3	4.1
I	Italy	12 769	20 946	23 647	26 358	26 640	26 716	27.2	0.3
NL	Netherlands	2 843	5 021	5 178	5 577	6 070	6 590	20.9	8.6
A	Austria	10 554	10 936	10 240	9 704	9 989	10 333	-8.7	3.4
P	Portugal	2 776	3 709	3 776	4 072	4 755	4 814	28.2	1.2
FIN	Finland	920	1 253	1 290	1 452	1 456	1 434	16.2	-1.5
S	Sweden	2 286	2 642	2 880	3 270	3 738	3 888	41.5	4.0
UK	United Kingdom	10 952	15 632	16 950	20 060	21 433	21 757	37.1	1.5

([1]) Lebanon not included. ([2]) Converted from National currency into ECU. For all other Mediterranean countries converted from US$ into ECU. ([3]) Provisional figures for 1999. ([4]) Belgium-Luxembourg Economic Union.

Travel Expenditures in the Balance of Payments (Mio ECU)

		1990	1995	1996	1997	1998	1999	% 98/95	% 99/98
Euro-Med total [1]		**:**	**127 520**	**136 454**	**148 401**	**159 594**	**:**	**25.2**	**. .**
MED-Total [1]		**:**	**5 099**	**5 705**	**6 836**	**7 123**	**:**	**39.7**	**. .**
DZ	Algeria	117	142	148	127	240	891	68.7	271.3
MA	Morocco [2]	147	231	236	278	378	431	63.5	14.1
TN	Tunisia	181	191	198	206	209	226	9.5	8.2
EG	Egypt	101	977	1 037	1 188	1 024	1 011	4.8	-1.2
JO	Jordan	265	325	300	350	315	333	-3.3	5.9
LB	Lebanon	:	:	:	:	:	:	. .	. .
SY	Syria	196	381	404	481	517	592	35.9	14.4
IL	Israel	1 125	1 620	1 794	2 014	2 120	2 444	30.9	15.3
PAL	Palestine	:	119	131	171	217	:	82.4	. .
CY	Cyprus [2, 3]	140	252	288	340	366	404	45.2	10.4
MT	Malta [2]	108	163	172	168	172	189	5.4	9.7
TR	Turkey	408	697	996	1 513	1 565	1 380	124.4	-11.8
EU15		**86 487**	**122 421**	**130 749**	**141 565**	**152 471**	**168 776**	**24.5**	**10.7**
B	Belgium [4]	4 288	6 869	7 349	7 353	7 927	9 462	15.4	19.4
DK	Denmark	2 893	3 275	3 263	3 711	4 097	4 587	25.1	12.0
D	Germany	23 202	39 845	40 211	40 868	41 925	45 489	5.2	8.5
EL	Greece	855	1 011	953	1 172	1 558	3 758	54.1	141.2
E	Spain	3 322	3 422	3 879	3 982	4 470	5 181	30.6	15.9
F	France	9 653	12 497	13 984	14 624	15 896	17 485	27.2	10.0
IRL	Ireland	912	1 552	1 733	1 963	2 117	2 322	36.4	9.7
I	Italy	7 781	9 711	12 437	14 768	15 707	15 858	61.7	1.0
NL	Netherlands	5 772	8 908	9 113	9 099	9 816	10 043	10.2	2.3
A	Austria	6 076	8 810	8 775	8 911	8 498	8 571	-3.5	0.9
P	Portugal	677	1 616	1 797	1 907	2 159	2 126	33.6	-1.5
FIN	Finland	2 169	1 738	1 800	1 839	1 843	1 910	6.0	3.6
S	Sweden	4 941	4 156	4 893	6 105	6 891	7 532	65.8	9.3
UK	United Kingdom	13 946	19 011	20 562	25 263	29 567	34 452	55.5	16.5

([1]) Lebanon not included. ([2]) Converted from National currency into ECU. For all other Mediterranean countries converted from US$ into ECU. ([3]) Provisional figures for 1999. ([4]) Belgium-Luxembourg Economic Union.

Net Travel Account in the Balance of Payments (Mio ECU)

		1990	1995	1996	1997	1998	1999	% 98/95	% 99/98
Euro-Med total [1]		**:**	**12 727**	**13 006**	**17 350**	**16 229**	**:**	**27.5**	**. .**
MED-Total [1]		**:**	**8 679**	**9 741**	**11 595**	**11 166**	**:**	**28.7**	**. .**
DZ	Algeria	-35	-118	-113	-102	-174	-816	-47.7	-369.3
MA	Morocco [2]	859	658	1 082	997	1 150	1 408	74.9	22.4
TN	Tunisia	1 012	974	1 057	1 149	1 268	1 456	30.2	14.9
EG	Egypt	1 465	1 075	1 486	2 099	1 264	2 651	17.6	109.7
JO	Jordan	139	180	285	331	375	412	108.5	9.9
LB	Lebanon	:	:	:	:	:	:	. .	. .
SY	Syria	56	642	546	432	544	375	-15.3	-31.1
IL	Israel	-29	646	533	487	250	338	-61.3	35.2
PAL	Palestine	:	66	49	16	66	:	-0.1	. .
CY	Cyprus [2, 3]	848	1 122	1 035	1 121	1 172	1 381	4.5	17.8
MT	Malta [2]	282	341	327	402	413	448	21.0	8.6
TR	Turkey	2 124	3 092	3 453	4 661	4 837	3 502	56.4	-27.6
EU15		**4 003**	**4 048**	**3 265**	**5 755**	**5 063**	**3 208**	**25.1**	**-36.6**
B	Belgium [4]	-1 376	-2 394	-2 661	-2 687	-3 050	-2 852	-27.4	-6.5
DK	Denmark	-279	-461	-566	-905	-1 188	-1 202	-157.7	1.2
D	Germany	-14 920	-26 177	-26 465	-26 319	-27 249	-29 795	-4.1	9.3
EL	Greece	1 155	2 135	1 981	2 906	3 706	4 539	73.6	22.5
E	Spain	11 221	16 054	17 816	19 743	22 196	25 301	38.3	14.0
F	France	6 244	8 567	8 362	10 084	10 849	12 089	26.6	11.4
IRL	Ireland	220	135	214	332	199	88	47.4	-55.8
I	Italy	4 989	11 235	11 210	11 590	10 933	10 858	-2.7	-0.7
NL	Netherlands	-2 929	-3 887	-3 935	-3 522	-3 746	-3 453	3.6	-7.8
A	Austria	4 479	2 126	1 465	793	1 491	1 762	-29.9	18.2
P	Portugal	2 098	2 093	1 979	2 165	2 596	2 688	24.0	3.5
FIN	Finland	-1 250	-485	-510	-387	-387	-476	20.2	23.0
S	Sweden	-2 655	-1 514	-2 013	-2 835	-3 153	-3 644	-108.3	15.6
UK	United Kingdom	-2 994	-3 379	-3 612	-5 203	-8 134	-12 695	-140.7	56.1

([1]) Lebanon not included. ([2]) Converted from National currency into ECU. For all other Mediterranean countries converted from US$ into ECU. ([3]) Provisional figures for 1999. ([4]) Belgium-Luxembourg Economic Union.

Number of hotels and similar establishments

		1990	1995	1996	1997	1998	1999	% 98/95	% 99/98
Euro-Med total [1]		**:**	**196 818**	**197 245**	**194 779**	**194 669**	**:**	**1.0**	**. .**
MED – Total		**:**	**7 429**	**7 668**	**7 927**	**8 177**	**:**	**10.1**	**. .**
DZ	Algeria	380	653	659	740	781	800	19.6	2.4
MA	Morocco [2]	1 415	1 553	1 570	1 574	1 635	1 586	5.3	-3.0
TN	Tunisia [3]	508	612	641	662	692	722	13.1	4.3
EG	Egypt [4]	632	752	789	829	869	914	15.6	5.2
JO	Jordan [3, 5,]	229	294	324	336	380	422	29.3	11.1
LB	Lebanon [6]	:	191	199	203	214	:	12.0	. .
SY	Syria [3]	450	454	437	446	438	474	-3.5	8.2
IL	Israel [7]	272	298	305	309	313	330	5.0	5.4
PAL	Palestine [8]	:	60	72	85	92	91	53.3	-1.1
CY	Cyprus	461	537	574	568	580	580	8.0	0.0
MT	Malta [9]	256	256	255	261	248	248	-3.1	0.0
TR	Turkey [10]	1 229	1 769	1 843	1 914	1 935	1 862	9.4	-3.8
EU15 [1]		**197 001**	**189 389**	**189 577**	**186 852**	**186 492**	**:**	**0.6**	**. .**
B	Belgium	2 123	2 038	2 062	2 000	1 998	2 015	-2.0	0.9
DK	Denmark [11]	539	564	478	470	467	464	-2.3	-0.6
D	Germany	37 423	38 172	38 565	38 971	38 914	38 701	1.9	-0.5
EL	Greece	6 713	7 754	7 916	7 850	7 946	:	2.5	. .
E	Spain [12]	9 436	10 422	9 482	7 520	7 539	16 229	:	:
F	France	20 472	20 147	20 849	20 273	19 555	19 379	-2.9	-0.9
IRL	Ireland	3 478	5 039	5 274	5 164	5 460	:	8.4	. .
I	Italy	36 423	34 296	34 080	33 828	33 548	33 379	-2.2	-0.5
L	Luxembourg	401	369	368	344	342	325	-7.3	-5.0
NL	Netherlands[13]	1 546	1 749	1 739	1 857	2 788	2 826	6.2	1.4
A	Austria [13]	19 406	18 120	17 990	17 692	15 780	15 378	-2.4	-2.5
P	Portugal	1 758	1 733	1 744	1 768	1 754	:	1.2	. .
FIN	Finland	1 096	936	958	958	978	1 004	4.5	2.7
S	Sweden	1 723	1 829	1 851	1 905	1 891	1 898	3.4	0.4
UK	United Kingdom	54 464	46 221	46 221	46 252	47 532	51 300	2.8	7.9

([1]) Variation exclude Spain. ([2]) 1999 provisional data. ([3]) Classified and unclassified hotels. ([4]) Hotels , tourist villages and floating hotels. ([5]) Revised time series. 1990 data is 1991 data. ([6]) Only hotels. ([7]) Tourist hotels and not yet listed hotels. ([8]) Includes hotels, inns, and hostels. ([9]) Star rated hotels and unclassified hotels, holiday complexes, appart-hotels & guest houses. ([10]) Only establishments licensed by the Ministry of Tourism. ([11]) Change in methodology in 1996: variation 1998-1995 refers to 1998-1996. ([12]) Changes in methodology: breaks in the time series in 97 and 99. ([13]) Change in methodology in 1998: variation 1998-1995 refers to 1997-1995.

Number of bed-places in hotels and similar establishments (in thousands)

		1990	1995	1996	1997	1998	1999	% 98/95	% 99/98
Euro-Med total [1]		**:**	**9 631**	**10 015**	**10 076**	**10 168**	**:**	**7.8**	**. .**
MED-Total		**:**	**1 018**	**1 076**	**1 113**	**1 155**	**:**	**12.8**	**. .**
DZ	Algeria	54	62	65	66	71	76	14.5	7.1
MA	Morocco [2]	111	123	124	124	125	127	1.3	1.7
TN	Tunisia [3]	117	161	170	178	185	192	14.3	4.0
EG	Egypt [4]	101	129	141	151	167	188	29.4	12.5
JO	Jordan [3, 5]	16	21	23	24	27	32	31.2	17.4
LB	Lebanon [6]	:	15	17	17	19	:	24.6	. .
SY	Syria [3]	29	31	32	31	32	33	0.3	6.0
IL	Israel [7]	64	75	81	84	90	98	20.0	9.3
PAL	Palestine [8]		6	7	7	8	8	32.4	4.8
CY	Cyprus	58	77	84	83	85	86	10.4	1.0
MT	Malta [9]	34	37	38	39	39	39	4.3	0.0
TR	Turkey [10]	165	280	296	308	309	308	10.3	-0.3
EU15 [1]		**7 819**	**8 613**	**8 939**	**8 963**	**9 013**	**:**	**7.1**	**. .**
B	Belgium	94	115	117	118	116	119	1.2	2.6
DK	Denmark [11]	88	99	60	59	60	61	-0.5	1.2
D	Germany	1 136	1 447	1 491	1 527	1 547	1 562	6.9	1.0
EL	Greece	438	557	572	577	585	:	5.0	. .
E	Spain [12]	930	1 032	1 025	973	979	1 299	:	:
F	France	1 088	1 193	1 472	1 467	1 451	1 486	21.6	2.4
IRL	Ireland	70	97	97	107	117	:	20.9	. .
I	Italy	1 679	1 740	1 765	1 772	1 782	1 795	2.5	0.7
L	Luxembourg	15	15	15	15	15	14	-0.3	-1.8
NL	Netherlands [13]	111	143	143	158	169	170	10.8	0.4
A	Austria [13]	651	646	640	634	585	577	-1.9	-1.4
P	Portugal	179	204	208	211	216	:	5.6	. .
FIN	Finland	92	103	106	109	110	115	7.1	4.7
S	Sweden	162	174	178	183	185	185	6.2	0.2
UK	United Kingdom	1 086	1 050	1 050	1 052	1 096	1 176	4.4	7.3

([1]) Variation exclude Spain. ([2]) 1999 provisional data. ([3]) Classified and unclassified hotels. ([4]) Hotels , tourist villages and floating hotels. ([5]) Revised time series. 1990 data is 1991 data. ([6]) Only hotels. ([7]) Tourist hotels and not yet listed hotels. ([8]) Includes hotels, inns, and hostels. ([9]) Star rated hotels and unclassified hotels, holiday complexes, appart-hotels & guest houses. ([10]) Only establishments licensed by the Ministry of Tourism. ([11]) Change in methodology in 1996: variation 1998-1995 refers to 1998-1996. ([12]) Changes in methodology: breaks in the time series in 97 and 99. ([13]) Change in methodology in 1998: variation 1998-1995 refers to 1997-1995.

Average size of hotels and similar establishments

		1990	1995	1996	1997	1998	1999	% 98/95	% 99/98
Euro-Med total [1]		**:**	**48.9**	**50.8**	**51.7**	**52.2**	**:**	**6.8**	**. .**
MED-Total		**:**	**137.1**	**140.4**	**140.4**	**141.3**	**:**	**3.1**	**. .**
DZ	Algeria	141.6	94.9	98.2	88.8	90.9	95.0	-4.3	4.5
MA	Morocco [2]	78.7	79.2	79.1	78.7	76.2	79.9	-3.8	4.8
TN	Tunisia [3]	229.4	263.9	265.1	269.1	266.8	265.9	1.1	-0.3
EG	Egypt [4]	160.6	171.5	178.4	182.1	192.0	205.3	11.9	6.9
JO	Jordan [3,5]	68.2	70.1	70.2	70.8	71.2	75.3	1.5	5.7
LB	Lebanon [6]	:	81.1	83.7	85.6	90.2	:	11.2	. .
SY	Syria [3]	65.3	69.3	73.8	70.4	72.0	70.5	3.9	-2.1
IL	Israel [7]	233.8	251.5	266.7	271.7	287.4	297.9	14.3	3.7
PAL	Palestine [8]	:	97.3	90.4	82.8	84.0	89.0	-13.6	6.0
CY	Cyprus	125.0	143.6	145.5	146.6	146.8	148.4	2.2	1.0
MT	Malta [9]	131.4	145.3	149.2	150.7	156.4	156.4	7.7	0.0
TR	Turkey [10]	134.3	158.4	160.5	161.0	159.7	165.5	0.8	3.6
EU15 [1]		**39.7**	**45.5**	**47.2**	**48.0**	**48.3**	**:**	**6.5**	**. .**
B	Belgium	44.1	56.4	56.9	58.8	58.2	59.2	3.3	1.8
DK	Denmark [11]	164.1	175.5	125.7	126.3	128.0	130.4	1.8	1.9
D	Germany	30.3	37.9	38.7	39.2	39.8	40.4	4.9	1.5
EL	Greece	65.3	71.9	72.2	73.5	73.6	:	2.4	. .
E	Spain [12]	98.5	99.0	108.1	129.4	129.9	80.0	:	:
F	France	53.1	59.2	70.6	72.4	74.2	76.7	25.3	3.3
IRL	Ireland	20.2	19.2	18.4	20.8	21.5	:	11.6	. .
I	Italy	46.1	50.7	51.8	52.4	53.1	53.8	4.7	1.2
L	Luxembourg	36.9	40.0	40.1	43.0	43.0	44.5	7.6	3.4
NL	Netherlands [13]	72.0	81.5	82.1	85.0	60.6	60.1	4.4	-1.0
A	Austria [13]	33.5	35.7	35.6	35.8	37.1	37.5	0.4	1.2
P	Portugal	102.0	117.7	119.4	119.5	122.9	:	4.4	. .
FIN	Finland	84.0	109.5	110.6	114.2	112.3	114.4	2.5	1.9
S	Sweden	93.9	95.0	96.0	95.9	97.6	97.5	2.7	-0.1
UK	United Kingdom	19.9	22.7	22.7	22.7	23.1	22.9	1.5	-0.6

([1]) Variation exclude Spain. ([2]) 1999 provisional data. ([3]) Classified and unclassified hotels. ([4]) Hotels , tourist villages and floating hotels. ([5]) Revised time series. 1990 data is 1991 data. ([6]) Only hotels. ([7]) Tourist hotels and not yet listed hotels. ([8]) Includes hotels, inns, and hostels. ([9]) Star rated hotels and unclassified hotels, holiday complexes, appart-hotels & guest houses. ([10]) Only establishments licensed by the Ministry of Tourism. ([11]) Change in methodology in 1996: variation 1998-1995 refers to 1998-1996. ([12]) Changes in methodology: breaks in the time series in 97 and 99. ([13]) Change in methodology in 1998: variation 1998-1995 refers to 1997-1995.

Total nights spent in hotels and similar establishments (in thousands)

		1990	1995	1996	1997	1998	1999	% 95/98
Euro-Med total		**:**	**:**	**:**	**:**	**:**	**:**	**. .**
MED - Total		**:**	**:**	**:**	**:**	**:**	**:**	**. .**
DZ	Algeria	3 701	3 649	3 547	3 488	3 003	3 439	-17.7
MA	Morocco	13 159	12 453	12 595	13 622	14 790	15 979	18.8
TN	Tunisia [1]	20 019	25 346	26 125	29 796	30 982	35 320	22.2
EG	Egypt [2]	:	:	:	:	:	:	. .
JO	Jordan [1]	:	3 506	3 242	3 249	3 179	3 731	-9.3
LB	Lebanon [3]	:	110	113	165	188	:	70.8
SY	Syria	3 689:	3 160	3 098	2 962	2 962	2 978	-6.3
IL	Israel [4]	11 474	16 018	16 146	16 123	16 688	18 682	4.2
PAL	Palestine [5]	:	:	736	639	601	:	. .
CY	Cyprus	10 314	14 527	13 168	13 672	15 000	:	3.3
MT	Malta	:	:	:	:	:	:	. .
TR	Turkey [6]	20 149	28 155	37 038	51 108	45 946	32 297	63.2
EU15 [7]		**:**	**1 064 663**	**1 068 972**	**1 103 723**	**1 131 080**	**:**	**7.0**
B	Belgium	9 580	10 953	11 835	12 605	12 981	13 400	18.5
DK	Denmark [8]	10 635	8 054	8 674	8 675	8 802	8 767	9.3
D	Germany	155 387	172 331	172 181	173 105	177 009	185 331	2.7
EL	Greece	47 037	49 382	47 280	53 830	56 549	:	14.5
E	Spain	128 895	159 281	158 043	166 733	178 356	230 540	12.0
F	France	145 803	144 688	145 715	154 846	163 026	175 104	12.7
IRL	Ireland	:	18 046	18 625	18 803	20 379	:	12.9
I	Italy	191 012	208 033	210 823	207 600	213 370	220 578	2.6
L	Luxembourg	1 194	1 140	1 044	1 109	1 170	1 203	2.6
NL	Netherlands [9]	14 498	18 380	18 997	23 183	26 884	29 053	46.3
A	Austria [10]	77 046	72 501	71 018	69 484	69 986	70 364	-3.5
P	Portugal	23 814	20 365	28 063	29 350	32 404	:	-99.8
FIN	Finland	10 677	11 391	11 662	12 285	12 720	12 870	11.7
S	Sweden	16 226	18 465	18 598	18 866	20 052	20 707	8.6
UK	United Kingdom	142 157	144 081	146 414	153 247	137 392	147 156	-4.6

([1]) Classified and unclassified hotels. ([2]) Hotels, tourist villages and floating hotels. ([3]) Only hotels. ([4]) Tourist hotels and not yet listed hotels. ([5]) Includes hotels, inns, and hostels. ([6]) Number of establishments licensed by the Ministry of Tourism 1996. ([7]) Variation excludes Netherlands. ([8]) Changes in methodology in 1996: variation refers to 1998-1996. ([9]) Change in methodology in 1997-1998. ([10]) Change in methodology in 1998: variation refers to 1997-1995.

Nights spent by non-residents in hotels and similar establishments (in thousands)

		1990	1995	1996	1997	1998	1999	% 95/98
Euro-Med total		:	:	:	:	646 834	:	. .
MED-Total		:	:	:	:	125 523	:	. .
DZ	Algeria	658	76	61	85	133	164	75.1
MA	Morocco	9 793	8 501	8 719	9 560	10 676	11 891	25.6
TN	Tunisia [1]	18 841	23 514	24 130	27 684	28 788	33 151	22.4
EG	Egypt [2]	19 943	20 451	23 765	26 579	20 151	31 002	-1.5
JO	Jordan [1]	:	:	2 836	2 720	2 682	3 154	. .
LB	Lebanon [3]	:	:	:	:	75	:	. .
SY	Syria	1 706	1 823	1 851	1 837	1 804	1 845	-1.0
IL	Israel [4]	5 836	9 496	8 908	8 145	7 709	9 047	-18.8
PAL	Palestine [5]	:	103	708	612	565	848	450.6
CY	Cyprus	10 149	14 181	12 689	13 148	14 430	:	1.8
MT	Malta [6]	6 425	7 632	7 328	7 693	8 078	8 235	5.8
TR	Turkey [7]	13 271	18 477	25 548	36 167	30 433	15 514	64.7
EU15 [8]		437 514	477 500	481 897	500 704	521 311	:	8.3
B	Belgium	6 874	7 900	8 695	9 267	9 483	9 749	20.0
DK	Denmark [9]	5 429	4 146	4 473	4 505	4 462	4 350	-0.2
D	Germany	29 766	27 184	27 435	28 608	29 735	30 913	9.4
EL	Greece	35 612	37 474	35 102	40 220	42 565	:	13.6
E	Spain	71 741	101 000	100 000	105 435	111 803	149 036	10.7
F	France	55 934	54 339	54 994	60 786	66 330	66 330	22.1
IRL	Ireland	8 277	11 348	12 978	13 220	13 712	:	20.8
I	Italy	66 012	84 566	87 905	85 377	87 192	91 064	3.1
L	Luxembourg	1 085	1 051	952	1 026	1 089	1 136	3.6
NL	Netherlands [10]	8 102	9 581	9 923	12 444	14 262	15 224	. .
A	Austria [11]	61 894	56 198	55 126	53 396	53 503	53 123	-5.0
P	Portugal	16 710	20 357	19 962	20 851	23 241	:	14.2
FIN	Finland	2 468	2 926	2 907	3 171	3 226	3 271	10.2
S	Sweden	3 193	3 694	3 930	4 051	4 409	4 516	19.4
UK	United Kingdom	64 417	55 735	57 514	58 347	56 299	54 156	1.0

(1) Classified and unclassified hotels. (2) Hotels, tourist villages and floating hotels. (3) Only hotels. (4) Tourist hotels and not yet listed hotels. (5) Includes hotels, inns, and hostels. Non residents refers to nationality of the guest, not place of residence. (6) Days spent by foreign visitors. (7) Number of establishments licensed by the Ministry of Tourism 1996. (8) Variation excludes Netherlands. (9) Changes in methodology in 1996: variation refers to 1998-1996. (10) Change in methodology in 1997-1998. (11) Change in methodology in 1998: variation refers to 1997-1995.

Nights spent by residents in hotels and similar establishments (in thousands)

		1990	1995	1996	1997	1998	1999	% 95/98
Euro-Med total		:	:	:	:	:	:	. .
MED - Total		:	:	:	:	:		. .
DZ	Algeria	3 043	3 573	3 487	3 404	2 870	3 275	-19.7
MA	Morocco	3 366	3 951	3 876	4 062	4 114	4 088	4.1
TN	Tunisia [1]	1 178	1 832	1 995	2 112	2 194	2 169	19.8
EG	Egypt [2]	:	:	:	:	:	:	. .
JO	Jordan [1,]	:	:	406	529	498	577	. .
LB	Lebanon [3]	:	:	:	:	113	:	. .
SY	Syria	1 983	1 337	1 247	1 124	1 158	1 133	-13.4
IL	Israel [4]	5 638	6 522	7 238	7 978	8 978	9 635	37.7
PAL	Palestine [5]	:	:	28	27	36	:	. .
CY	Cyprus	165	346	479	314	570	:	64.9
MT	Malta	:	:	:	:	:	:	. .
TR	Turkey [6]	6 878	9 678	11 490	14 941	15 513	16 783	60.3
EU15 [7]		**:**	**587 164**	**587 075**	**603 018**	**609 769**	**:**	**3.1**
B	Belgium	2 707	3 054	3 140	3 338	3 498	3 652	14.6
DK	Denmark [8]	5 205	3 908	4 200	4 171	4 339	4 417	3.3
D	Germany	125 621	145 147	144 747	144 497	147 274	154 419	1.5
EL	Greece	11 425	11 908	12 178	13 609	13 984	:	17.4
E	Spain	57 154	58 281	58 043	61 298	66 552	81 504	14.2
F	France	89 869	90 349	90 721	94 060	96 696	108 774	7.0
IRL	Ireland	:	6 698	5 647	5 583	6 667	:	-0.5
I	Italy	125 000	123 467	122 918	122 223	126 178	129 514	2.2
L	Luxembourg	109	89	92	83	81	67	-9.2
NL	Netherlands [9]	6 396	8 799	9 074	10 739	12 622	13 829	. .
A	Austria [10]	15 152	16 302	15 892	16 088	16 483	17 241	-1.3
P	Portugal	7 103	7 580	8 101	8 499	9 164	:	20.9
FIN	Finland	8 209	8 464	8 755	9 115	9 494	9 600	12.2
S	Sweden	13 033	14 771	14 668	14 815	15 643	16 192	5.9
UK	United Kingdom	77 741	88 346	88 900	94 900	81 093	93 000	-8.2

([1]) Classified and unclassified hotels. ([2]) Hotels, tourist villages and floating hotels. ([3]) Only hotels. ([4]) Tourist hotels and not yet listed hotels. ([5]) Includes hotels, inns, and hostels. ([6]) Number of establishments licensed by the Ministry of Tourism 1996. ([7]) Variation excludes Netherlands. ([8]) Changes in methodology in 1996: variation refers to 1998-1996. ([9]) Change in methodology in 1997-1998. ([10]) Change in methodology in 1998: variation refers to 1997-1995.

COUNTRY ANALYSIS

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ALGERIA

Part I: General situation and main indicators

Development and Impact of Tourism

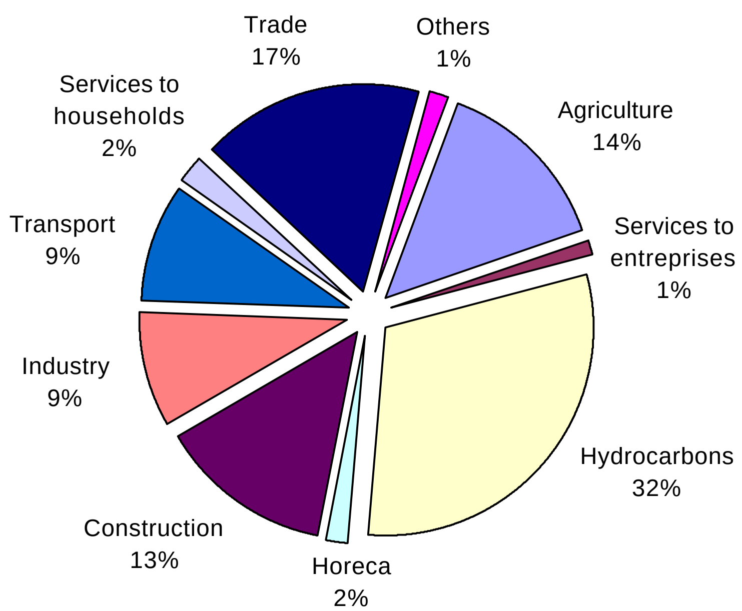
It is only recently that the tourism industry has become of some interest to the national economy. A look at its history shows that it went through over 15 years of instability characterised by a great deal of restructuring. But now, the new strategy adopted by the Algerian government includes the tourism industry among the main sectors, due to its important potential capacity to boost the economy.

The sector has been standing on its own right since 1993. This new status is characterised by the creation, within the government, of a Ministry of Tourism and of Arts and Crafts and by the progressive implementation of decentralised services. Given its current situation, Algeria does not appear to be a favourite destination for inbound tourism, since the arrivals of foreign visitors account for no more than 15% of the tourism demand (arrivals at the borders) in 1998.

Tourism has suffered a great deal from the difficult socio-economic situation that Algeria has gone through since the nineties, and especially so since the country has started a process of deep reforms.

International tourism has indeed changed greatly. It is a direct contributor to the Balance of Payments and to the Gross Domestic Product.

Percentage Contribution to GDP by Economic Activity - 1998



Source: National Office of Statistics (NOS).

The contribution of the Hotel and Catering sector (HORECA) in the national economy measured in terms of value added is still stable and rather small (1.7% as a yearly average) during the 1985-1998 period. Over that period, hydrocarbons account for a yearly average of 32.9%, trade for 16%, transport for 14% and agriculture for about 13%.

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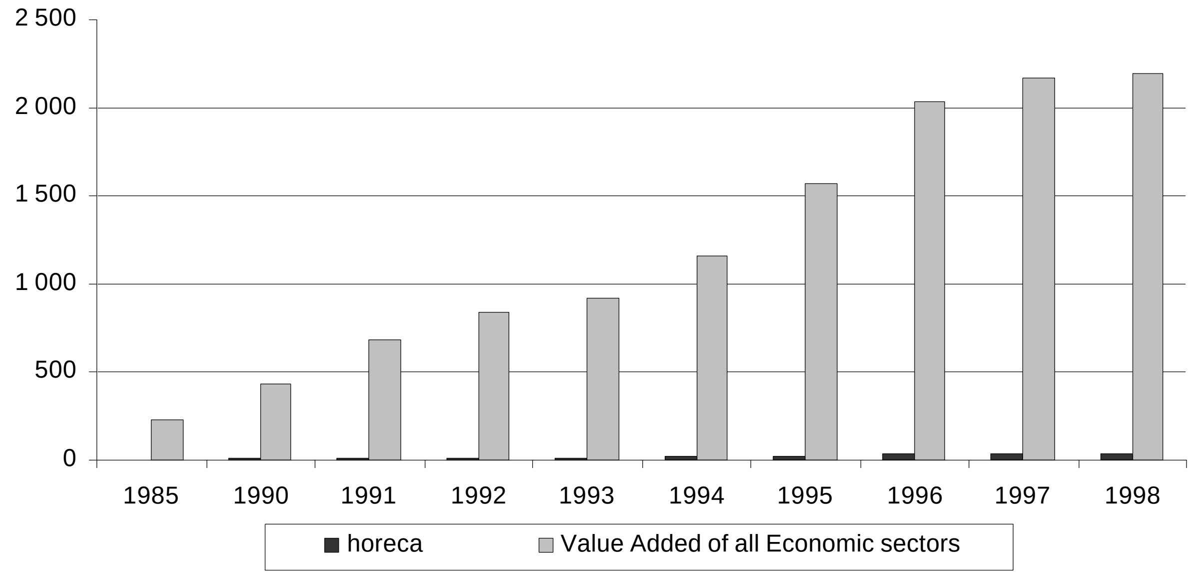
GDP by economic activity (Mio ECU)

	1985	1990	1995	1996	1997	1998	Average % share
Value Added of all Economic sectors	**59 795**	**37 638**	**24 820**	**29 333**	**33 277**	**33 389**	**100.0**
Agriculture	6 275	5 497	3 153	3 997	3 534	4 728	13.0
Hydrocarbons	18 198	11 386	8 427	10 948	13 316	10 232	33.7
Industry	8 534	5 148	2 096	2 474	2 570	3 016	11.3
Construction	10 528	5 560	3 432	3 507	3 912	4 469	14.0
Total Services	**16 046**	**9 877**	**7 373**	**8 060**	**9 500**	**10 503**	**27.9**
Transport	3 800	2 386	1 601	2 142	2 785	3 057	6.8
Trade	9 565	5 598	4 548	4 611	5 113	5 777	16.5
Horeca	**899**	**672**	**430**	**459**	**554**	**589**	**1.7**
Services to enterprises	660	455	262	280	353	350	1.0
Services to households	1 122	765	532	568	695	729	1.9
Others	214	170	339	348	444	442	0.9
% share of Horeca in total value added	**1.5**	**1.8**	**1.7**	**1.6**	**1.7**	**1.8**	**1.7**
% share of Horeca in total services	5.6	6.8	5.8	5.7	5.8	5.6	6.0

Source: NOS.

GDP and Gross Value added generated by the Tourism Industry (thousand Mio Dinars)



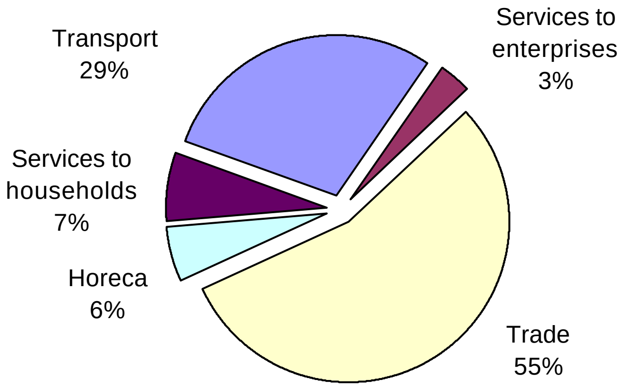
Source: NOS.

ALGERIA

In terms of status, the private sector clearly prevails, since almost 90% of the value added generated by the hotel and catering sector comes from it.

The share of tourism in the production of market services barely reaches 5.6% in 1998, compared to commerce, which accounts for nearly 55%, transport and communication (29.1%), services to households (6.9%) and services to enterprises (3.3%).

Value added: the Tourism Industry compared to other services sectors - 1998



Source: NOS.

Turnover generated by the HORECA sector (Mio ECU)

	1985	1990	1995	1996	1997	1998	% 98/95
Turnover	**1 292.7**	**953.0**	**615.3**	**658.9**	**799.2**	**849.8**	**38**
Value added	898.8	671.9	429.9	458.7	553.9	589.2	37
% share of value added	**69.5**	**70.5**	**69.9**	**69.6**	**69.3**	**69.3**	**. .**

Source: NOS.

Because of the specificity of tourism, its rate of creation of value added is fairly important, representing nearly 70% of the turnover generated by the HORECA sector. Between 1995 and 1998, turnover generated by the hotel and catering sector increased by 38% from ECU 615.3 million to ECU 849.8 million.

It is very difficult to give an accurate figure of direct and indirect employment generated by the tourism sector, in view of the seasonal character of a large part of the employment in the sector. According to the National Institute of Tourism Studies, 39 780 persons were directly employed in tourism in 1998.

According to a study of the Ministry of Tourism and Arts and Crafts, in 1998 the share of non-permanent employment represents over 62% of total employment in tourism. According to the same source, the development of further accommodation capacity has generated the creation of 39 780 jobs (in all sectors), i.e. four times as much as the 1985 figure. It is estimated that total direct, indirect and induced employment in tourism will amount to 59 560 jobs in 2000. In order to increase employment and to boost the economy, the Algerian authorities have focused their efforts on developing sectors that generate value added, such as tourism and arts and crafts.

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With that perspective in mind, the Algerian State actively encourages local or international private investments and has done so since the promulgation of the 93-12 decree of 5 October 1993 related to the promotion of investment in the tourism field.

Because of the lack of information on employment related to all the levels of the tourism sector, only the public enterprises have been taken into account. Employment in the public tourism sector is slowly developing. The employment created went from 10 054 in 1985 to 10 897 in 1990, which accounts for an 8.4% growth rate.

Number of persons employed in hotels and catering in the Public Sector

	1985	1990	1995	1996	1997	1998	1999	% 99/98
Persons employed	**10 054**	**10 897**	**7 723**	**8 522**	**10 807**	**11 437**	**12 067**	**5.5**

Source: NOS.

Employment in the public tourism sector has been through ups and downs: the highest yearly increase was registered in 1997 (26.8%) and a 32.4% decrease in 1991.

Balance of Payments (Mio ECU)

	1990	1995	1996	1997	1998	1999	% 99/98
Travel Item							
Receipts	**82**	**24**	**35**	**25**	**66**	**75**	**13.7**
Expenditures	117	142	148	127	240	891	271.5
Net account	- 35	- 118	- 113	- 102	- 174	- 816	369.3
Services Account (including the travel item)							
Receipts	**390**	**596**	**591**	**944**	**696**	**676**	**- 2.9**
Expenditures	1 183	1 577	1 693	1 896	2 060	2 393	16.1
Net account	- 793	- 981	- 1 103	- 952	- 1 730	- 1 717	- 0.8
% Share of travel receipts	**21.1**	**4.1**	**6.0**	**2.6**	**9.5**	**11.1**	**. .**
Current Account							
Receipts	**10 952**	**9 517**	**11 853**	**13 851**	**11 000**	**13 249**	**20.4**
Expenditures	9 843	11 279	10 876	10 874	11 744	13 230	12.6
Net account	1 110	- 1 762	977	2 978	- 744	19	- 102.5
% Share of travel receipts	**0.8**	**0.3**	**0.3**	**0.2**	**0.6**	**0.6**	**. .**

Source: National Bank.

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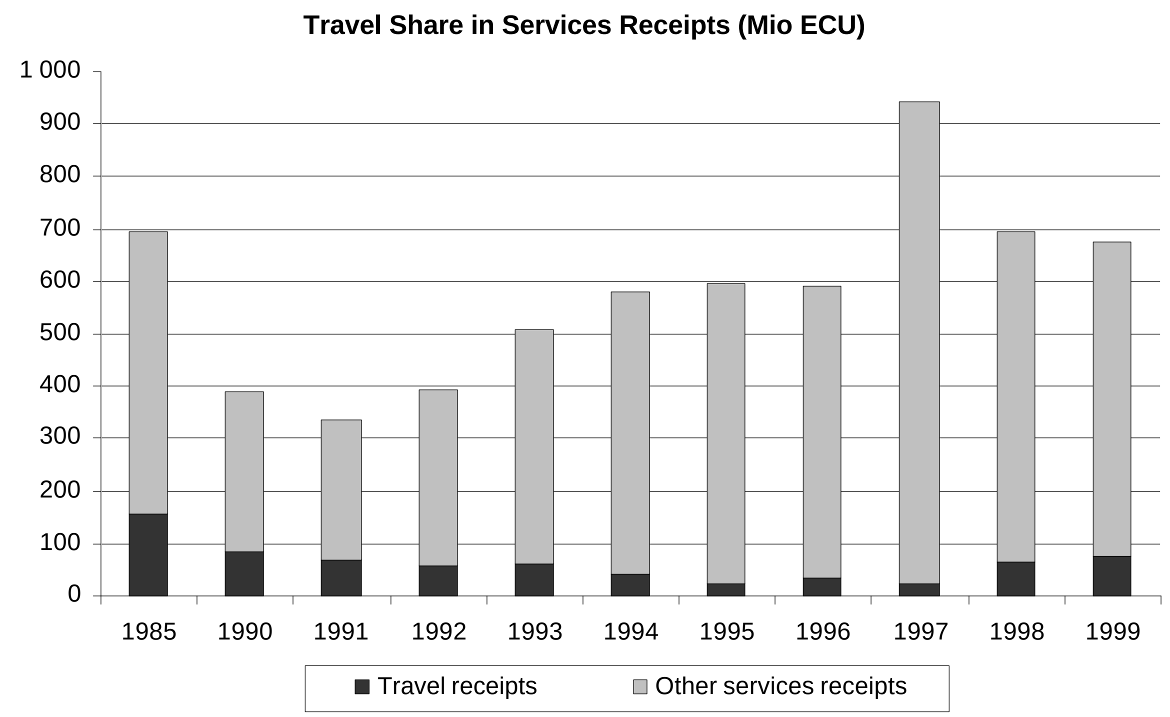
As can be seen in the preceding table the travel account has been in deficit over the whole period considered (1985-1999). In other words, expenditures of nationals travelling abroad are higher than receipts generated by inbound flows. In 1985, travel receipts represented 22% of services receipts and in 1995 they only accounted for 4%; in 1999 travel receipts represented 11% of services receipts. Even though the travel receipts substantially increased in 1998 (167%) compared to the year before, the expenditures of nationals travelling abroad also increased strongly (89%) and the travel account still shows an large deficit in 1998 and 1999.



Source: National Bank.

Part II: Tourism supply

Infrastructure and Accommodation Capacity

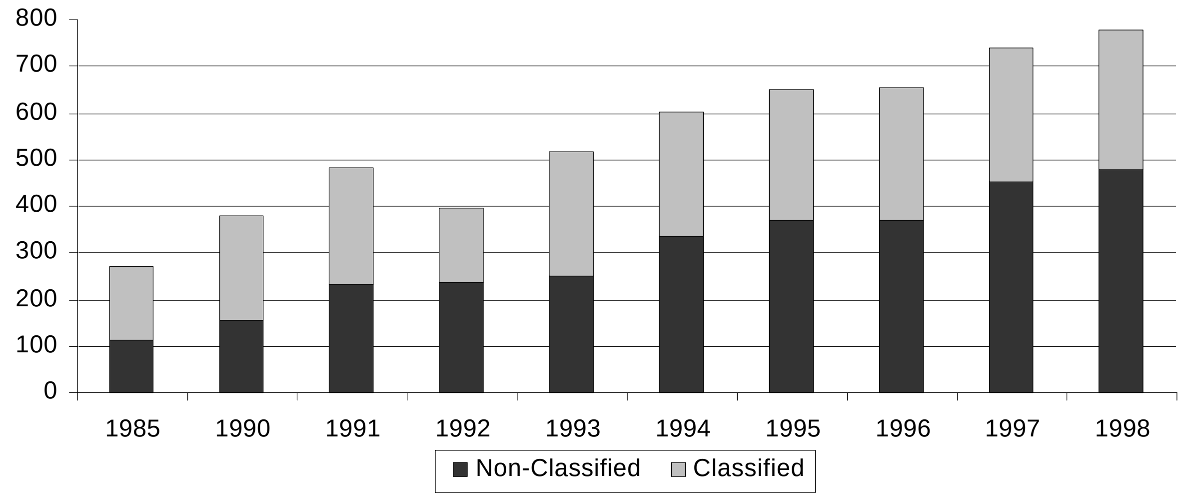
Prior to 1985, the number of hotels and similar establishments amounted to 270, and in 1990, it had increased to 380. Thus, during the 1990-1998 period, an average 50 additional hotels were supplied each year, which represents an average yearly growth rate of 10%.

Hotels and similar establishments and bed-places

	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Establishments	**270**	**380**	**480**	**493**	**510**	**605**	**653**	**659**	**740**	**781**	**800**
Bed-places (in thousands)	32.4	53.8	55.0	55.9	57.3	60.2	62.0	64.7	65.7	71.0	76.0

Source: NOS and Ministry of Tourism and Arts and Crafts (MTAC).

Number of hotels and similar establishments



Source: NOS and MTAC.

In numbers, and during the same 1985-1998 period, the share of non-classified accommodation has been growing, from 40% of the total number of establishments in 1990 and 61% of the total in 1998. This compared with 3 star hotels, which represented 23% of the total in 1990 and in 1998 13%. Over this same period, 4 and 5 star hotels together have a share of between 6% and 5%.

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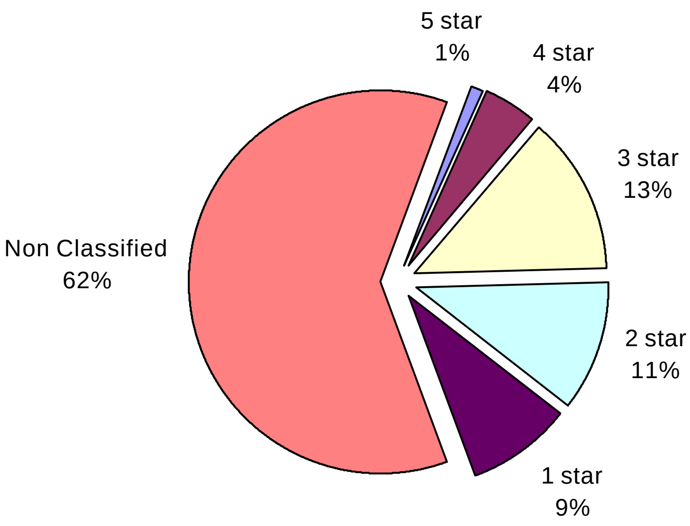
Number of hotels and similar establishments by category

	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998
Total	**270**	**380**	**480**	**493**	**510**	**605**	**653**	**659**	**740**	**781**
5 star	5	5	5	5	7	7	8	9	9	9
4 star	12	17	20	22	21	29	31	33	33	34
3 star	59	87	87	89	89	90	91	91	91	104
2 star	48	63	68	72	73	73	83	85	87	87
1 star	36	55	66	68	69	69	70	70	70	70
Non Classified	110	153	234	237	251	337	370	371	450	477

Source: NOS and MTAC.

The accommodation capacity, by legal status, location and category has changed progressively during the 1985-1990 period, from 32 362 to 53 812 bed-places in 1990, i.e. a 66% increase. In 1998, the supply amounted to 70 981 bed-places, accounting for a 32% growth rate compared to 1990. By legal status, the public sector prevails over the whole reference period, accounting for 26 273 bed-places in 1985 to 26 725 in 1990, finally reaching 33 000 bed-places in 1998.

% Share of hotels and similar establishments by quality category – 1998



Source: NOS and MTAC.

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Number of bed-places in hotels and similar establishments by quality category

	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998
Total	**32 362**	**53 812**	**54 986**	**55 924**	**57 290**	**60 235**	**62 000**	**64 695**	**65 704**	**70 981**
5 star	2 347	2 758	2 400	2 400	4 566	4 802	4 943	5 158	5 158	5 785
4 star	2 684	3 535	6 844	6 844	4 429	4 656	4 792	5 001	5 047	5 093
3 star	19 715	21 715	23 630	23 908	23 947	25 176	25 914	27 040	27 204	28 968
2 star	5 399	6 151	3 192	3 192	5 620	5 908	6 081	6 345	6 374	7 284
1 star	2 217	2 534	2 534	3 194	2 452	2 581	2 657	2 772	2 827	2 975
Non classified	-	17 119	16 386	16 386	16 276	17 112	17 613	18 379	19 094	20 876

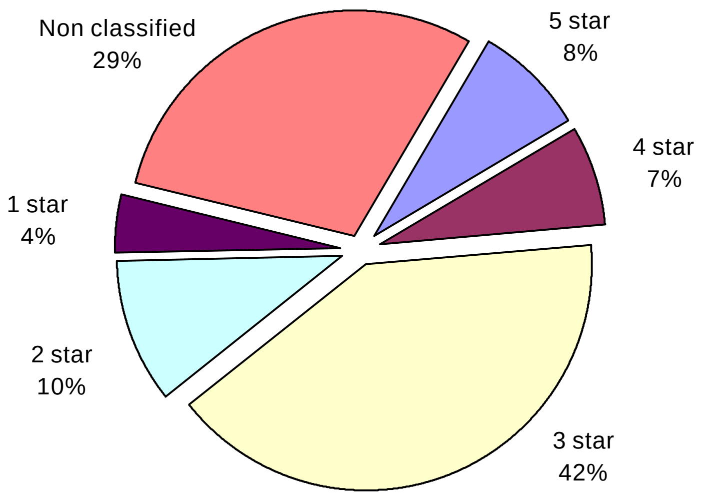
Source: NOS and MTAC.

As for the private sector, its accommodation capacity is also important: increasing from 5 086 bed-places in 1985, to 26 140 in 1990, to 30 886 in 1998. Local communities had a capacity of 947 bed-places in 1990 and of 1 071 in 1997. Moreover, a steep 90% increase is to be noted in the five star hotels capacity in 1993 with respect to 1992, i.e. from 2 400 to 4 566 bed-places.

Three star hotels have the highest capacity over the period ranging from 1985 to 1998, representing around 40% of total capacity. Bed-places in three star hotels amounted to 19 715 in 1985, and to 21 715 in 1990 (increase of 10%). It reached 28 968 bed-places in 1998, increasing by 33% compared to 1990.

Ranking second, is the capacity in non classified accommodation accounting for 32% of total capacity in 1990 and 29% in 1998, offering respectively 17 119 and 20 876 bed-places and registering a 22% increase.

% Share of bed-places in hotels and similar establishments by quality category – 1998



Source: NOS and MTAC.

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The distribution of the accommodation capacity by location shows a 25% increase in the number of bed-places in urban areas between 1991 and 1998, amounting to 26 286 bed-places in 1991 against 32 777 in 1998. It also underlines the concentration of investments, mainly in the construction in urban areas and seaside resorts, which in 1998 represented 46% and 32% of total bed-places capacity. Such concentration can be explained by the fact that the tourism policy decided in the early 80's focused on the promotion of business tourism (urban accommodation) and on the interests of foreign tourists (seaside accommodation).

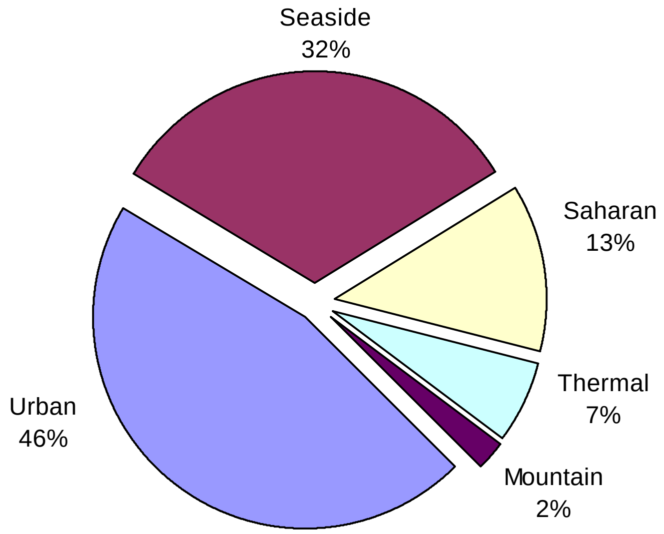
Number of bed-places in hotels and similar establishments by location

	1991	1992	1993	1994	1995	1996	1997	1998
Total	**54 986**	**55 924**	**57 290**	**60 235**	**62 000**	**64 695**	**65 704**	**70 981**
Urban	26 286	26 928	27 874	29 304	29 689	30 980	30 828	32 777
Seaside	18 972	18 972	19 272	20 263	19 410	20 254	20 395	23 000
Saharan	5 026	5 026	5 146	5 415	7 615	7 946	8 663	9 000
Thermal	3 696	3 714	3 714	3 903	3 934	4 105	4 308	4 629
Mountain	1 006	1 284	1 284	1 350	1 352	1 410	1 510	1 575

Source: NOS and MTAC.

Between 1991 and 1998 capacity of seaside accommodation increased by 21%. As for Saharan resorts, capacity increased by 79% for the same period, i.e. from 5 026 bed-places in 1991 and 92 to 9 000 in 1998. As for thermal and mountain resorts, their capacity increased respectively by 25% and 57% between 1991 and 1998, during the reference period.

% Share of bed-places in hotels and similar establishments by location – 1998



Source: NOS and MTAC.

Part III: Tourism demand

Occupancy of collective tourist accommodation establishments: inbound and domestic tourism

The total number of nights spent in tourist accommodation has gone through ups and downs since 1985. It increased by 84% in 1990 compared to 1985; decreased by -1.4% in 1995 compared to 1990, and fell again by nearly 6% in 1999 compared to 1995. In 1998 3 003 183 nights were registered in Algerian hotels, against 3 438 928 in 1999, which amounts to a 14% increase. The lowest number during the 1990-1998 period was registered in 1991 in which only 2 846 163 nights were spent in hotels and similar establishments, i.e. a 23% decrease with respect to 1990.

Total nights spent by residents and non-residents in hotels and similar establishments

	1985	1990	1995	1996	1997	1998
Total	**2 012 898**	**3 701 127**	**3 648 632**	**3 547 425**	**3 488 358**	**3 003 183**
Non residents	**689 840**	**658 138**	**75 801**	**60 559**	**84 818**	**132 739**
% share of total	34.3	17.8	2.1	1.7	2.4	4.4
Total residents	**1 323 058**	**3 042 989**	**3 572 831**	**3 486 866**	**3 403 540**	**2 870 444**
% share of total	65.7	82.2	97.9	98.3	97.6	95.6
National residents	**1 234 937**	**2 871 178**	**3 551 557**	**3 473 639**	**3 396 141**	**2 858 530**
% share of total residents	61.4	77.6	97.3	97.9	97.4	95.2
Foreign residents	**88 121**	**171 811**	**21 274**	**13 227**	**7 399**	**11 914**
% share of total residents	6.7	5.6	0.6	0.4	0.2	0.4

Source: National Office of Statistics and Ministry of Tourism and Arts and Crafts.

Nights spent in hotels and similar establishments (in thousands)

Source: NOS and MTAC.

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Tourists of Algerian nationality make up the largest share of total nights spent during the whole period. Whereas they represented 61.4% of the total nights spent in hotels in 1985, with 1 234 937 nights, they represented 77.6% of total nights spent in 1990, in other words, 2 871 178. In 1998 they represented 95%, i.e. 2 858 530 nights. Moreover, the highest number of nights spent by Algerian residents was registered in 1995, with 3 551 557, accounting for a 23.7% increase in comparison with 1990 and 6.5% with respect to 1994.

Nights spent by foreign residents have been decreasing after 1991.

Nights spent by non-residents in hotels and similar establishments by nationality

	1985	1990	1995	1996	1997	1998	1999	% 99/98
Total	**689 840**	**658 138**	**75 801**	**60 559**	**84 818**	**132 739**	**164 096**	**23.6**
Europe	**558 595**	**513 384**	**36 866**	**31 500**	**48 640**	**79 544**	**94 484**	**18.8**
Belgium	22 308	20 609	603	1 482	1 241	2 082	2 622	25.9
Denmark	5 368	2 790	400	53	27	238	263	10.5
Germany	48 404	66 831	9 125	8 430	7 357	14 168	14 335	1.2
Spain	23 635	30 302	2 531	2 818	3 154	5 333	7 099	33.1
France	234 038	208 813	6 608	5 880	10 270	17 593	32 783	86.3
Italy	56 769	62 253	14 174	10 332	17 370	27 228	13 455	-50.6
Austria	10 351	6 518	393	463	484	4 506	2 834	-37.1
Netherlands	5 806	22 761	53	99	3 906	555	589	6.1
Sweden	5 839	6 403	309	294	264	551	3 550	544.3
United Kingdom	20 805	20 089	1 148	781	3 577	5 311	5 679	6.9
Norway	1 492	1 287	15	2	22	89	851	856.2
Switzerland	10 812	23 887	180	223	290	962	2 375	146.9
Other European countries	112 968	40 841	1 327	643	678	928	8 049	767.3
Africa	**36 797**	**69 523**	**15 362**	**12 003**	**7 704**	**8 512**	**10 104**	**18.7**
North America	**17 702**	**20 139**	**6 706**	**3 763**	**10 316**	**15 668**	**10 499**	**-33.0**
United States	8 976	14 669	3 017	1 310	2 383	3 372	3 715	10.2
Canada	8 726	5 470	3 689	2 453	7 933	12 296	6 784	-44.8
South and Central America	**4 941**	**2 329**	**901**	**321**	**135**	**143**	**671**	**369.2**
Asia	**56 281**	**34 921**	**12 561**	**7 794**	**6 389**	**7 728**	**8 230**	**6.5**
Other countries	15 524	17 842	3 405	5 178	11 634	21 144	40 108	89.7

Source: NOS and MTAC.

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The substantial fall in the number of arrivals of foreign tourists at the borders has had negative consequences on the number of nights spent by foreign non residents in hotels and similar establishments in 1990 with respect to 1985, going down from 689 840 to 658 138, resulting in a fall of 4.6%. From 1990 onwards, a decrease in the number of nights spent in hotels and similar establishments by foreign tourists is to be noted; falling to it slowest level in 1996. Nevertheless, a slight upturn has been registered after 1996, both as regards the arrivals at the borders of foreign tourists and the nights spent by foreign non residents in hotels and similar establishments. Nights spent by foreign non-residents in hotels and similar establishments increased by 40% in 1997 with respect to 1996, and by 56% in 1998 with respect to the previous year. Nights spent increased by nearly 24% in 1999 compared to 1998.

% Share of nights spent by non-residents in hotels and similar establishments

	1985	1990	1995	1996	1997	1998	1999	Average (85/99)
Europe	**81.0**	**78.0**	**48.6**	**52.0**	**57.3**	**59.9**	**57.6**	**63.6**
Belgium	3.2	3.1	0.8	2.4	1.5	1.6	1.6	2.1
Denmark	0.8	0.4	0.5	0.1	0.0	0.2	0.2	0.4
Germany	7.0	10.2	12.0	13.9	8.7	10.7	8.7	8.8
Spain	3.4	4.6	3.3	4.7	3.7	4.0	4.3	4.3
France	33.9	31.7	8.7	9.7	12.1	13.3	20.0	20.3
Italy	8.2	9.5	18.7	17.1	20.5	20.5	8.2	14.5
Austria	1.5	1.0	0.5	0.8	0.6	3.4	1.7	1.3
Netherlands	0.8	3.5	0.1	0.2	4.6	0.4	0.4	1.2
Sweden	0.8	1.0	0.4	0.5	0.3	0.4	2.2	0.7
United Kingdom	3.0	3.1	1.5	1.3	4.2	4.0	3.5	2.9
Norway	0.2	0.2	0.0	0.0	0.0	0.1	0.5	0.1
Switzerland	1.6	3.6	0.2	0.4	0.3	0.7	1.4	1.5
Other European countries	**16.4**	**6.2**	**1.8**	**1.1**	**0.8**	**0.7**	**4.9**	**5.6**
Africa	**5.3**	**10.6**	**20.3**	**19.8**	**9.1**	**6.4**	**6.2**	**13.5**
North America	**2.6**	**3.1**	**8.8**	**6.2**	**12.2**	**11.8**	**6.4**	**6.2**
South and Central America	**0.7**	**0.4**	**1.2**	**0.5**	**0.2**	**0.1**	**0.4**	**0.5**
Asia	**8.2**	**5.3**	**16.6**	**12.9**	**7.5**	**5.8**	**5.0**	**8.7**
Other countries	2.3	2.7	4.5	8.6	13.7	15.9	24.4	7.5

Source: NOS and MTAC.

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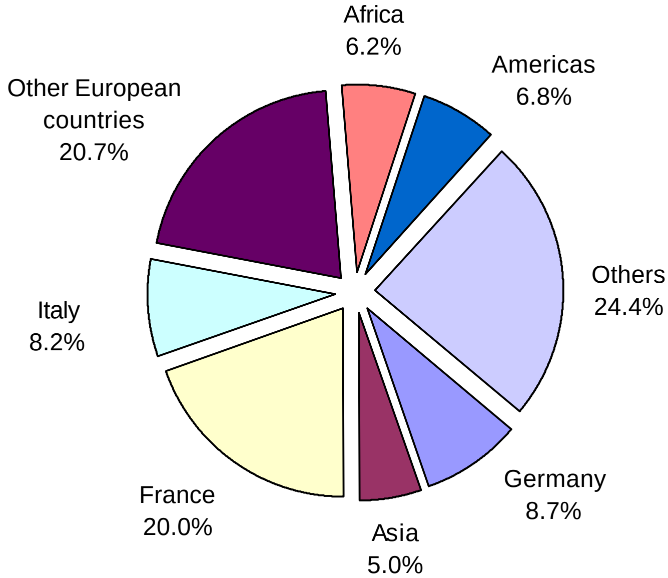
Over the period 1985 to 1999, the share nights spent in Hotels and similar establishments by foreign non-residents according to the country of origin shows that:

French tourists generally rank first in the number of nights spent by foreign non residents, representing on average of 20% of the total, ranging from 8.7% to 33.9% respectively in 1995 and 1985. The Italians generally rank second, representing an average 14.5% share of the nights spent by foreign non residents, with their share ranging from 8.2% to 21.2% respectively in 1999 and 1994. Ranking third, and contrary to the figures for arrivals, are the Germans, who stand for an average of 8.8%, ranging from 5.4% to 13.9%, respectively in 1992 and 1996.

In 1999, the number of nights spent by European Union citizens accounted for 54% of the total for foreign non-residents. French, Germans, and Italians represented an important share in the total of nights spent by non-residents, with respectively 20%, 8.7% and 8.2%.

% Share of nights spent by foreign non residents - 1999



Source: NOS and MTAC.

In spite of the good position held by the French in the share of nights spent by foreign non-residents, their number of nights suffered spectacular downturns, namely decreasing by 67.3% in 1991 with respect to 1990. Positive growth rates were recorded in 1992 (+43.4%) and in 1997(+74.7%), 1998 (71.3%) and 1999 (86.3%). The evolution observed in the nights spent by the Italians and the Germans is not that different. The Italian market decreased by 52.1% and the German one by 73.2% in 1991 compared to 1990.

For the Italian market, positive growth rates were recorded in 1992 (21.3%), in 1993 (21.9%), in 1997 (68.1%) and in 1998 (56.8%), but the decrease in 1999 (-50.6%) brought the number back down to roughly the level of 1995.

Likewise, the German market registered a 10.9% increase in 1992 with respect to 1991. It encountered its most substantial fall in 1994 (-64%) compared to the previous year. Its steepest upturn was registered in 1998 (+93%) with respect to 1997, with 14 168 nights, maintaining roughly this number in 1999.

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Tourism demand: Inbound and National Tourism

The number of arrivals of visitors at the borders substantially dropped during the nineties, reaching the lowest level in 1995 (519 576 arrivals). Since then it has picked up to amount to 748 537 visitors in 1999 (increase of 44%).

Arrivals of visitors from abroad by nationality

	1992	1993	1994	1995	1996	1997	1998	1999
Total	**1 119 548**	**1 127 545**	**804 713**	**519 576**	**604 968**	**634 752**	**678 448**	**748 537**
Nationals residing abroad	**495 452**	**555 552**	**468 487**	**421 926**	**511 477**	**539 920**	**571 235**	**607 675**
Foreign visitors	**624 096**	**571 993**	**336 226**	**97 650**	**93 491**	**94 832**	**107 213**	**140 862**
Europe	**151 180**	**144 248**	**60 383**	**37 826**	**45 570**	**48 440**	**56 509**	**72 573**
EU15	**136 907**	**130 378**	**55 909**	**34 561**	**43 503**	**45 733**	**53 461**	**67 836**
Belgium	3 645	3 251	756	508	679	742	1 032	1 605
Denmark	710	838	189	93	71	57	160	229
Germany	9 314	7 781	2 416	1 398	1 467	1 554	1 721	3 168
Greece	616	718	341	237	132	128	156	219
Spain	6 417	7 878	2 137	1 621	1 826	3 664	5 518	4 652
France	92 053	88 788	38 581	26 349	35 214	34 690	38 357	49 559
Italy	14 392	12 529	8 788	2 791	2 541	2 555	3 419	4 483
Luxembourg	98	86	41	27	30	14	28	42
Netherlands	1 618	1 217	300	117	244	303	432	753
Portugal	761	555	210	122	185	162	257	520
United Kingdom	4 449	4 422	1 399	935	735	1 435	1 829	1 785
Austria	1 462	1 143	386	114	137	169	255	337
Finland	334	294	77	26	28	39	38	54
Sweden	1 038	878	288	223	214	221	259	430
Norway	219	172	77	35	26	53	90	186
Switzerland	3 884	3 280	801	353	513	576	885	1 132
Other European countries	10 170	10 418	3 596	2 877	1 528	2 078	2 073	3 419
Africa	**450 814**	**405 547**	**263 135**	**50 576**	**41 378**	**39 638**	**41 689**	**55 481**
North America	**4 169**	**4 396**	**2 385**	**1 702**	**1 623**	**1 725**	**2 081**	**2 293**
South and Central America	**977**	**720**	**428**	**303**	**147**	**113**	**216**	**270**
Asia	**16 377**	**16 722**	**9 739**	**7 193**	**4 751**	**4 846**	**6 594**	**10 116**
Australia, Oceania and other territories	**579**	**360**	**156**	**50**	**22**	**70**	**124**	**129**

Source: NOS.

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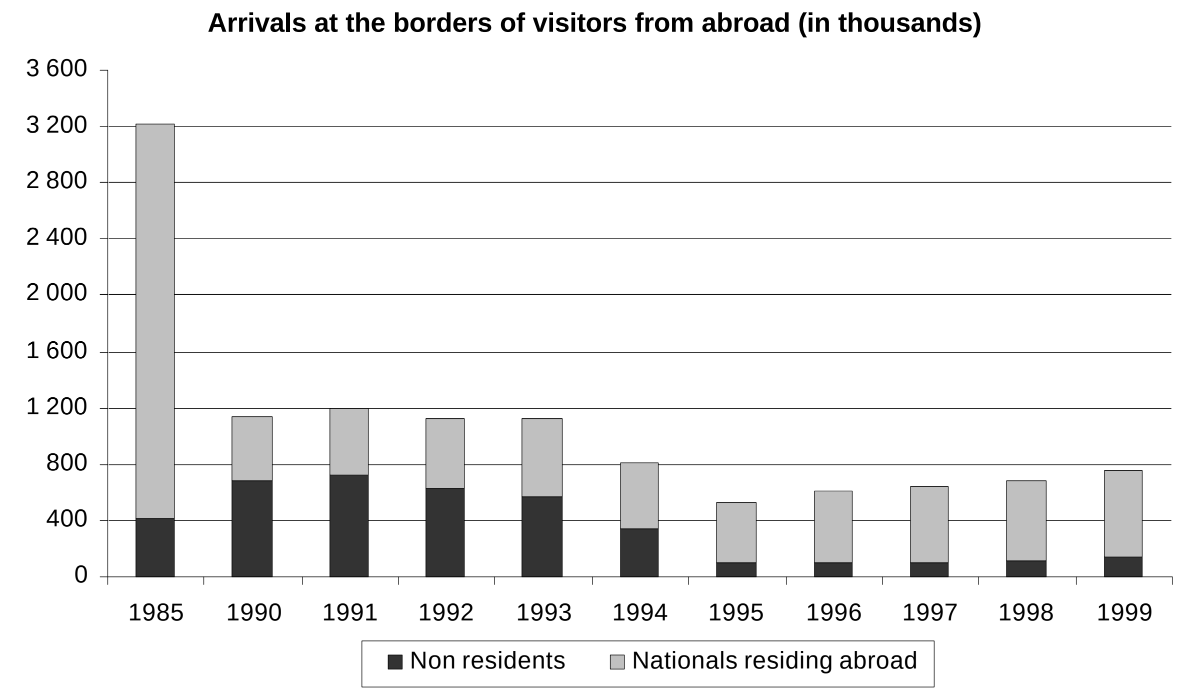
Arrivals of foreign visitors fell from 685 815 in 1990 to 93 491 in 1996, i.e. a decrease of 592 234 tourists in absolute terms (-86.4%). Yet, a slight increase in the arrivals of foreign visitors at the borders has been registered since 1996: by 1.4% in 1997, by 13% in 1998 compared to 1997, and by 31.4% in 1999 compared to the previous year.

Arrivals of European visitors fell to their lowest level in 1995, but have since then been rising again: increasing by 20% in 1996, by 6% in 1997, by nearly 17% in 1998 and by over 28% in 1999, compared to the previous reference year.



Source: NOS

Since 1991, arrivals of Maghreb nationals also suffered a progressive decrease, falling from 525 396 to its lowest level of 27 212 in 1997.

As for the arrivals of Algerians residing abroad, a positive growth has been observed during the whole period with the exception of 1994 and 1995 in which a respective decrease of -15.7% and -9.9% was registered.

The fact that arrivals of foreign residents has been falling, whereas that of Algerian residing aboard has generally risen, has resulted in progressively increasing the market share of arrivals of Algerians residing abroad. In 1990 the share of arrivals of Algerians residing abroad represented 39.7% of total arrivals, in 1994 its share has increased to 58.2% and in 1999 it was 81.2%.

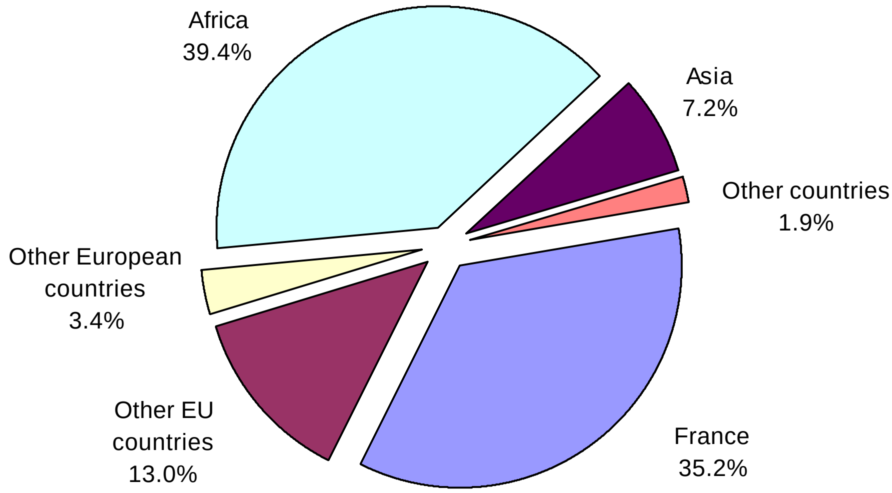
The arrivals of Maghreb nationals represented 35.4% of total arrivals in 1990, but by 1998 it had fallen to 4.2%. In terms of foreign visitor arrivals, it is also to be noted that the Maghreb market grew considerably during the 1990-1994 period and that its share was the largest. For example, the share of arrivals of Maghreb nationals registered in 1994 amounts to 74.5% (it is the highest share) against 25.5% for arrivals of other foreign visitors.

It is also a fact that the European market share has grown since 1995, and since then its share has been larger than the Maghreb market.

Such an increase can be attributed to French visitors, who represent respectively 27.0% and 37.7% of the total arrivals of foreign tourists in 1995 and 1996.

With respect to the total number of arrivals of non-Maghreb foreign visitors, the arrivals are mainly generated by the EU countries: In these terms, in 1999 the French rank first representing 35.2% of non Maghreb foreign visitors.

% Share of foreign visitors from abroad - 1999



Source: NOS.

Arrivals at the borders by mode of transport used

	1990	1995	1996	1997	1998	% 98/97	% 98/95
Total	**1 136 918**	**519 576**	**604 968**	**634 752**	**678 448**	**6.9**	**30.6**
Air	229 600	346 209	324 868	343 146	364 636	6.3	5.3
% share of total	**20.2**	**66.6**	**53.7**	**54.1**	**53.7**	..	..
Land	885 318	63 387	182 095	184 119	190 843	3.7	201.1
% share of total	**77.9**	**12.2**	**30.1**	**29.0**	**28.1**	..	..
Sea	22 000	109 980	98 005	107 487	122 969	14.4	11.8
% share of total	**1.9**	**21.2**	**16.2**	**16.9**	**18.1**	..	..

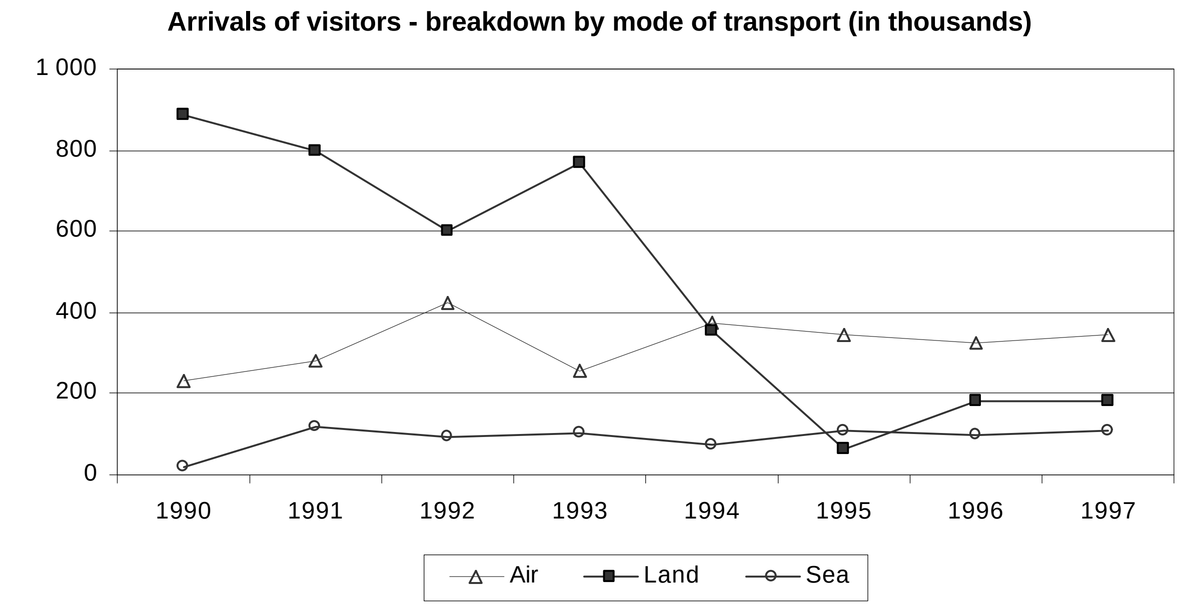
Source: NOS.

The structure of the various modes of transport used shows that 53.7% of inbound tourists used air transport in 1998, whereas 28.1% used land transport. 18.1% used sea transport for the same year.

ALGERIA

The number of tourists arriving by way of land transport increased after 1996, after a severe decrease in 1995, year in which it represented a mere 12.2% of the total of arrivals.

During the 1990-1993 period, the number of tourists arriving by land means was much higher than those using other modes of transport, representing 77.9% of the total in 1990. The number of tourist arrivals by sea has remained fairly stable since 1991.



Source: NOS.

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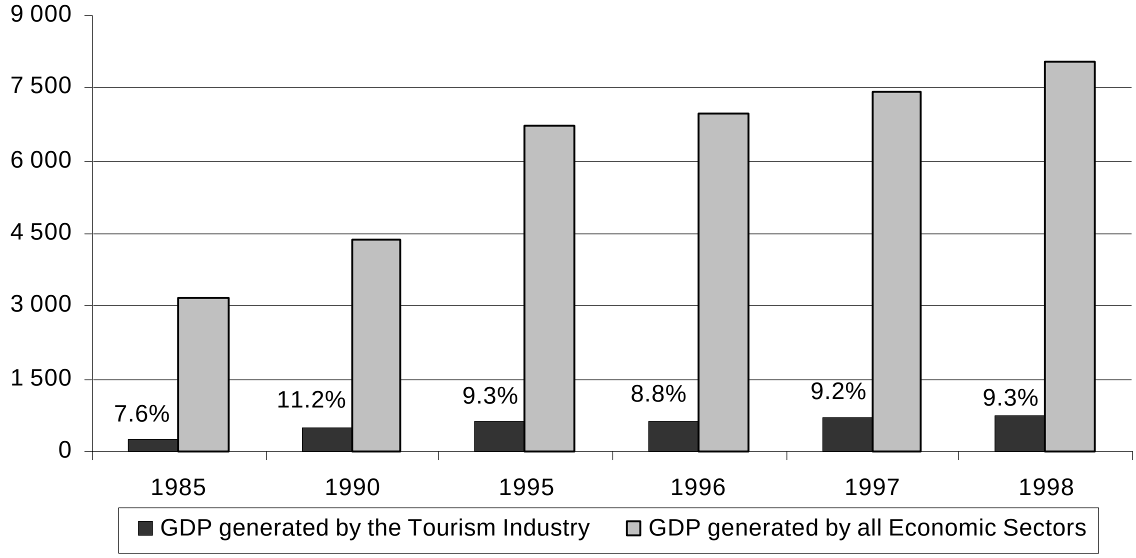
Part I: General situation and main indicators

Development and Impact of Tourism

Cyprus, like many other Mediterranean countries is a popular holiday resort for many Europeans. Thus tourism industry makes a significant contribution to the Cyprus economy. According to estimates for 1998 the tourism industry[1] accounted for 9.3% of the Gross Domestic Product (GDP). This share has remained relatively stable since 1995.

Evolution of GDP and the tourism industry (Mio ECU)



Source: Statistical Service of Cyprus (CYSTAT).

GDP and the tourism industry (Mio ECU)

	1985	1990	1995	1996	1997	1998	% 98/95
Value Added of all Economic sectors	**3 184**	**4 392**	**6 744**	**6 985**	**7 440**	**8 053**	**19.4**
Value added of the tourism industry	241	492	626	617	684	747	19.3
% share of tourism	**7.6**	**11.2**	**9.3**	**8.8**	**9.2**	**9.3**	**. .**

Source: CYSTAT.

[1] *The tourism industry is defined as comprising of the following sectors: Restaurants & Hotels, Travel Agencies, Foreign Airline Offices, Activities of Tourist Guides, Rental of Self-drive cars.*

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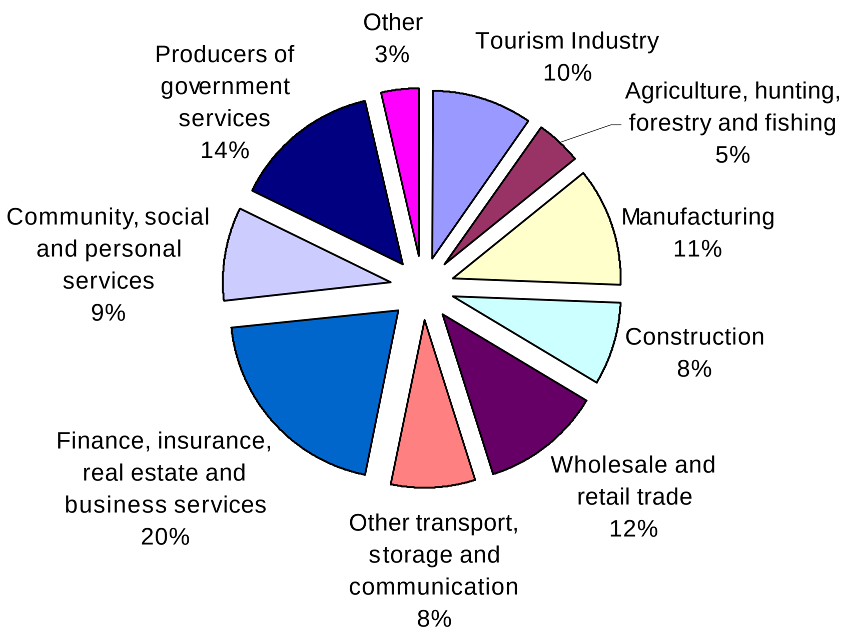
GDP generated by the tourism industry compared to other economic sectors – 1998



Source: CYSTAT.

In 1998 turnover generated by the tourism industry totalled ECU 1 254.2 million (CY£ 724.2 million, increase of 17% compared to 1995) of which 49% is made by the turnover of restaurants, 41% by the turnover of hotels and 7% by travel agencies and foreign airline offices. In 1998 travel agencies and foreign airline offices experienced the highest rate of growth of all sectors of the tourism industry with 33% increase in turnover from 1995, followed by the sector of restaurants with a 22% increase during the same period.

Employment in the tourism industry (in thousands)

	1985	1990	1995	1996	1997	1998	% change 98/90	% change 98/95
Total employment	**218**	**253**	**282**	**285**	**284**	**288**	**13.5**	**2.0**
Employment in the tourism industry	**18**	**27**	**33**	**33**	**33**	**33**	**24.8**	**0.6**
Wage and salary earners	13	19	26	27	27	27	40.0	2.3
Self employed	6	7	7	6	6	6	-15.5	-6.2
	% Share of total							
Employment in the tourism industry	**8.4**	**10.5**	**11.7**	**11.7**	**11.5**	**11.5**	**. .**	**. .**
	Thereof:							
Wage and salary earners	**68.8**	**72.5**	**80.1**	**80.9**	**81.0**	**81.4**	**. .**	**. .**
Self employed	31.2	27.5	19.9	19.1	19.0	18.6	. .	. .

Source: CYSTAT.

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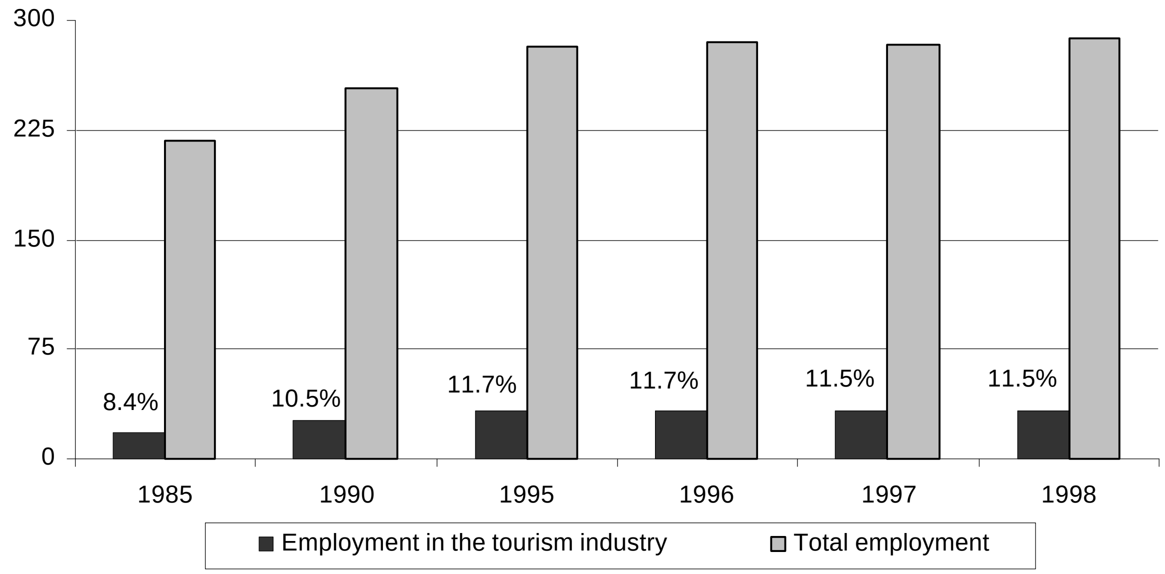
The tourism sector is also an important generator of employment. The number of persons employed in tourism related industries in 1998 amounted to 33 194 representing 11.5% of the total gainfully employed population. Of these, the overwhelming majority (81.4%) were employees and the remaining 18.6% self-employed. The number of persons employed in the tourism sector almost doubled in the period 1985-1995 and remained relatively stable in the years that followed.

Evolution of total employment and % share of employment in the tourism industry (in thousands)



Source: CYSTAT.

The fact that Cyprus is mainly a tourist receiving country is reflected in the balance of payments. Although the overall current account balance is negative, the travel balance is positive and it has almost tripled from ECU 498 million in 1985 to ECU 1 538 million in 1998. Growth however has been slower in the late 1990´s and has even been marked with a decrease of 3.7% in 1996 (compared to 1995). This decrease is partly due to a fall in the number of arrivals of tourists (7%) and partly to the increase of 14% in the travel expenditures. The relative importance of tourism is also reflected by the significant share of 50.4% of the travel receipts on the total services receipts. Over the past decade this share has maintained its relative importance being more or less stable and ranging between 50% and 55%.

Travel (tourism) in the Balance of Payments (ECU Mio)

								% change	
	1985	1990	1995	1996	1997	1998	1999	98/90	98/95
Receipts	**498**	**987**	**1 374**	**1 323**	**1 461**	**1 538**	**1 785**	**55.8**	**12.0**
Expenditures	102	140	252	288	340	366	404	162.2	45.2
Net account	**396**	**848**	**1 122**	**1 035**	**1 121**	**1 172**	**1 381**	**38.3**	**4.5**

Source: CYSTAT.

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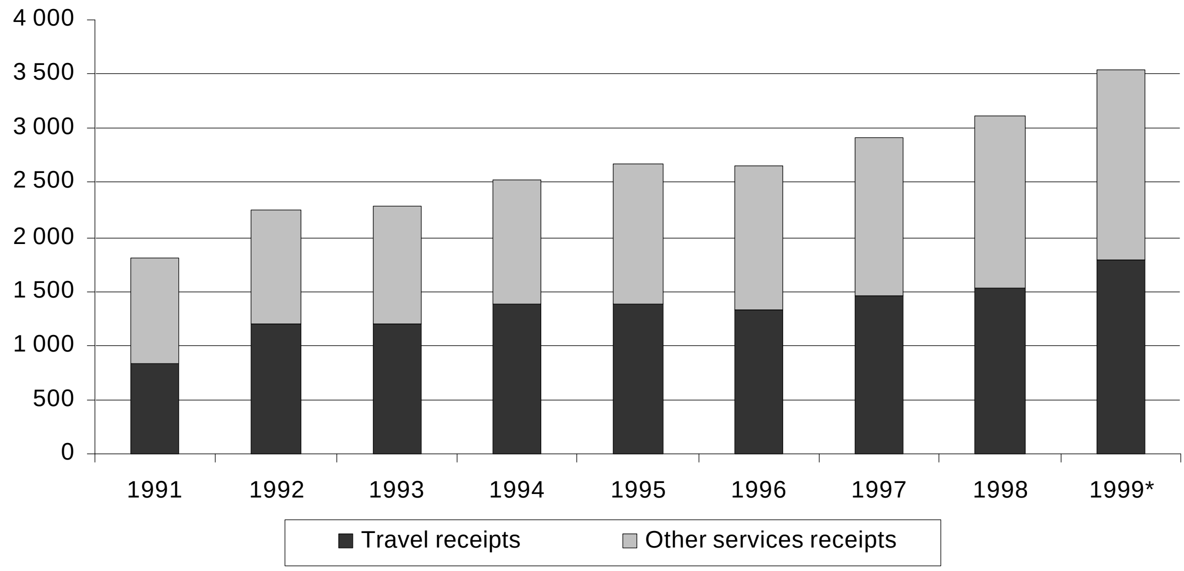
Balance of Payments (Mio ECU)

	1994	1995	1996	1997	1998	1999 [1]	% 98/95
	Travel Item						
Receipts	**1 391**	**1 374**	**1 323**	**1 461**	**1 538**	**1 785**	**16.0**
Expenditures	207	252	288	340	366	404	10.4
Net account	1 184	1 122	1 035	1 121	1 172	1 381	17.8
	Services Account (including the travel item)						
Receipts	**2 526**	**2 676**	**2 659**	**2 915**	**3 112**	**3 540**	**13.8**
Expenditures	914	1 135	1 224	1 320	1 426	1 533	7.5
Net account	1 612	1 541	1 436	1 595	1 685	2 007	19.1
% share of travel	**55.1**	**51.3**	**49.8**	**50.1**	**49.4**	**50.4**	**. .**
	Current Account						
Receipts	**3 267**	**3 539**	**3 668**	**3 954**	**4 012**	**4 411**	**9.9**
Expenditures	3 192	3 669	4 041	4 246	4 556	4 637	1.8
Net account	75	-131	-373	-292	-544	-226	-58.5
% share of travel	**42.6**	**38.8**	**36.1**	**37.0**	**38.3**	**40.5**	**. .**

([1]) Provisional figures for 1999.

Source: Central Bank of Cyprus.

Share of Travel receipts in Services receipts (Mio ECU)



Source: Central Bank of Cyprus. (*) Provisional figures for 1999.

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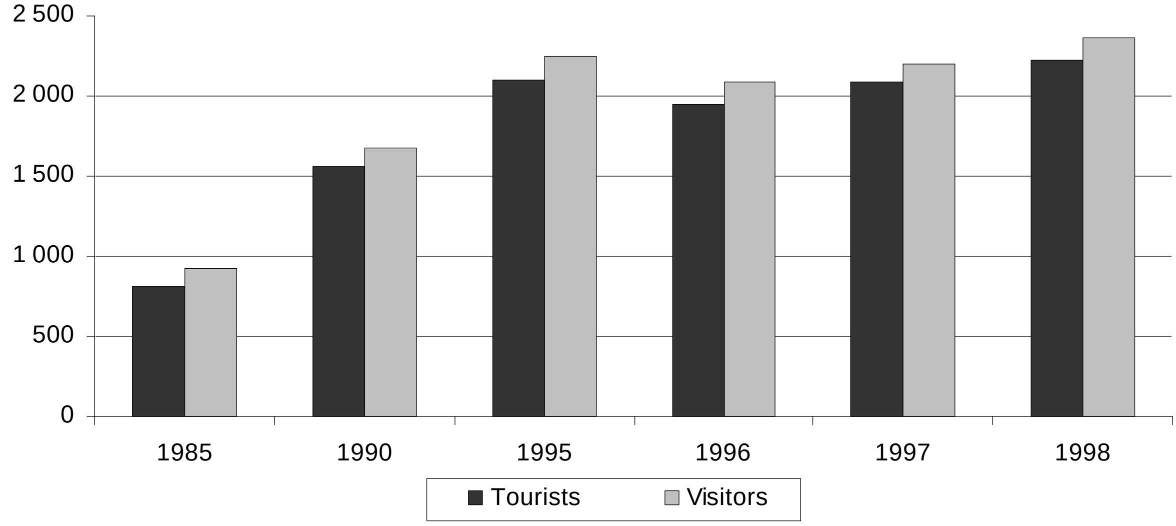
The total number of arrivals of tourists reflects the upward trend in the balance of payment travel receipts. Arrivals rose remarkably in the past years, from 814 thousand in 1985 to 2.2 million in 1998. Only a small down turn was noted in 1996 and recovered again in 1997.

Number of arrivals of visitors and tourists from abroad (in thousands)



Source: CYSTAT.

Part II: Tourism Supply

Infrastructure and Accommodation Capacity

During the period 1985-1996 the number of collective accommodation establishments almost doubled from 311 to 614. In 1997 the number dropped slightly to 604 and increased again to 615 in 1998. This growth in supply is mainly due to the increase in the number of hotels with stars and the number of hotel apartments which grew by 53% and 121% respectively during the period 1985-1998.

Total number of collective accommodation establishments by quality category

	1985	1990	1995	1996	1997	1998	% change 98/90	% change 98/95
Total	**311**	**471**	**546**	**614**	**604**	**615**	**31.1**	**12.6**
Hotels and similar	**311**	**461**	**537**	**574**	**568**	**580**	**25.8**	**8.0**
Hotels with stars	**165**	**210**	**241**	**248**	**245**	**253**	**20.5**	**5.0**
5 star	5	10	18	18	18	18	80.0	0.0
4 star	22	30	41	43	45	48	60.0	17.1
3 star	43	61	86	89	88	93	52.5	8.1
2 star	30	46	52	50	48	48	4.3	-7.7
1 star	29	37	32	31	29	29	-21.6	-9.4
0 star	36	26	12	17	17	17	-34.6	41.7
Hotel apartments	**129**	**236**	**276**	**291**	**284**	**285**	**21.8**	**3.3**
Luxury	0	0	1	1	1	1	. .	0.0
Category A	33	76	91	85	69	70	-7.9	-23.1
Category B	96	130	147	162	169	169	30.0	15.0
Category C	0	28	37	43	45	45	60.7	21.6
Similar Est.	**17**	**17**	**20**	**35**	**40**	**42**	**147.1**	**110.0**
Other collective accommodation	**0**	**8**	**9**	**40**	**35**	**35**	**337.5**	**288.9**

Source: CYSTAT.

During this same period (1985-1998) the number of bed places in collective accommodation establishments followed a similar growth pattern to the number of establishments. However, the number of bed places grew even more significantly than the number of establishments offering a total of 87 003 bed-places in 1998.

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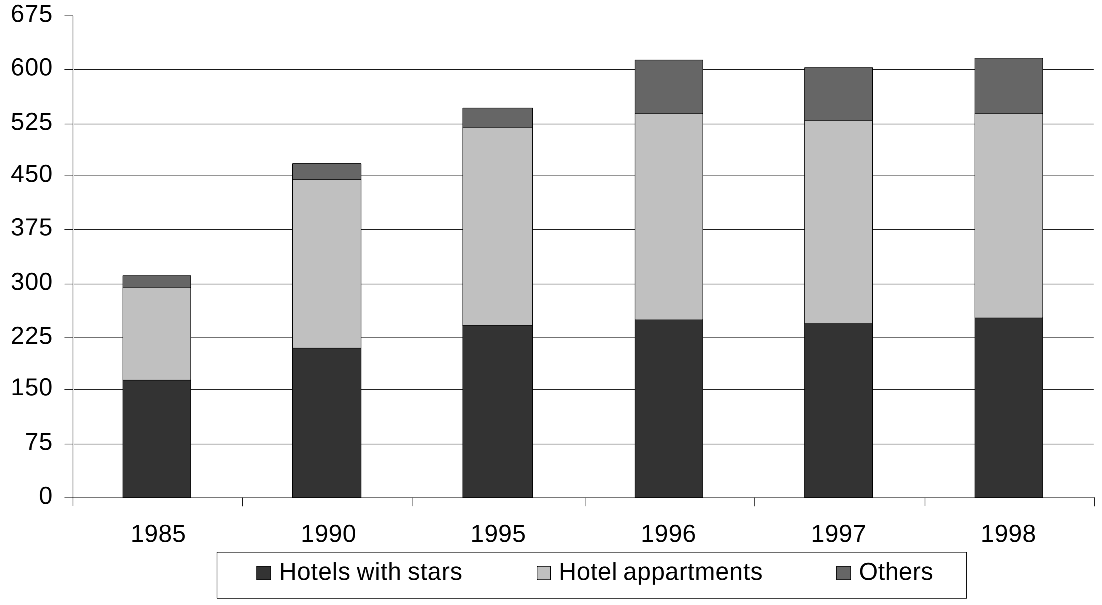
Total number of collective accommodation establishments by quality category



Source: CYSTAT.

Total number of bed-places in collective accommodation by quality category (in thousands)

Source: CYSTAT.

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Total number of bed-places in collective accommodation by quality category (in thousands)

	1985	1990	1995	1996	1997	1998	% change 98/90	% change 98/95
Total	**30.4**	**60.0**	**79.3**	**85.4**	**85.2**	**87.0**	**44.9**	**9.8**
Hotels and similar	**30.4**	**57.6**	**77.1**	**83.5**	**83.3**	**85.2**	**47.7**	**10.4**
Hotels with stars	**19.3**	**30.5**	**44.9**	**46.0**	**46.3**	**47.8**	**56.4**	**6.4**
5 star	2.1	4.3	8.1	8.2	8.0	8.3	91.8	2.6
4 star	5.9	9.1	14.5	15.2	15.5	16.3	78.6	12.5
3 star	6.8	11.0	16.3	16.8	17.2	17.5	59.3	7.0
2 star	2.1	3.7	4.0	4.0	3.8	3.8	2.6	-6.1
1 star	1.3	1.7	1.6	1.5	1.4	1.4	-15.1	-10.0
0 star	1.1	0.7	0.3	0.4	0.4	0.4	-42.1	34.0
Hotel apartments	**10.8**	**21.1**	**27.1**	**27.8**	**26.7**	**26.8**	**26.6**	**-1.3**
Luxury	0	0	0.1	0.1	0.1	0.1	. .	0.0
Category A	3.9	9.5	12.8	11.5	9.8	9.8	3.7	-23.6
Category B	6.9	9.7	11.7	13.3	14.0	14.0	44.3	19.2
Category C	0	2.0	2.4	2.8	2.8	2.8	42.8	17.8
Similar Est.	**0.4**	**6.0**	**5.1**	**9.7**	**10.2**	**10.6**	**78.0**	**108.7**
Other collective accommodation	**0**	**2.4**	**2.1**	**1.9**	**1.9**	**1.8**	**-23.3**	**-14.2**

Source: CYSTAT.

Hotels tend to expand their capacity and between 1990 and 1998 the number of bed-places increased by 56% as compared to an increase of 20% in the number of hotels with stars. Hotel apartments also increased their capacity by 27% during this period as compared to an increase of 22% in the number of hotel apartments.

In recent years there has been a trend in Cyprus to improve the quality of the services provided by hotels. In fact over the period 1990 and 1998 it is the five, four and three star hotels that have tended to increase in number while the number of two star hotels experienced only a minor increase and the one and zero star hotels experienced significant decline.

The largest growth has been in five star hotels which numbered only 5 establishments in 1985, doubled in 1990 and increased to 18 in 1998. Four star hotels have also increased from 22 establishments in 1985 to 30 in 1990 and 48 in 1998. In terms of quantity, three star hotels remain however the most plentiful (93 establishments in 1998).

Little change has taken place in the number of two star hotels over the past decade where in 1990 they totalled 46 and although they increased to 52 in mid nineties, by 1998 they had fallen to 48. In view of the aim to improve the quality, it is the one and zero star hotels that have the most declined. In 1990 they numbered 63 (37 one star and 26 zero star), by 1998 they have fallen to 46 (29 one star and 17 zero star).

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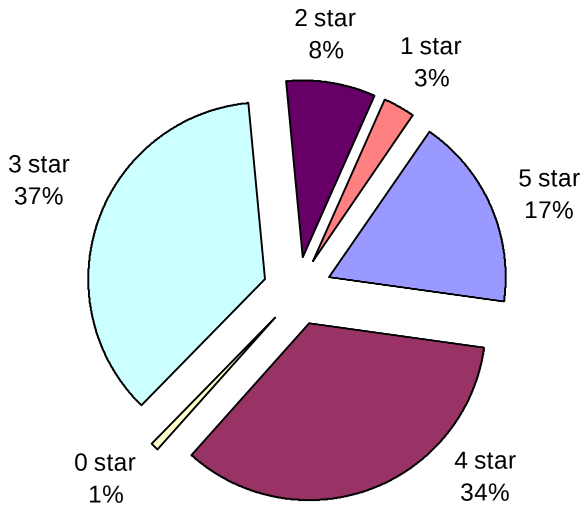
Three star hotels have the largest capacity to accommodate tourists (17 473 bed-places in 1998). As the number of establishments rose between 1990 and 1998 so has the number of bed-places (59%). Four-star hotels offer the second largest capacity with 16 343 bed-places in 1998 and between 1990 and 1998 increased their capacity by 79%. The number of bed-places in five star hotels have experienced the highest increase, 92% during this same period.

Contrary to the situation of high star rated hotels the number of bed-places in two star hotels increased only slightly (3%), while in one star and zero star hotels fell by 15% and 42% respectively between 1990 and 1998.

% Share of bed-places in hotels with stars - 1998



Source: CYSTAT.

Hotel apartments and tourist apartments (the latter are included under similar establishments) form respectively the second and third most important type of tourist accommodation in terms of capacity. In 1998 there were 285 establishments of hotel apartments offering 26 755 bed-places. Moreover, tourist apartments amounted to 8 622 bed places. Moreover the creation of tourist villages which started in the mid-nineties form part of the supply of similar establishments, offering 1 456 bed places.

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Total number of collective accommodation establishments by region

	1985	1990	1995	1996	1997	1998	% change 98/90	% change 98/95
Total	**311**	**471**	**546**	**614**	**604**	**615**	**30.6**	**12.6**
Lefkosia	27	28	21	17	20	20	-28.6	-4.8
Lemesos	76	97	101	105	104	104	7.2	3.0
Larnaka	60	83	83	87	88	87	4.8	4.8
Ammochostos	68	149	199	214	212	218	46.3	9.5
Pafos	34	73	103	150	144	150	105.5	45.6
Hill resorts	46	41	39	41	36	36	-12.2	-7.7

Source: CYSTAT.

The region with the highest accommodation capacity was Ammochostos offering 40% of the total number of bed places in the country. Pafos was the second region with the highest accommodation capacity offering 24% of the total number of bed places, Lemesos was the third with 20% and Larnaca fourth with 11%. Lefkosia region where the capital city is situated offers only 3% of the total bed-places due to the fact that Lefkosia attracts more business people rather than tourists.

Total number of bed-places in collective accommodation by region

	1985	1990	1995	1996	1997	1998	% change 98/90	% change 98/95
Total	**30 375**	**60 002**	**79 279**	**85 401**	**85 220**	**87 003**	45.0	9.7
Lefkosia	2 282	2 433	2 416	2 370	2 422	2 422	-0.5	0.2
Lemesos	7 583	13 018	16 234	16 961	17 136	17 174	31.9	5.8
Larnaka	6 244	9 740	8 939	9 538	9 314	9 344	-4.1	4.5
Ammochostos	8 638	21 696	31 012	34 026	33 834	34 923	61.0	12.6
Pafos	3 726	11 320	18 382	20 112	20 455	21 081	86.2	14.7
Hill resorts	1 902	1 795	2 296	2 394	2 059	2 059	14.7	-10.3

Source: CYSTAT.

Part III: Tourism Demand

Occupancy of collective tourist accommodation establishments: inbound and domestic tourism

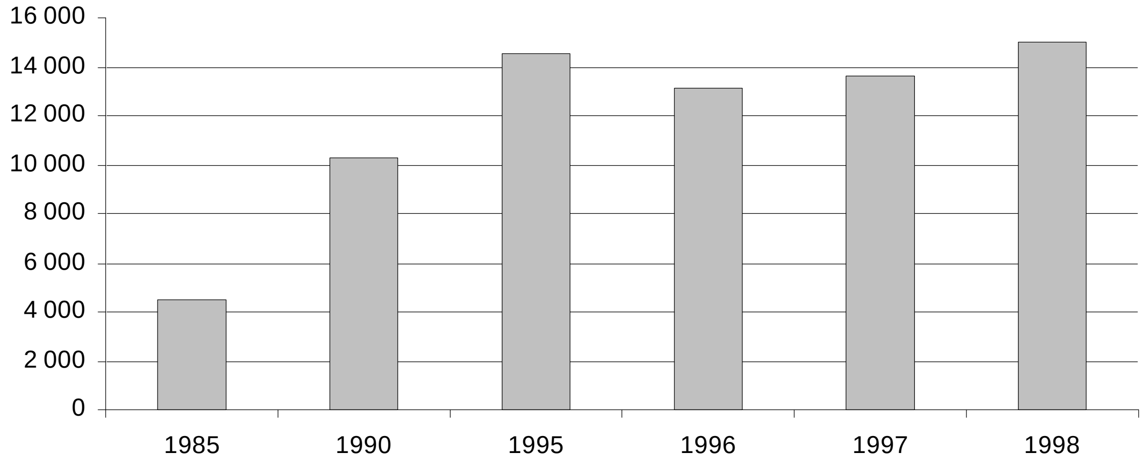
Overnight stays in collective tourist accommodation establishments totalled just above 15 million in 1998. This figure is considerably higher than the 1985 and 1990 figures of 4.5 and 10.3 million overnights respectively. The overwhelming majority of the overnight stays (above 99%) are spent in hotels and similar establishments. This phenomenon is observed throughout the period 1985-1998. The regions with the highest demand based on the number of nights spent were Ammochostos with a share of 41% and Pafos with 30%. The increase in the number of overnight stays is mainly due to the massive growth in the number of tourists arrivals at the borders which increased from 814 thousand in 1985 to 2.2 million in 1998.

Nights spent in hotels and similar establishments (in thousands)

							% change	
	1985	1990	1995	1996	1997	1998	98/90	98/95
Total	**4 497**	**10 314**	**14 527**	**13 168**	**13 672**	**15 000**	**45.4**	**3.3**
Lefkosia	211	276	243	235	222	219	-20.7	-9.9
Lemesos	1 261	2 652	3 115	2 749	2 705	2 849	7.4	-8.5
Larnaka	864	1 439	1 349	1 221	1 072	1 153	-19.9	-14.5
Ammochostos	1 444	3 614	5 675	5 132	5 661	6 133	69.7	8.1
Pafos	646	2 231	3 992	3 661	3 851	4 490	101.3	12.5
Hill resorts	71	102	153	170	161	156	52.9	2.0

Source: CYSTAT.

Number of nights spent in hotels and similar establishments (in thousands)



Source: CYSTAT.

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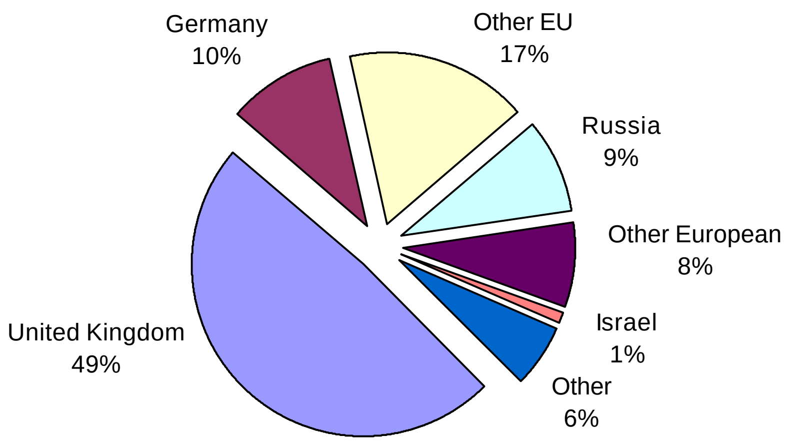
Tourism accommodation establishments in Cyprus rely in fact on non-resident demand. The share of non-resident demand in total overnight stays during 1985-1998 was of the order of 96% which reflects the high rate of inbound tourism.

The largest share of non-resident demand based on the number of overnights in 1998 was held by tourists from the United Kingdom with 49%. Tourists from Germany represented 10% of all overnight stays of non-residents. Sweden (4%), Greece (3%) and all other EU countries together accounted for 17%. In recent years Russian tourists started to form an important group of visitors and this is seen from their relatively high share of 9%.

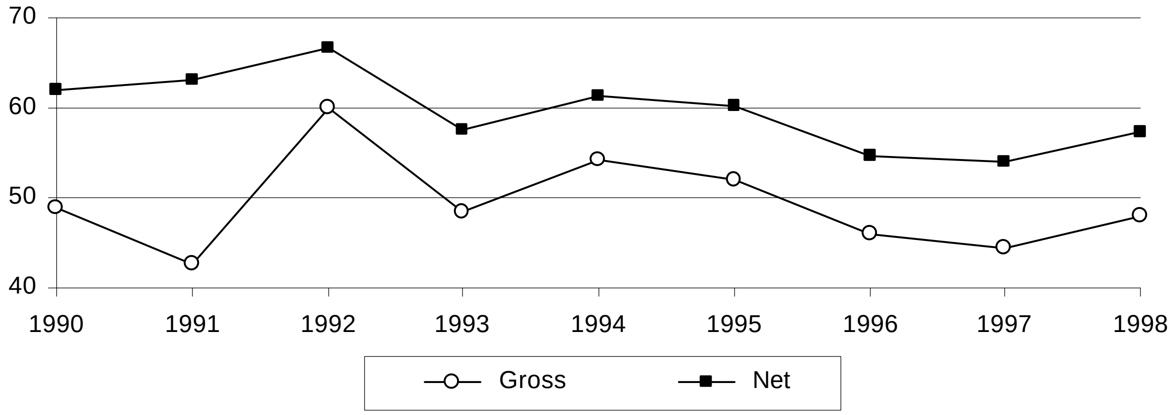
% Share of non-resident nights by country of residence - 1998



Source: CYSTAT.

Since 1995 net occupancy rates for hotels and similar establishments have experienced some fluctuation from 60% in 1995 to 55% in 1996, 54% in 1997 and 57% in 1998. Gross occupancy rates followed the same pattern as net rates but they were on average 9% lower.

Evolution of gross and net occupancy rates (%) in hotels and similar establishments



Source: CYSTAT.

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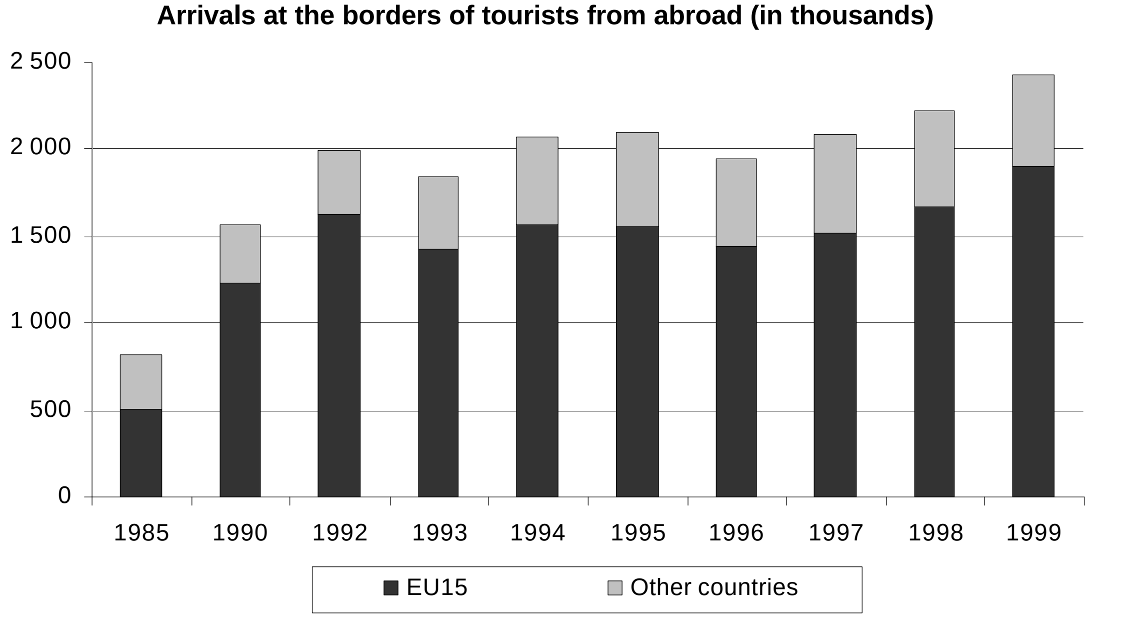
Tourism demand: Inbound and National Tourism

Tourists travelling to Cyprus mostly come from Europe. Their share increased from 70% in 1985 to 92% in 1998; 81% of the European tourists in 1998 were from the E.U. In 1985, Cyprus used to receive a significant proportion, 22%, of tourists from Asian countries. By the end of the 90´s however this has changed and tourists from Asian countries represented only a small proportion, 5%, of the total tourist arrivals.

Number of arrivals of tourists from abroad by geographical zone (in thousands)

								% change	
	1985	1990	1995	1996	1997	1998	1999	98/90	98/95
Total	**814**	**1 561**	**2 100**	**1 950**	**2 088**	**2 223**	**2 434**	**173.1**	**5.8**
Europe	574	1 354	1 807	1 733	1 926	2 059	2 252	258.7	13.9
EU15	502	1 232	1 559	1 436	1 520	1 675	1 901	233.6	7.4
United Kingdom	:	:	850	720	846	1 015	1 156	. .	19.4
Germany	:	:	235	240	250	208	239	. .	-11.3
Other EU countries	:	:	474	476	424	451	507	. .	-4.8
Rest of Europe	40	89	248	297	406	384	350	433.3	54.8
Other countries	240	207	293	218	162	164	182	-31.7	-44.0
	Share (%)								
Europe	**70.5**	**86.7**	**86.0**	**88.8**	**92.2**	**92.6**	**92.5**	**. .**	**. .**
	Thereof:								
Rest of Europe	12.5	9.0	13.7	17.1	21.1	18.6	15.6	. .	. .
EU15	**87.5**	**91.0**	**86.3**	**82.9**	**78.9**	**81.4**	**84.4**	**. .**	**. .**
	Thereof:								
United Kingdom	:	:	54.5	50.2	55.7	60.6	60.8	. .	. .
Germany	:	:	15.1	16.7	16.4	12.4	12.6	. .	. .
Other EU countries	:	:	30.4	33.1	27.9	26.9	26.7	. .	. .

Source: CYSTAT.

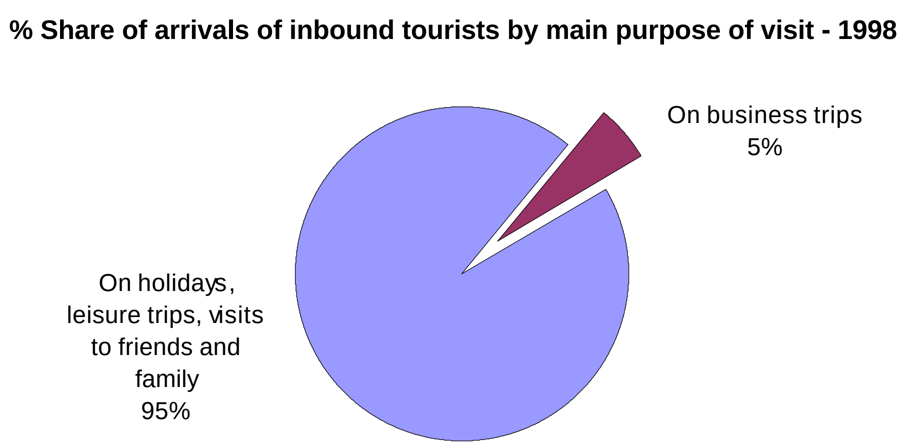


Source: CYSTAT.

As regards the length of stay of tourists on the island, in recent years a decreasing tendency has been observed. More specifically in 1998 the average length of stay of tourists was estimated at 11.3 days as compared to 12.8 in 1990.

Moreover air transport is the most common form of travel used by inbound tourists (about 90% in 1998). The majority of tourists, 77%, travelled on package tours and 23% on individual arrangements. Out of the package tourists 51% travelled on charter flights and 49% on scheduled flights. As regards the preferences of tourists in type of accommodation, their majority, 56%, stayed in 3-5 star hotels while 23% preferred to stay in hotel apartments/tourist villages.

For the vast majority of inbound tourists, 94.6%, their main purpose of visit was holidays, leisure and visits to friends and family. The remaining 5.4% visited the country for business purposes.



Source: CYSTAT.

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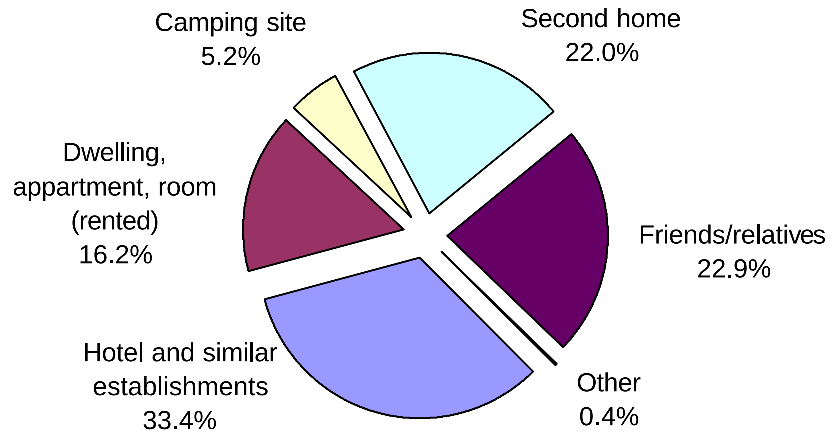
As far as domestic and outbound tourism are concerned, according to the results of the Family Budget Survey 1996/97 during one year 220 481 long holiday trips (i.e. duration 4 nights or more) were taken by Cypriots. These trips were made by 29% of the population. Out of these trips 45% were taken within Cyprus and 55% abroad.

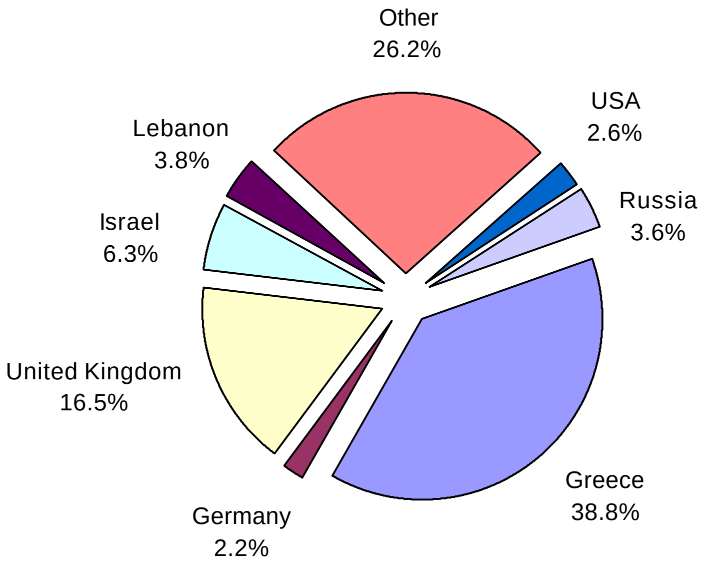
% Share of types of tourist accommodation used by residents - 1996/97



Source: CYSTAT.

The most popular destination for those Cypriots travelling abroad was Greece with 59%, the next popular was the United Kingdom with 14% followed by Italy with 3%. For those travelling within Cyprus the most popular region was Ammochostos, the next popular Pafos followed by the Hill resorts.

% Share of trips abroad by main destination country - 1998



Source: CYSTAT.

PART IV: Future Perspectives

In view of the fact that tourism in Cyprus will continue to be a leading sector of the economy over the next decade, the Cyprus Tourism Organisation is carrying out a study of the strategy of tourism in Cyprus to the year 2010 the scope of which is to identify the new strategic direction of tourism in Cyprus taking into account the opportunities and threats of international tourism environment as well as the strengths and weaknesses of the Cyprus tourism product.

As it appears so far through the study, Cyprus has the capability to pursue a strategy of value, thus over the coming years it will direct its efforts towards increasing revenue from tourism through pursuing increasing expenditure per visitor along with controlled increases in volume, increasing length of stay, the number of repeat visitors and expanding the tourist season.

EGYPT

Part I: General situation and main indicators

Development and Impact of Tourism

Tourism is one of the main contributors to the Egyptian economy. The sector is a principal generator of income and foreign exchange earnings, as well as a main provider of job opportunities.

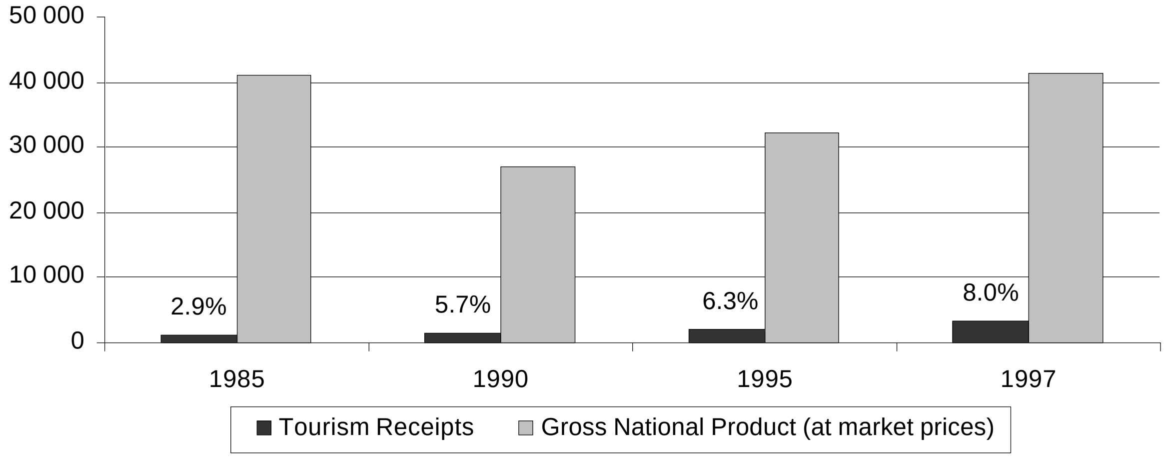
Throughout the period 1985-1997, the ratio of international tourism receipts to GNP at market prices rose from 2.9% to 8%, recording an outstanding performance. In 1996, foreign visitor expenditure directly accounted for 4.1% of GDP at market prices; and indirectly, for a further 6.6%, bringing thereby total tourism contribution to GDP to 10.7%.

Tourism Receipts and Gross National Product (Mio ECU)

Year	1985	1990	1995	1997	% Change 97/95
Tourism Receipts	**1 180.7**	**1 526.6**	**2 052.0**	**3 286.5**	**60.2**
Gross National Product (at market prices)	41 156.5	26 958.7	32 337.7	41 284.3	27.7
Tourism Receipts/GNP (%)	**2.9**	**5.7**	**6.3**	**8.0**	**. .**

Source: Central Bank of Egypt (CBE) and Ministry of Tourism (MOT).

Gross National Product and Travel Receipts (Mio ECU)



Source: CBE and MOT.

In 1996 turnover directly generated by tourism activities totalled ECU 2 252 million, of which 51% was made by hotels and restaurants; 22.2% by entertainment and cultural services; 10.2% by transportation services; and, 7.1% by retail services. Applying the relevant multipliers, the total sale effect reaches nearly ECU 5 985 million.

As for employment, foreign visitor tourism expenditure directly generated about 978 thousand jobs in 1996, which is equivalent to 5.7% of total employment. A further 1.2 million jobs were indirectly provided by the industry. This brings the overall contribution of tourism to around 2.2 million workers, accounting for 12.6% of the total gainfully employed population.

Direct labour income amounted to ECU 417 million in 1996. If indirect effects are taken into consideration, total wages and salaries generated by tourism expenditure would reach ECU 905.7 million.

Tourism ranks among the primary sources of foreign exchange earnings. Over the past few years, tourism receipts have witnessed considerable developments and become almost on an equal-footing with workers' remittances. Tourism earnings exceed by far Suez Canal dues, oil revenues, and commodity exports' proceeds.

Principal sources of foreign exchange Earnings[1] (Mio ECU)

	1990/91		1995/96		1996/97		1997/98		1998/99	
	Value	(%)	Value	(%)	Value	(%)	Value	(%)	Value	(%)
Total [2]	**8 046**	**100.0**	**9 118**	**100.0**	**10 706**	**100.0**	**10 931**	**100.0**	**10 537**	**100.0**
Tourism receipts	1 268	15.8	2 328	25.5	3 003	28.0	2 671	24.4	2 892	27.4
Worker's remittances[3]	2 909	36.2	2 332	25.6	2 763	25.8	3 325	30.4	2 953	28.0
Suez Canal dues	1 280	15.9	1 458	16.0	1 523	14.2	1 614	14.8	1 583	15.0
Petroleum exports	1 518	18.9	1 722	18.9	2 123	19.8	1 570	14.4	894	8.5
Commodity Export Proceeds [4]	**1 070**	**13.3**	**1 279**	**14.0**	**1 295**	**12.1**	**1 751**	**16.0**	**2 215**	**21.0**
Agriculture	174	2.2	262	2.9	223	2.1	221	2.0	483	4.6
Manufacturing	896	11.1	1 017	11.1	1 072	10.0	1 530	14.0	1 732	16.4

([1]) Data refer to fiscal year (1 July to 30 June)

([2])Total = sum of values of all items considered as principal source of foreign exchange earnings.

([3]) Transfers to Egypt by Egyptians working abroad.

([4]) Refers to value of agricultural exports and manufacturing exports.

Source: CBE and MOT.

As a result, tourism impact on the balance of payments has been quite impressive. Considering the calendar year data, the share of travel receipts to current account receipts has substantially increased from 13.0% in 1990 and reached 18.6% in 1999. Likewise, the share of international travel receipts in the services income was 34.6% in 1999 while it was 33.4% in 1990.

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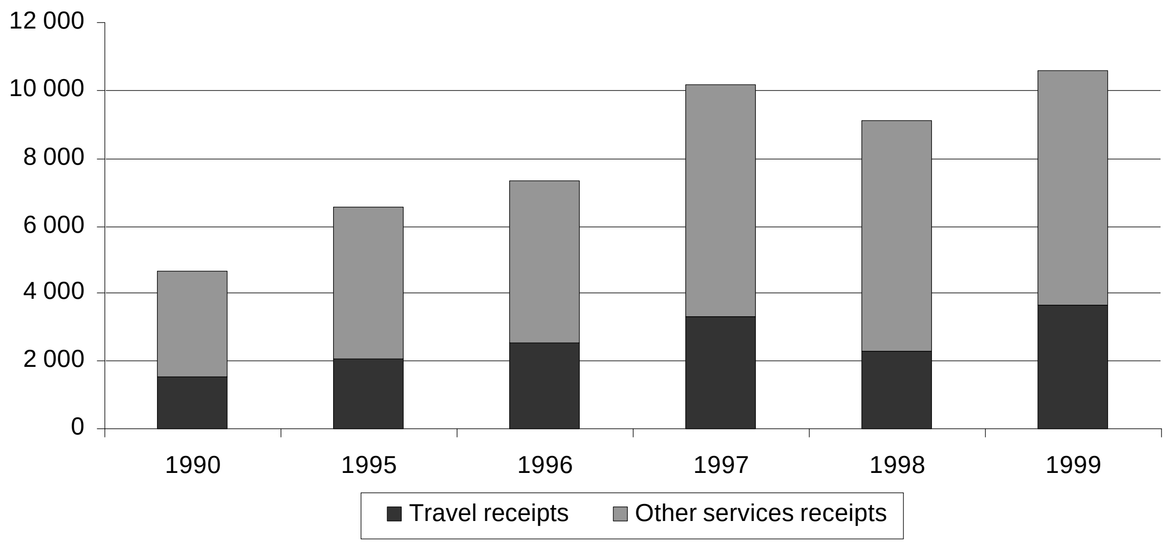
Balance of Payments (Mio ECU)

	1990	1995	1996	1997	1998	1999	% 99/98
	Travel Item						
Receipts	**1 565.8**	**2 052.0**	**2 523.3**	**3 286.5**	**2 288.0**	**3 662.1**	**60.1**
Expenditures	101.3	977.1	1 037.2	1 187.8	1 024.0	1 011.5	-1.2
Net account	1 464.5	1 074.9	1 486.1	2 098.7	1 263.9	2 650.6	109.7
	Services Account (including the travel item)						
Receipts	**4 688.9**	**6 567.2**	**7 301.4**	**10 141.6**	**9 083.1**	**10 585.7**	**16.5**
Expenditures	2 974.6	3 725.5	4 003.9	5 298.8	4 740.0	4 860.3	2.5
Net account	1 714.3	2 841.7	3 297.5	4 842.9	4 343.1	5 725.4	31.8
% share of travel	**33.4**	**31.2**	**34.6**	**32.4**	**25.2**	**34.6**	**. .**
	Current Account						
Receipts	**12 024.2**	**14 619.2**	**15 624.3**	**19 191.6**	**17 440.2**	**19 728.3**	**13.1**
Expenditures	11 076.4	14 813.3	15 775.5	19 637.8	19 743.3	21 118.8	7.0
Net account	947.8	- 194.2	- 151.2	- 446.2	-2 303.1	-1 390.5	-39.6
% share of travel	**13.0**	**14.0**	**16.2**	**17.1**	**13.1**	**18.6**	**. .**

Source: CBE.

Share of Travel receipts in Services receipts (Mio ECU)



Source: CBE.

EGYPT

With reference to the fiscal year (1 July to 30 June) from 1990/91 to 1998/99 the tourism coverage ratio for international trade in goods deficit ranged between 21.8% to 35.7%

Tourism impact on the Balance of Payments[1] (Mio ECU)

	1990/91	1995/96	1996/97	1997/98	1998/99
Trade deficit [2]	5 807.6	7 346.9	8 416.1	10 691.8	11 195.2
Tourism receipts	1 268.2	2 327.6	3 002.9	2 671.0	2 891.8
Tourism coverage ratio (%)	**21.8**	**31.7**	**35.7**	**25.0**	**25.8**
Services receipts	5 685.2	8 227.1	9 257.3	9 497.1	9 846.3
% share of tourism receipts	**22.3**	**28.3**	**32.4**	**28.1**	**29.4**
Current Account Receipts	8 785.8	11 791.9	13 659.5	14 155.5	13 819.7
% share of tourism receipts	**14.4**	**19.7**	**22.0**	**18.9**	**20.9**

([1]) Data refer to fiscal year (1 July to 30 June)

([2]) Net of "goods" account of BOP.

Source: CBE.

The net tourism balance also reveals positive trends. The gap between inbound and outbound tourism flows has significantly extended throughout the period 1985/86-1998/99, implying an increasing surplus. By the end of fiscal year 1998/99, the surplus reached ECU 1 904 million, accounting for nearly two-thirds of tourism gross receipts. If outlays relating to nationals working abroad (or seeking jobs) are excluded, outbound tourism expenditures would be reduced to ECU 581 million, augmenting in turn the surplus to ECU 2 310 million, which would account for 80% of travel receipts.

Net Tourism Balance[1] (Mio ECU)

	1985/86	1991/92	1995/96	1996/97	1997/98	1998/99
Travel Receipts	**358.1**	**1 390.6**	**2 327.6**	**3 002.9**	**2 671.0**	**2 891.8**
Travel Expenditure [2]	170.6	746.4	1 032.8	1 097.4	1 187.0	986.9
Net Travel Account	187.5	644.3	1 294.8	1 905.5	1 484.0	1 905.0
Net Account of Goods and Services [3]	5 829.5	2 276.9	2 867.1	3 316.1	6 430.1	5 879.7
Net Travel/Total Travel Receipts (%)	**52.4**	**46.3**	**55.6**	**63.5**	**55.6**	**65.9**

([1]) Data refer to fiscal year (1 July to 30 June).

([2]) Includes expenditures not related to tourism purposes, basically outlays of Egyptians working abroad.

([3]) Excluding transfers.

Source: CBE.

Part II: Tourism Supply

Infrastructure and Accommodation Capacity

Throughout the period 1985–1999, accommodation facilities have expanded considerably. Total hotel capacity increased from 27.9 thousand rooms to nearly 94 thousand, with an annual average growth rate of 8.2%.

The corresponding number of bed–places rose from 54 to 188 thousand during the same period.

Number of collective accommodation establishments and capacity by category

		1985	1990	1995	1996	1997	1998	1999
Total	**Est.**	**366**	**632**	**752**	**789**	**829**	**869**	**914**
	Rooms	27 881	51 208	64 958	70 471	75 679	82 925	93 822
	Beds	54 395	101 469	128 957	140 741	150 986	166 817	187 644
Hotels	**Est.**	**269**	**387**	**461**	**486**	**515**	**522**	**555**
	Rooms	23 932	35 230	43 728	47 573	50 239	52 468	59 348
	Beds	46 327	68 683	86 262	94 795	99 900	104 609	118 842
Tourist Villages	**Est.**	**16**	**37**	**85**	**88**	**100**	**123**	**130**
	Rooms	570	5 239	10 698	11 714	14 118	18 784	22 216
	Beds	1 151	10 801	21 777	23 613	28 461	38 992	44 366
Floating Hotels	**Est.**	**81**	**208**	**206**	**215**	**214**	**224**	**229**
	Rooms	3 379	10 739	10 532	11 184	11 322	11 673	12 258
	Beds	6 917	21 985	20 918	22 333	22 625	23 216	24 436

Source: MOT.

Evolution of accommodation establishments and capacity - % change

	90/85	95/90	96/95	97/96	98/97	99/98
Establishments	**72.7**	**19.0**	**4.9**	**5.1**	**4.8**	**5.2**
Bedrooms	83.7	26.9	8.5	7.4	9.6	13.1
Bed-places	86.5	27.1	9.1	7.3	10.5	12.5

Annual average growth rate (%)

	1985/90	1990/95	1995/99	1985 / 99
Bedrooms	**12.9**	**4.9**	**9.7**	**8.5**

Source: MOT.

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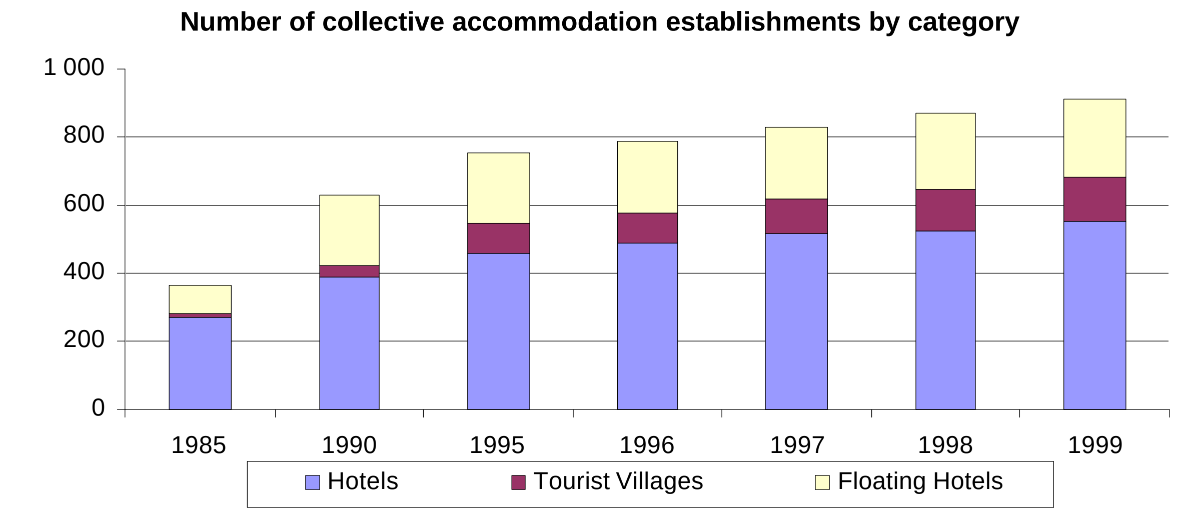
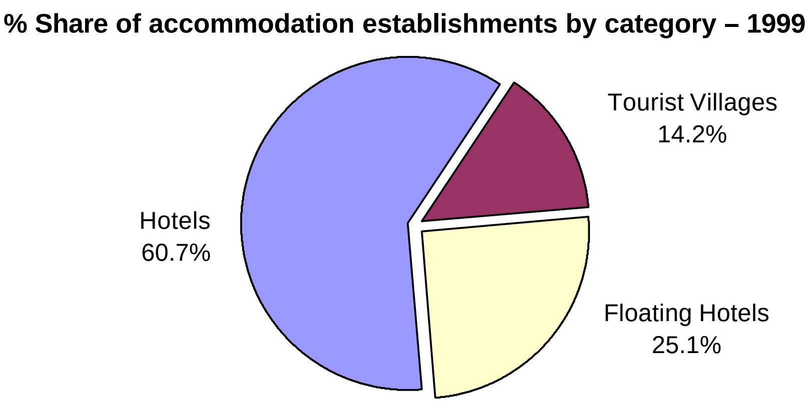


Source: MOT.



Source: MOT.

Structure of bedrooms in collective accommodation establishments by category (% share)

	1985	1990	1995	1996	1997	1998	1999
Hotels	**85.8**	**68.8**	**67.3**	**67.5**	**66.4**	**63.3**	**63.3**
Tourist villages	2.0	10.2	16.5	16.6	18.7	22.7	23.7
Floating Hotels	12.1	21.0	16.2	15.9	15.0	14.1	13.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MOT.

The distribution of accommodation capacity by category displays the rising significance of tourist villages which accounted for 23.7% of total room capacity in 1999 compared to only 2.0% in 1985 and to 10.2% in 1990. In contrast, the share of hotels dropped from 86% in 1985 to 69% in 1990 and further to 63% in 1999.

EGYPT

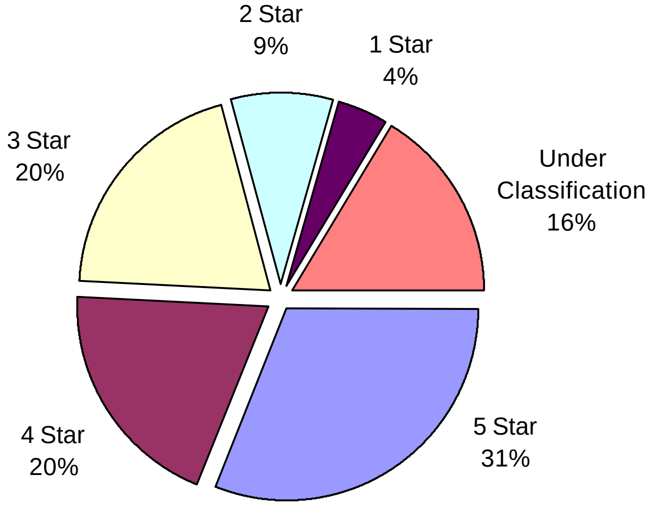
The allocation of collective accommodation by category reveals the predominance of 4 and 5-star hotels, which represent 50% of total room capacity in collective establishments.

Collective accommodation establishments and capacity by quality category

	1995			1998		
	Est.	**Rooms**	**Beds**	**Est.**	**Rooms**	**Beds**
Total	**752**	**64 958**	**128 957**	**869**	**82 925**	**166 817**
5 Star	121	19 814	38 105	168	25 708	50 961
4 Star	96	11 052	22 278	124	16 473	33 399
3 Star	177	14 392	28 666	196	16 573	33 434
2 Star	150	6 291	12 963	151	7 078	13 916
1 Star	88	3 046	6 122	100	3 596	7 070
Under Classification	120	10 363	20 823	130	13 497	28 037

Source: MOT.

% Share of bedrooms in accommodation establishments by quality category - 1999



Source: MOT.

Due to the government eagerness to diversify its tourist product and interest to promote beach tourism in new destinations, hotel capacity has witnessed considerable increase in rapidly growing resort areas along the Red sea Coast and EL Aqaba Gulf Coast in South Sinai. Today, these two areas are the main tourist destinations for visitors seeking beach resorts and related recreational activities. South Sinai and Red Sea resort areas accounted for 4.5% of hotel bedroom capacity in main tourist areas in 1990 but their share jumped to nearly 48% in 1998; i.e. more than ten-fold during an 8-year period.

Hotel capacity in main tourist areas

	1990				1998			
	Hotels	% Share	Rooms	% Share	Hotels	% Share	Rooms	% Share
Total	**303**	**100.0**	**31 309**	**100.0**	**531**	**100.0**	**65 619**	**100.0**
Cairo/Giza	141	46.5	18 423	58.8	146	27.5	19 752	30.1
South Sinai	17	5.6	1 004	3.2	107	20.2	12 697	19.3
Red Sea	10	3.3	398	1.3	119	22.4	18 731	28.5
Luxor	31	10.2	3 057	9.8	44	8.3	4 309	6.6
Aswan	20	6.6	1 514	4.8	26	4.9	2 708	4.1
Alexandria	63	20.8	5 150	16.4	55	10.4	4 592	7.0
Matrouh	15	5.0	951	3.0	28	5.3	2 266	3.5
North Sinai	6	2.0	812	2.6	6	1.1	564	0.9

Source: MOT.

The large influx of foreign visitors has provided a strong impetus for expanding tourism supply facilities. In 1999, total hotel capacity under construction reached almost 59 thousand rooms, equivalent to 63% of existing capacity.

Collective accommodation establishments under construction and capacity by category

	1998			1999		
	Est.	Rooms	Beds	Est.	Rooms	Beds
Total	**341**	**48 504**	**98 909**	**381**	**58 949**	**118 444**
Hotels	151	21 342	43 208	175	29 052	58 504
Tourist villages	103	22 712	46 802	119	25 514	51 174
Floating hotels	87	4 450	8 899	87	4 383	8 766

Source: MOT.

Part III: Tourism Demand

Occupancy of collective tourist accommodation establishments: inbound and domestic tourism

Cairo, Red Sea and South Sinai are the main tourist destinations, as they account for almost 80% of total nights spent in hotels and similar establishments in selected tourist governorates in 1998. Nearly 50% of nights are spent in 4 and 5-star collective establishments and another 20% in 3-star hotels.

Nights spent in hotels by region (in thousands) - 1998

	Total	Egyptians	Foreigners	% of Foreigners	Average length of stay
Total	**16 002**	**3 425**	**12 577**	**78.6**	**4.4**
Cairo/Giza	5 063	645	4 418	87.3	4.7
South Sinai	3 218	925	2 293	71.3	3.8
Red Sea	4 329	881	3 448	79.6	6.1
Luxor	960	119	841	87.6	3.0
Aswan	852	158	694	81.5	2.7
Alexandria	1 580	697	883	55.9	4.1

Source: MOT.

Although cultural tourism still dominates the Egyptian market, foreign visitors are increasingly attracted to the new resort areas in Red Sea and South Sinai regions, as they account at present for more 70% of total nights in hotel and similar establishments in main tourist destination.

Nights spent in hotels by region by quality category (in thousands) - 1998

	Cairo	Alex.	Aswan	Luxor	Red Sea	South Sinai	Total	
								% share
Total	**5 063**	**1 580**	**852**	**660**	**4 329**	**3 218**	**16 002**	**100.0**
5 Star	1 585	420	256	271	952	720	4 204	26.3
4 Star	1 165	356	188	229	916	725	3 579	22.4
3 Star	927	330	150	175	916	658	3 156	19.7
2 Star	806	257	132	151	670	559	2 575	16.1
1 Star	580	216	126	133	506	314	1 875	11.7
Under Classification	0	0	0	0	369	242	611	3.8

Figures may not add up due to rounding.

Source: MOT.

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As for inbound tourism nights in hotels, tourist villages and floating hotels, their number totalled 31 million in 1999 compared to only 9 million in 1985 and to less than 20 million in 1990. Over 70% of tourist nights in that year were made by European visitors. The share of EU countries amounts to 58%, compared to 17% for Middle East countries, and to only 5% for Americans.

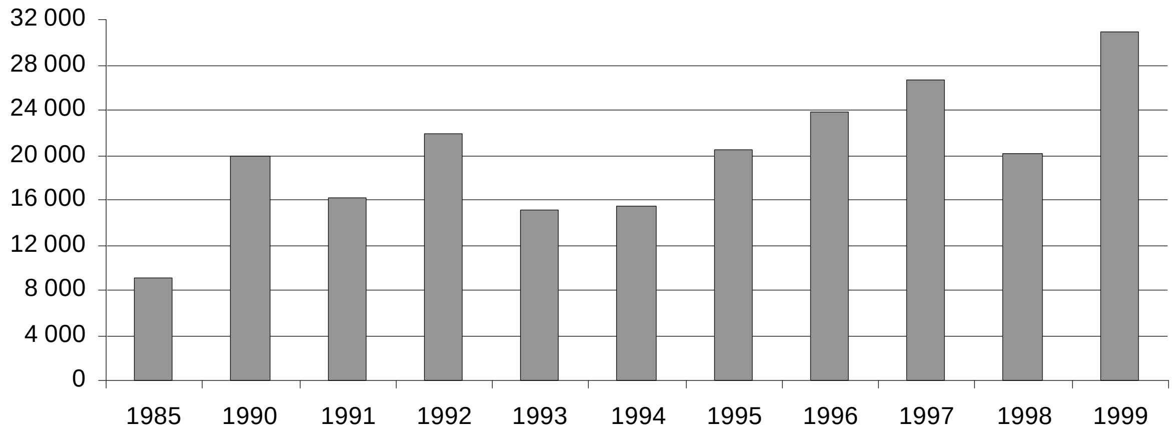
Nights spent by non-residents in tourist accommodation[1] by country of residence

(in thousands)	1995	1996	1997	1998	1999	% 99/95
Total	**20 451**	**23 765**	**26 579**	**20 151**	**31 002**	**51.6**
Europe	**10 744**	**14 370**	**16 827**	**11 730**	**22 057**	105.3
% share of Europe	**52.5**	**60.5**	**63.3**	**58.2**	**71.1**	**. .**
EU15	**8 360**	**11 111**	**13 526**	**8 791**	**18 101**	**116.5**
% share of EU15	**40.9**	**46.8**	**50.9**	**43.6**	**58.4**	**. .**
Rest of Europe	2 384	3 259	3 301	2 939	3 956	65.9
Americas	1 462	1 471	1 694	1 297	1 699	16.2
Africa	1 051	815	868	845	935	-11.0
Asia	1 380	1 433	1 524	850	1 104	-20.0
Middle East	5 789	5 650	5 646	5 412	5 191	-10.3
Others	26	20	20	17	16	-38.5

([1]) Hotels, tourist villages and floating hotels

Source: MOT.

Nights spent by non residents in tourist accommodation[1] (in thousands)



([1]) Hotels, tourist villages and floating hotels

Source: MOT.

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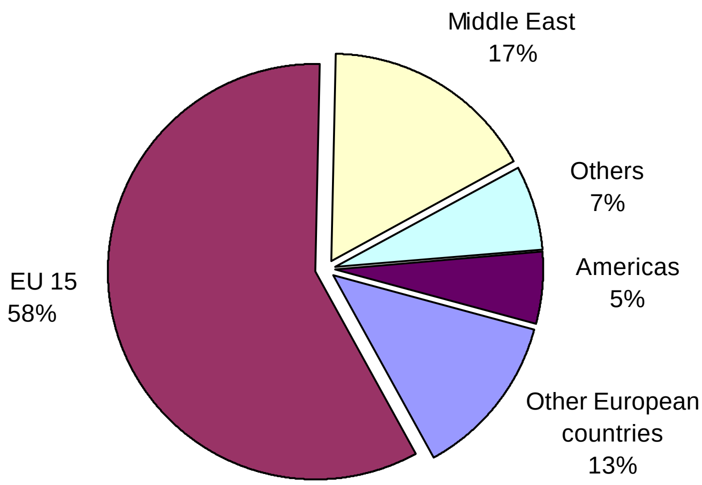
% Share of nights spent by non residents in tourist accommodation[1] – 1999



([1]) Hotels, tourist villages and floating hotels

Source: MOT.

The average length of stay in 1999 is 6.5 nights, with slight variations among regions, except for Asia as can be seen in the table below.

Average length of stay (nights) by region – 1995/1999

	1995	1996	1997	1998	1999
Average	**6.5**	**6.1**	**6.7**	**5.8**	**6.5**
Middle East	7.8	6.8	6.3	5.5	5.8
Africa	8.1	7.0	7.2	6.5	6.2
Americas	6.4	5.7	6.6	6.0	6.1
Europe	5.9	6.1	7.0	6.0	6.8
Asia	6.3	5.0	5.9	5.3	4.5

Source: MOT.

High occupancy rates have also been recorded in hotels and tourist villages following the flourishing of tourist movement. Average room occupancy rates reached an unprecedented level of 67% in 1999, influx occupancy rates were recorded in particular in Red Sea and South Sinai collective establishments.

Due to the favourable climate conditions of the country and the large influx of Arabs and Egyptian residents during the summer season, tourism flows are reasonably balanced throughout the year. The monthly distribution of room occupancy rates does not reflect significant variations.

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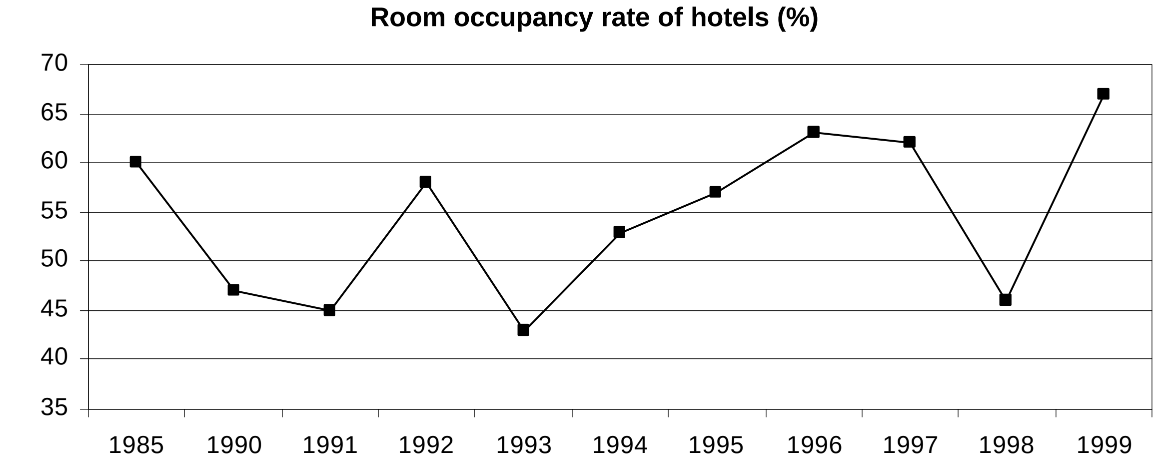
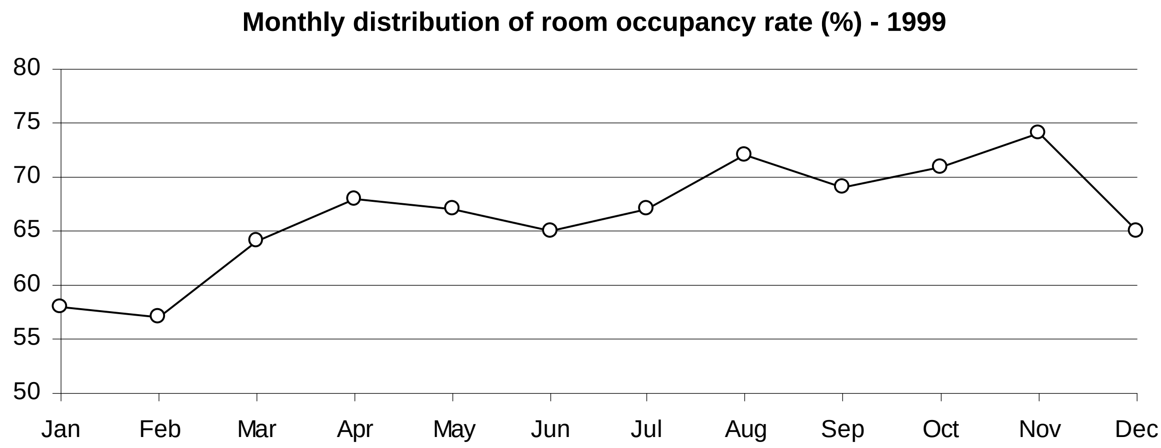


Source: MOT.

Average hotel room occupancy rate by region (%)

	1995	1996	1997	1998	1999
Average	**57**	**63**	**62**	**46**	**67**
Cairo	64	55	67	54	76
South Sinai	75	76	71	61	81
Luxor	47	66	66	31	49
Red Sea	74	77	72	53	83
Aswan	24	33	45	26	46
Alex.	56	57	55	50	61
Giza	62	64	61	49	71

Source: MOT.



Source: MOT.

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E G Y P T

Tourism demand: Inbound and National Tourism

During the past fifteen years, the tourism sector has witnessed a boost. The number of foreign visitors increased from 1.5 million to nearly 4.8 million throughout the period 1985-1999. The recovery from Luxor incident (Nov. 1997) has been quite remarkable, as the 1999 figure registers an increase of about 39% compared to 1998. The breakdown of foreign visitors into tourists and same-day visitors reveals the modest magnitude of the latter group, which accounts on average for 8% of total inbound flows.

Arrivals of foreign visitors at the borders (in thousands)

	1985	1990	1995	1996	1997	1998	1999	% 99/95
Total	**1 518**	**2 600**	**3 134**	**3 896**	**3 961**	**3 454**	**4 797**	**53.1**
Tourists	1 406	2 411	2 872	3 527	3 656	3 213	4 490	56.3
% share of total	**92.6**	**92.7**	**91.6**	**90.6**	**92.3**	**93.0**	**93.6**	**. .**
Same day visitors	112	189	262	368	305	241	307	17.2
% share of total	**7.4**	**7.3**	**8.4**	**9.4**	**7.7**	**7.0**	**6.4**	**. .**

Growth rates (% change)

	90/85	95/90	96/95	97/96	98/97	99/98
Total	71.3	20.5	24.3	1.7	-12.8	38.9
Tourists	71.5	19.1	22.8	3.7	-12.1	39.7
Same day visitors	68.8	38.6	40.5	-17.1	-21.0	27.4

Source: MOT.

Top ten generating countries - foreign visitor arrivals (in thousands)

	1995				1999		
	Rank	Arrivals	Market Share (%)		Rank	Arrivals	Market Share (%)
Total top ten		**1 987**	**63.4**	**Total top ten**		**3 188**	**66.4**
Germany	**1**	**319**	**10.2**	**Italy**	**1**	**668**	**13.9**
Israel	2	296	9.4	**Germany**	2	548	11.4
UK	3	292	9.3	**Israel**	3	415	8.7
Italy	4	257	8.2	**UK**	4	336	7.0
Saudi Arabia	5	179	5.7	**France**	5	313	6.5
Libya	6	156	5.0	**Saudi Arabia**	6	241	5.0
USA	7	155	5.0	**USA**	7	196	4.1
France	8	122	3.9	**USSR (former)**	8	165	3.4
USSR (former)	9	112	3.6	**Palestine**	9	160	3.3
Palestine	10	99	3.1	**Libya**	10	146	3.1

Source: MOT.

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In 1999, arrivals at the borders from European countries amounted to 3.2 million visitors, representing two-thirds of total foreign visitors. Almost 50% of European visitors come from EU countries. The large and rising share of European visitors from 58% in 1995 to 67% in 1999 provides a strong evidence of the importance of the European market in Egypt's tourism development and marketing plans, with special emphasis on Germany, Italy, UK and France as main generating countries.

Arrivals at the borders of European visitors by nationality (in thousands)

	1995	1996	1997	1998	1999	Annual growth rate (%) (Average 95/99)
Europe	**1 811**	**2 343**	**2 394**	**1 957**	**3 224**	**15.5**
EU15	**1 224**	**1 668**	**1 748**	**1 320**	**2 385**	**18.1**
Belgium	45	68	56	46	94	20.2
Denmark	20	19	19	16	36	15.8
Germany	319	437	438	274	548	14.5
Greece	41	33	28	27	38	-1.9
Spain	23	28	43	35	93	41.8
France	122	242	259	175	313	26.6
Ireland	8	9	10	9	17	20.8
Italy	257	366	389	373	668	27.0
Luxembourg	1	1	1	1	1	0.0
Netherlands	39	64	85	69	124	33.5
Austria	34	46	58	41	86	26.1
Portugal	5	4	6	3	6	5.0
Finland	6	8	9	4	9	10.8
Sweden	19	24	23	16	33	15.0
United Kingdom	285	319	324	231	319	2.9
EFTA	**84**	**112**	**126**	**46**	**101**	**4.8**
Iceland	1	-	-	-	1	0.0
Liechtenstein	-	-	-	-	-	..
Norway	11	14	13	15	21	17.5
Switzerland	72	98	113	31	79	2.3
Other European Countries	503	563	520	591	738	10.1

Source: MOT.

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Arrivals at the borders of visitors from abroad by geographical breakdown (in thousands)

	1995	1996	1997	1998	1999	Annual Average Growth Rate 95/99
Total	**:**	**:**	**:**	**4 941**	**6 995**	**. .**
Nationals residing abroad	:	:	:	1 487	2 198	. .
Foreign Visitors	**3 134**	**3 896**	**3 961**	**3 454**	**4 797**	**11.2**
Europe	1 811	2 343	2 394	1 957	3 224	15.5
% share of Europe	**57.8**	**60.1**	**60.4**	**56.7**	**67.2**	**. .**
EU 15	1 224	1 668	1 748	1 320	2 385	18.1
% share of EU15	**39.1**	**42.8**	**44.1**	**38.2**	**49.7**	**. .**
Rest of Europe	503	563	520	591	738	10.1
Americas	229	259	257	217	277	5.1
Africa	130	116	120	131	151	4.0
Asia	220	288	260	161	246	3.9
Middle East	741	829	893	986	897	4.9
Others	3	61	37	2	2	. .

Source: MOT.

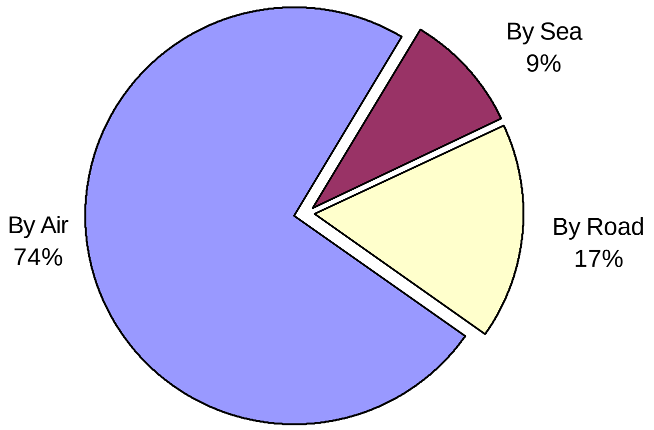
The allocation of foreign visitors by mode of transport indicates that the majority arrivals come by air (66% to 74% of total arrivals between 1995 and 1999 as shown in table below.

Arrivals of foreign visitors by mode of transport

	By Air		By Sea		By Road		Total
	('000s)	% share	('000s)	% share	('000s)	% share	('000s)
1995	2 076	66.2	353	11.3	705	22.5	3134
1996	2 579	66.2	516	13.2	801	20.6	3896
1997	2 747	69.3	476	12.0	739	18.7	3961
1998	2 281	66.0	385	11.2	788	22.8	3454
1999	3 542	73.8	455	9.5	800	16.7	4797

Source: MOT.

Arrivals of foreign visitors by mode of transport - 1999



Source: MOT.

Also, almost 90% of arrivals visit the country for holiday and recreational purposes.

Arrivals of visitors from abroad by purpose of visit

	1997		1998		1999	
	('000s)	% share	('000s)	% share	('000s)	% share
Total	**3 961**	**100.0**	**3 454**	**100.0**	**4 797**	**100.0**
Holidays, recreation	3 451	87.1	3 055	88.4	4 301	89.7
Study, training	53	1.3	41	1.2	31	0.6
Business, convention	39	1.0	43	1.2	30	0.6
Health treatment	71	1.8	74	2.2	128	2.7
Others [1]	347	8.8	241	7.0	307	6.4

([1]) Same-day visitors.

Source: MOT.

The monthly breakdown of inbound tourism does not reflect any distinct seasonal pattern. Nevertheless, July and August are the peak months; and January and February are the lowest ones.

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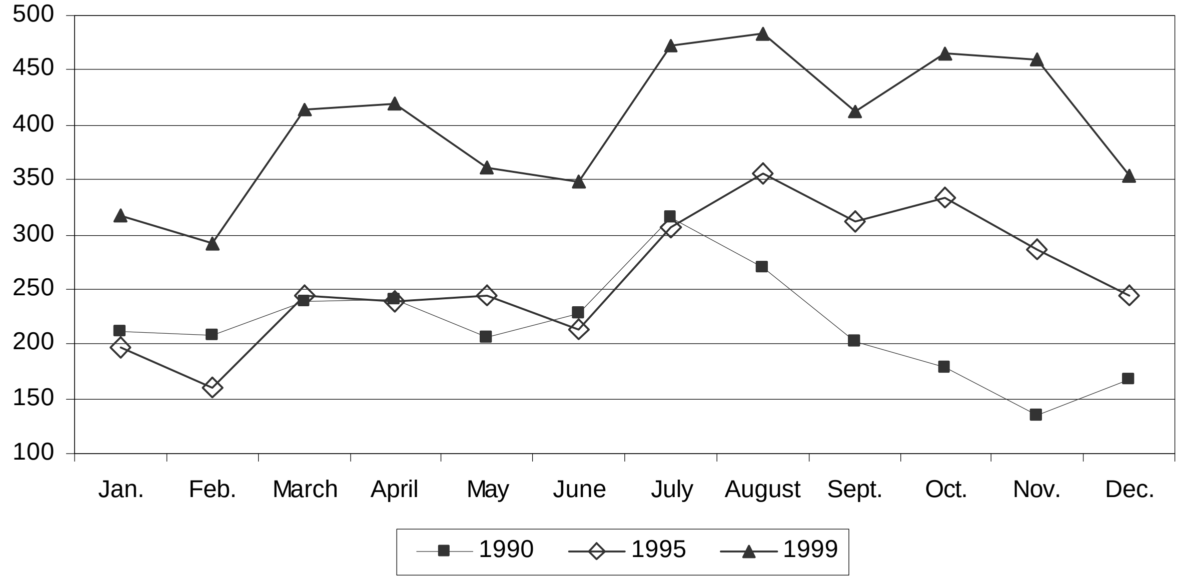
Number of foreign visitor arrivals (in thousands) and % share by month

	1990		1995		1996		1997		1998		1999	
	N°	%	N°	%	N°	%	N°	%	N°	%	N°	%
Total	**2 600**	**100.0**	**3 134**	**100.0**	**3 896**	**100.0**	**3 961**	**100.0**	**3 454**	**100.0**	**4 797**	**100.0**
Jan.	211	8.1	196	6.3	246	6.3	260	6.6	168	4.9	317	6.6
Feb.	208	8.0	161	5.2	248	6.4	317	8.0	170	4.9	291	6.1
March	238	9.1	245	7.8	327	8.4	354	8.9	215	6.2	415	8.6
April	241	9.3	238	7.6	332	8.5	344	8.7	296	8.6	420	8.7
May	206	7.9	245	7.8	315	8.1	331	8.3	240	6.9	361	7.5
June	227	8.7	214	6.8	246	6.3	299	7.6	250	7.2	348	7.2
July	315	12.1	306	9.8	354	9.1	425	10.7	385	11.1	473	9.9
August	270	10.4	355	11.3	387	9.9	445	11.2	420	12.2	483	10.1
Sept.	202	7.8	311	9.9	366	9.4	352	8.9	306	8.9	412	8.6
Oct.	179	6.9	333	10.6	388	10.0	391	9.9	380	11.0	465	9.7
Nov.	135	5.2	286	9.1	318	8.2	265	6.7	323	9.4	459	9.6
Dec.	168	6.5	244	7.8	368	9.4	178	4.5	301	8.7	353	7.4

Source: MOT.

Monthly breakdown of foreign visitor arrivals (in thousands)



Source: MOT.

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Nationals residing abroad (NRAs) constitute slightly over 30% of total inbound flows, which reached almost 7 million visitors in 1999. Their flows are not, however, evenly spread over the year. Intensive flows are witnessed during summer months and mid-year holidays in December and January months.

Total visitor arrivals (in thousands)

	Jan-March	April-June	July-Sept	Oct-Dec	Total
1998					
Total Visitors	**697**	**1 195**	**1 649**	**1 400**	**4 941**
Nationals Residing Abroad	144	408	539	397	1 487
Foreign Visitors	553	787	1 110	1 004	3 454
% of Foreign Visitors	**79.3**	**65.9**	**67.3**	**71.7**	**69.9**
1999					
Total Visitors	**1 465**	**1 683**	**1 999**	**1 847**	**6 995**
Nationals Residing Abroad	442	554	631	571	2 198
Foreign Visitors	1 023	1 129	1368	1 277	4 797
% of Foreign Visitors	**69.8**	**67.1**	**68.4**	**69.1**	**68.6**

Source: MOT.

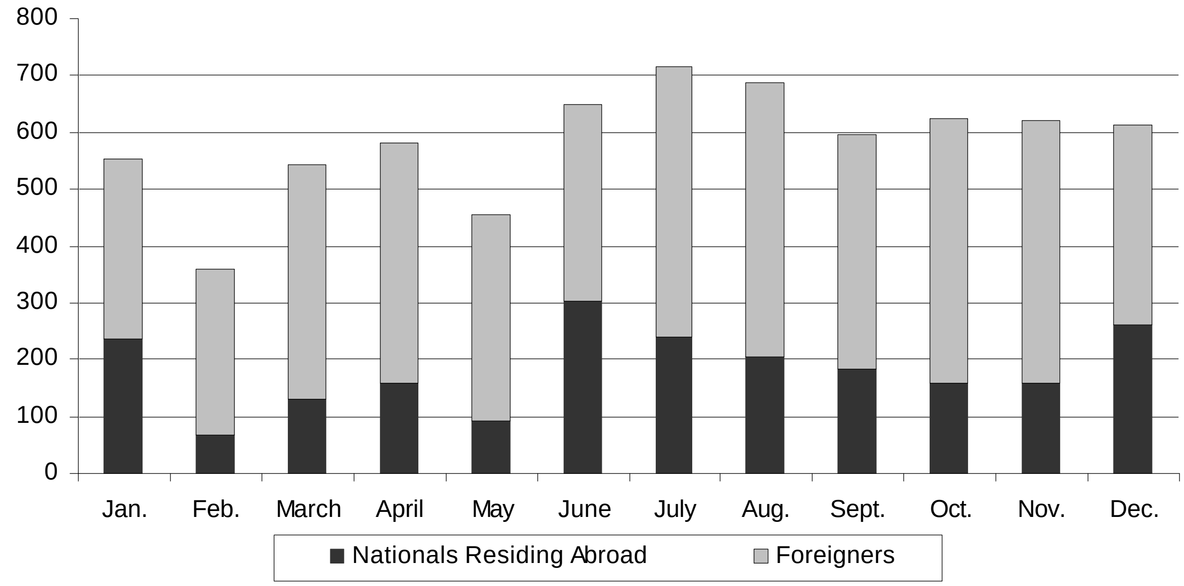
Monthly Distribution of Inbound Tourism (in thousands) - 1999

	Total Inbound Flows		Nationals Residing Abroad		% share of NRAs
	Arrivals	% share	Arrivals	% share	
Total	**6 995**	**100.0**	**2 198**	**100.0**	**31.4**
Jan.	553	7.9	236	3.4	42.6
Feb.	359	5.1	68	3.1	18.9
March	544	7.8	129	5.9	23.7
April	580	8.3	160	7.3	27.6
May	453	6.5	92	4.2	20.3
June	650	9.3	302	13.7	46.5
July	714	10.2	241	11.0	33.7
Aug.	688	9.8	205	9.3	29.8
Sept.	597	8.5	185	8.4	31.0
Oct.	625	8.9	160	7.3	25.6
Nov.	619	8.8	160	7.3	25.8
Dec.	613	8.8	260	11.8	42.4

Source: MOT.

EGYPT

Monthly breakdown of total visitor arrivals (in thousands)



Source: MOT.

The number of Egyptians going abroad is around 2.7 – 2.8 million a year.

The breakdown of outbound tourism by purpose of travel clearly indicates that at least 50% of citizens travelling abroad are to be precluded from outbound tourism movement, not to mention the fact that the group "others" includes non-related tourism activities.

Outbound travel by purpose (in thousands)

	1996		1997	
	No.	**% share**	**No.**	**% share**
Total	**2 812.4**	**100.0**	**2 722.5**	**100.0**
Convention	14.5	0.5	14.1	0.5
Work	1 320.2	46.9	1 281.7	47.1
Health treatment	12.8	0.5	12.5	0.5
Tourism	113.1	4.0	109.8	4.0
Education	44.9	1.6	43.6	1.6
Religion/Pilgrimage	523.4	18.6	508.2	18.7
Others	783.5	27.9	752.6	27.6

Source: MOT.

PART IV: Future Perspectives

Recognising the importance of tourism industry in fostering growth, the government of Egypt has taken several positive actions towards improving the investment climate. The resolutions embraced by the government in 1996 have encouraged, for instance, the operation of Charter Flights, eased the issuing of building permits for hotels and tourist establishments, and allowed private investment in infrastructure projects (e.g. roads, airports, etc) under BOT and BOOT arrangements. Accelerating privatisation process and launching extensive marketing campaigns have also attracted large investments to the tourism industry. The Tourism Development Authority (TDA) policy of supplying land at normal price (1$/m^2$) and soft loans for developing infrastructure projects has provided another stimulus to private investment. Furthermore, the new Investment Law (1997) has granted generous incentives and privileges to private capital both local and foreign.

Tourism development plan

	1999/2000	2000/2001	Rate of growth (%)
No. of tourists (million)	**4.9**	**5.4**	**10.2**
No. of tourists nights (million)	31.5	35.0	11.1
Tourism receipts (US $ million)	4160.0	4725.0	13.6
Hotel Capacity (000 rooms)	97.0	105.0	8.2
Average length of stay (tourist night)	**6.4**	**6.5**	**. .**
Average expenditure ($/night)	132.0	135.0	. .

Source: MOT.

The flourishing of tourism industry in recent years has induced the Ministry of Tourism to embrace ambitious targets in the current annual plan (2000/2001) as well as the Five-Year Development Plan (2000-2005). Tourist arrivals and lodging capacity are expected to increase by an annual growth rate of 12% over the coming 5-year period. Higher growth rates are anticipated for tourist nights and receipts.

Medium - term tourism plan, 2000 – 2005

	2000	2005
No. of tourists (million)	**5.4**	**9.5**
No. of tourists nights (million)	35.2	66.5
Tourism Receipts (US $ million)	4 600	10 000
Hotel Capacity (000 rooms)	105	186.8

Source: MOT.

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Part I: General situation and main indicators

Tourism is an important player in the Israeli economy. Two flows in tourism - domestic and outbound - have been growing steadily throughout the years. The third flow (inbound tourism) has also been growing over the years but with much volatility.

It should be noted that in addition to the wide variety of tourist attractions that Israel offers - shrines of three religions, temperate climate, verdant and desert landscapes, lengthy coastlines, the Dead Sea (the lowest place in the world), antiquities, national parks and nature reserves, luxury and popular-class hotels, and restaurants that serve the cuisines of all peoples in the world, to name only a few (all of which within a mere 22 000 square kilometres) - there is another decisive factor which is the geopolitical situation in the Middle East.

Notably, the contribution of inbound tourism to Israel transcends the economic effect by helping to maintain relations between Diaspora Jewry and Israel and by making Israel's achievements and security problems known to non-residents.

In Israel's fifty years of existence - from May 1948 to the end of 1998 - 42.3 million inbound visitor arrivals have been recorded, including 4.6 million cruise passengers who came for day visits.

The fastest increase in inbound tourism occurred in the 1960s, at 17% on annual average. In the 1970s, the annual average growth rate slowed to 11% In the 1980s, domestic and regional security events depressed the growth rate to only 2% on annual average. In the first five years of the 1990s (1990–1994), the growth rate recovered to 9% on annual average. Inbound tourism set a record (2.53 million tourists from abroad) in 1995 and declined in the following three years.

It took until 1999 to break the 1995 record by a small margin, and in 2000, pursuant to the visit of Pope John Paul II in March, a figure of 3 million inbound tourists is expected.

Development and Impact of Tourism

Of ECU 154 521 million in total revenue of economic industries (excl. diamonds) in 1998, accommodation services and restaurants generated ECU 3 757 million (2.4% of total revenue) and travel and tourist agencies generated ECU 1 288 million (0.8% of total revenue). The gross domestic product generated by the business sector came to ECU 50 842 million in 1998, 0.5% more than in 1997. The value added of the accommodation services and restaurants activity increased in 1998 by 2.5%.

Mio ECU	1997	1998	% 98/97
Total revenue of economic activities (excl. diamonds)	**155 706**	**154 521**	**-0.8**
Accommodation services and restaurants	3 557	3 757	5.6
Travel and tourist agencies	1 240	1 288	3.8
Gross Domestic Product (at market prices) - total	**88 164**	**88 285**	**0.1**
Business sector - total (1)	50 567	50 842	0.5
Accommodation services and restaurants	1 361	1 395	2.5

(1) At basic prices - excl. net taxes on products.

Source: Central Bureau of Statistics (CBS).

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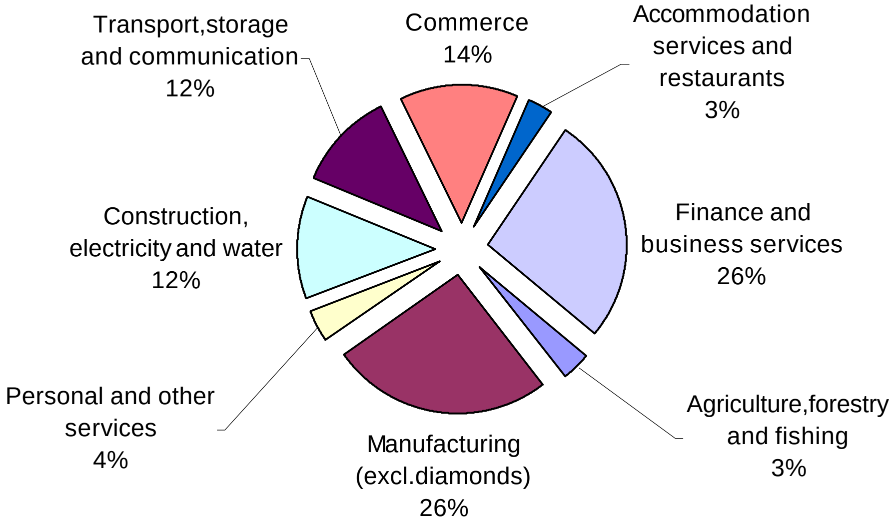
The Business Sector in GDP – 1998



Source: CBS.

% Share of lodging and catering sector in total employment

Economic Activity	1996	1997	1998	% 98/97
Total Economic activities	**2 013**	**2 040**	**2 077**	**1.8**
Lodging & Catering Sector	76	76	81	6.8
% Share of Lodging & Catering	**3.8**	**3.7**	**3.9**	**. .**

Source: CBS.

In 1998, the number of employed persons in Israel amounted to 2.1 million. Some 81 000 of them (4%) worked in the accommodation services and restaurants activity. Of the persons employed in this activity, 85% are employees; the remainder are self-employed. Employment in this activity increased by 7% in 1998 relative to 1997.

Employment in the tourism industry/lodging and catering sector[1] (in thousands)

	1995	1996	1997	1998	1999	%98/97
Total employment in tourism	**81.0**	**75.9**	**75.5**	**80.6**	**90.2**	**6.8**
Self employed	14.7	14.8	11.4	12.1	13.0	6.1
Employees	66.3	61.1	64.1	68.5	77.2	6.9

([1]) Accommodation services and restaurants.

Source: CBS.

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Balance of Payments (Mio ECU)

	1990	1995	1996	1997	1998	1999	% 98/95
	Travel Item						
Receipts	**1 097**	**2 266**	**2 327**	**2 501**	**2 370**	**2 781**	**4.6**
Expenditures	1 125	1 620	1 794	2 014	2 120	2 444	30.8
Net account	-29	646	533	487	250	338	-61.3
	Services Account (including the travel item)[1]						
Receipts	**3 588**	**5 932**	**6 374**	**7 424**	**8 072**	**9 756**	**36.1**
Expenditures	3 864	6 408	7 301	8 273	8 764	10 335	36.8
Net account	-276	-476	-928	-849	-692	-579	45.3
% share of travel	**30.6**	**38.2**	**36.5**	**33.7**	**29.4**	**28.5**	**. .**
	Current Account						
Receipts	**18 815**	**26 400**	**29 490**	**34 744**	**36 704**	**42 172**	**39.0**
Expenditures	18 689	30 373	33 770	37843	37 456	44 613	23.3
Net account	126	-3 973	-4 280	-3099	-751	-2 441	-81.1
% share of travel	**5.8**	**8.6**	**7.9**	**7.2**	**6.5**	**6.6**	**. .**

([1]) Excl. factor income.

Source: CBS.

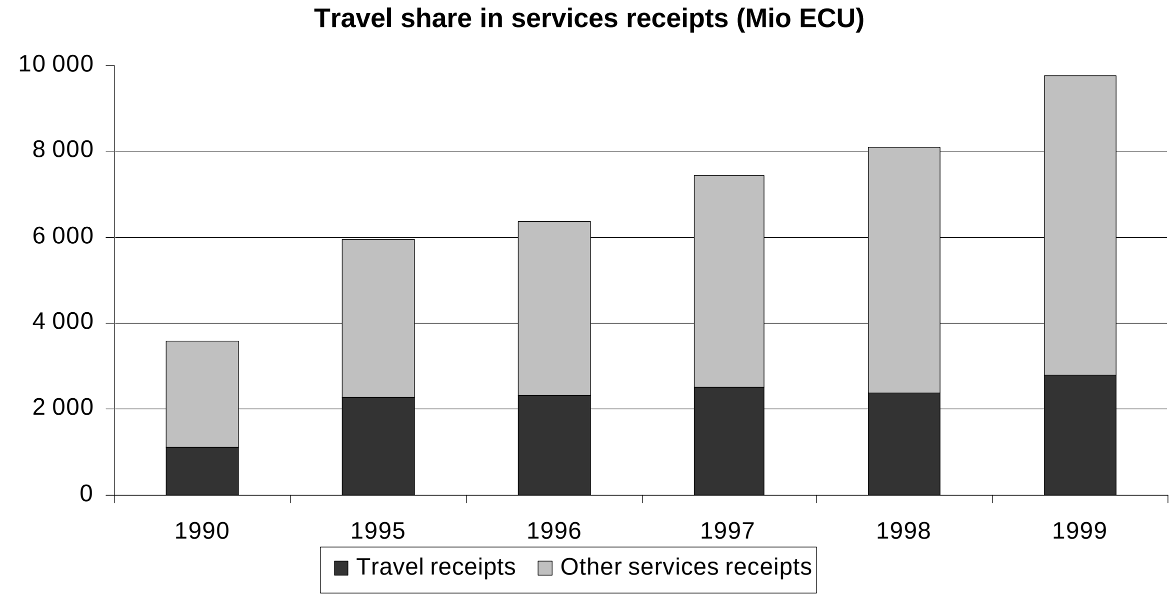
Israel’s net travel account has been positive in all years except for 1990 and 1991. During those years, the crisis and war in the Persian Gulf caused a precipitous decrease in the number of tourists who entered Israel and in the revenue from inbound tourism.

In 1998, international travel receipts was estimated at ECU 2 370 million, with another ECU 393 million earned by Israel carriers from non-residents (approximating to international fare receipts). Thus, total inbound tourism earnings was ECU 2 763 million.

Thus, international travel receipts in 1998 accounted for 29.4% of total exports of services and 6.5% of total exports. Tourism revenue is even more important than its share in exports because tourism generates a high 78% added value in foreign earnings (export value less imported inputs).

In 1999 travel receipts increased by 17% compared to 1998, amounting to ECU 2 781 million.

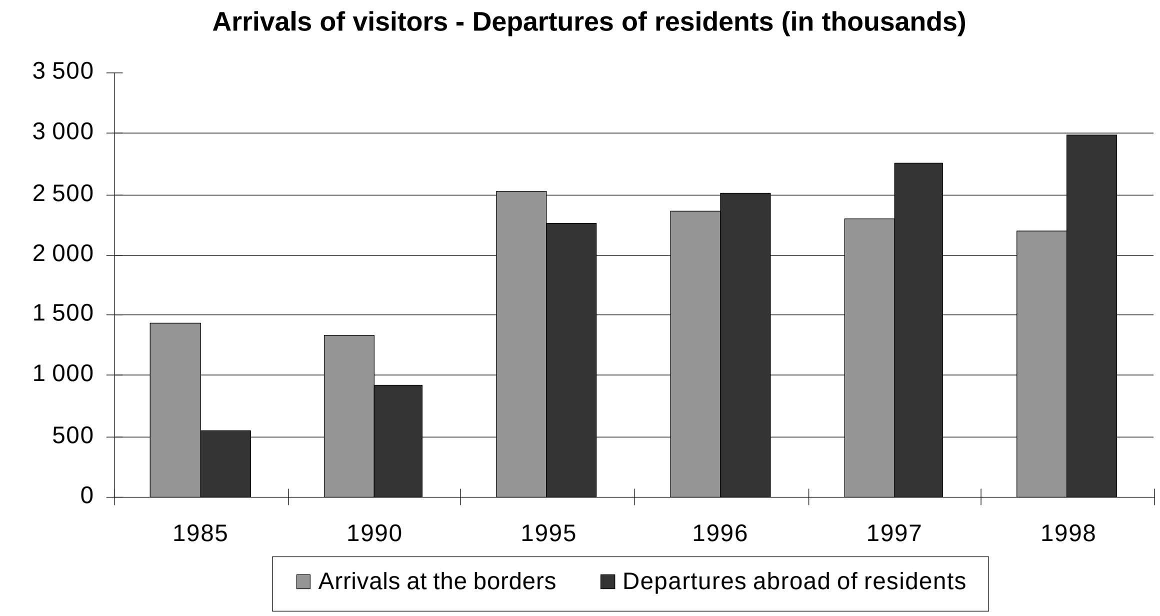
The level of international tourism revenue is a function of the number of inbound visitors and the duration of their stay in Israel. The duration of tourists’ stay in Israel has been declining over the years (a phenomenon which characterises world tourism): from 25 nights on average per tourist in 1980 to 16.2 nights in 1998.



Source: CBS.

In 1998, Israel's population of approximately 6 million hosted 2.2 million inbound tourists: 370 tourists per 1 000 residents.

The number of outbound departures by residents in 1998 was 2.98 million: 500 departures per 1 000 residents.



Source: CBS.

Part II: Tourism supply

Infrastructure and Accommodation Capacity

At the end of 1998, Israel had nearly 130 thousands beds in the totality of its tourist accommodation services, including 90 thousands beds in 313 tourist hotels and in not yet listed hotels. Notably, a growing share of hotels in Israel is managed by international chains.

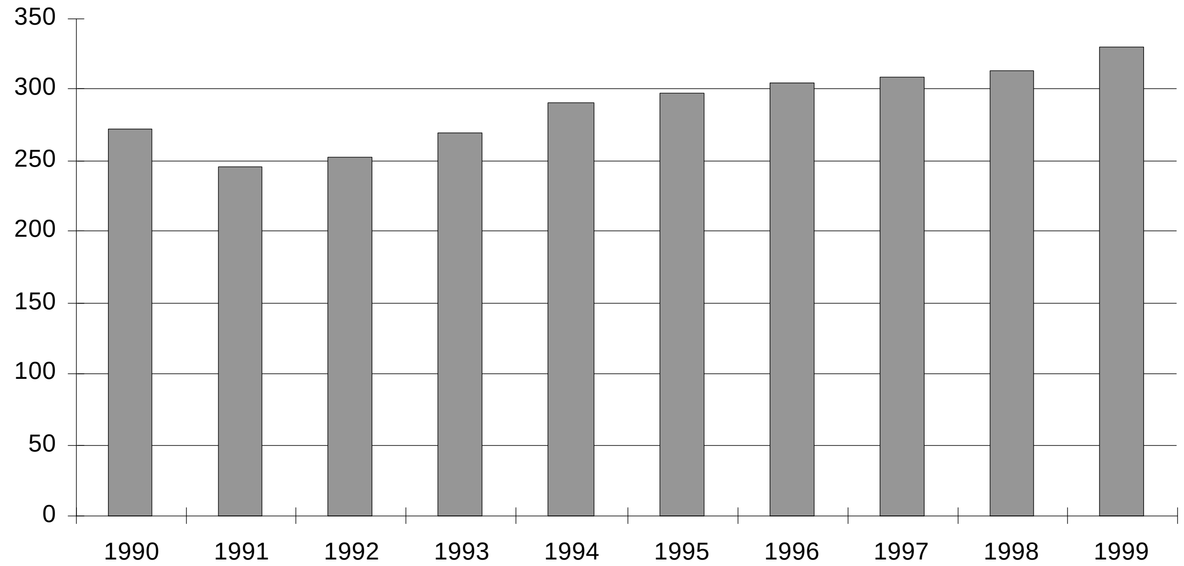
Number of hotel establishments[1] by District

	1990	1995	1996	1997	1998	1999	% 99/98
Total	**272**	**298**	**305**	**309**	**313**	**330**	**5.4**
Jerusalem	68	68	70	69	69	74	7.2
Northern	65	73	72	73	69	72	4.4
Haifa	18	19	19	19	20	22	10.0
Central	22	27	27	27	27	27	0.0
Tel-Aviv	50	50	52	54	56	58	3.6
Southern	49	61	65	67	72	77	6.9

([1]) Tourist hotels and not yet listed hotels. End of the year.

Source: CBS.

Number of hotel[1] establishments



([1]) Tourist hotels and not yet listed hotels. End of the year.

Source: CBS.

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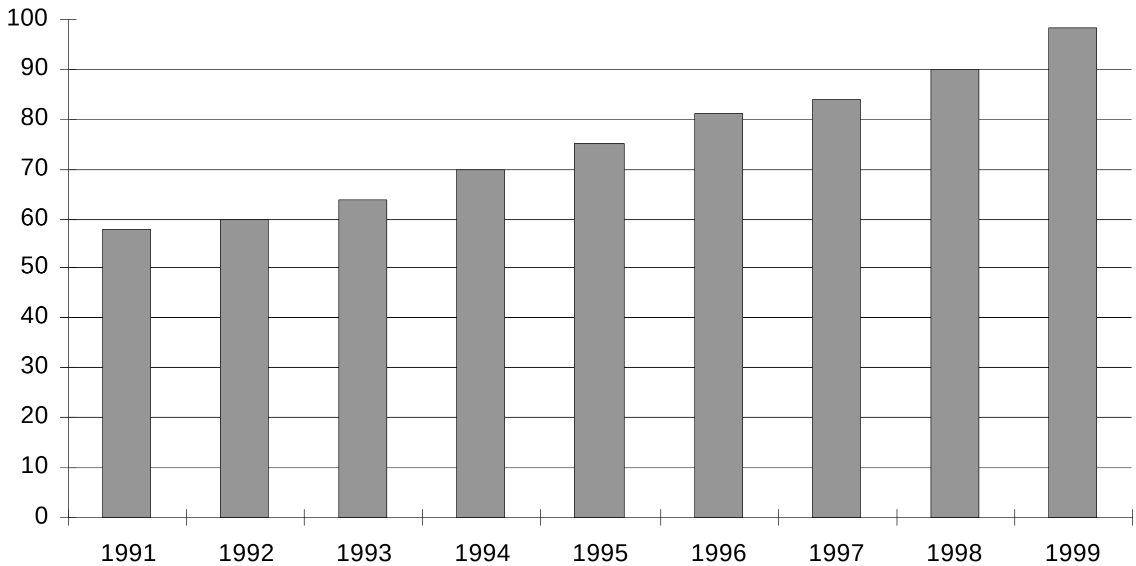
Number of bed-places in hotels[1] by District

	1995	1996	1997	1998	1999	% 99/98
Total	**74 939**	**81 357**	**83 970**	**89 946**	**98 323**	**9.3**
Jerusalem	16 780	17 565	17 252	18 073	18 877	4.4
Northern	15 870	16 592	17 214	17 953	18 942	5.5
Haifa	3 588	3 714	3 703	3 971	4 489	13.0
Central	4 616	4 788	4 798	4 942	5 026	1.7
Tel-Aviv	12 020	12 427	12 403	12 968	14 543	12.1
Southern	22 065	26 271	28 600	32 039	36 446	13.8

([1]) Tourist hotels and not yet listed hotels. End of the year.

Source: CBS.

Number of bed-places in hotels[1] (in thousands)



([1]) Tourist hotels and not yet listed hotels. End of the year.

Source: CBS.

Rural tourism, introduced in Israel only several years ago, has been gathering momentum in the past few years and offered more than 20 000 beds in 1998. Figures on rural tourism are available today only for accommodation units on kibbutzim and co-operative moshavim (75% of total).

Part III: Tourism Demand

Occupancy of collective tourist accommodation establishments: inbound and domestic tourism

Total nights spent in hotels[1] by district (in thousands)

	1995	1996	1997	1998	1999	% 99/98
Total	**16 018**	**16 146**	**16 123**	**16 688**	**18 682**	**11.9**
Jerusalem	3 578	3 299	2 962	3 070	3638	18.5
Northern	3 009	3 051	2 824	2 922	3164	8.3
Haifa	570	571	612	610	660	8.2
Central	964	988	929	866	909	5.0
Tel-Aviv	2 529	2 362	2 311	2 317	2516	8.6
Southern	5 370	5 875	6 485	6 902	7797	13.0

([1]) Tourist hotels and not yet listed hotels Figures may not add up due to rounding.

Source: CBS.

In 1998, tourist hotels and not yet listed hotels recorded 16.7 million nights. The Southern District, including hotels on the Dead Sea shore and in Eilat (on the Red Sea, bordering Aqaba, Jordan), had the highest share of person-nights, 41% of the countrywide total. Domestic tourists accounted for 71% of nights in the Southern District; inbound tourists (of whom 80% were from Europe) generated the remaining 29%. Most inbound tourism to Eilat is winter tourism that reaches this city directly on charter flights from various European countries. The second district in terms of hotels and person-nights is the Jerusalem District, mainly including hotels in Jerusalem and its immediate vicinity.

About 75% of nights in each of two districts, Jerusalem and Tel Aviv (the latter known in Israel as "the city that never stops"), are generated by inbound tourists and only one-fourth of nights are of Israelis.

Nights spent in hotels[1] by nationality (in thousands)

	1990	1995	1996	1997	1998	1999	% 99/98
Total	**11 474**	**16 018**	**16 146**	**16 123**	**16 688**	**18 682**	**11.9**
Residents	5 638	6 522	7 238	7 978	8 978	9 635	7.3
Non-residents	**5 836**	**9 496**	**8 908**	**8 145**	**7 709**	**9 047**	**17.4**
Europe	3 616	5 686	5 336	4 690	4 292	5 111	19.1
America	1 613	2 391	2 123	2 132	2 313	2 585	11.8
Other	608	1 419	1 448	1 323	1 105	1 352	22.4
Europe share (%)	**62.0**	**59.9**	**59.9**	**57.6**	**55.7**	**56.5**	**. .**

([1]) Tourist hotels and not yet listed hotels.

Source: CBS.

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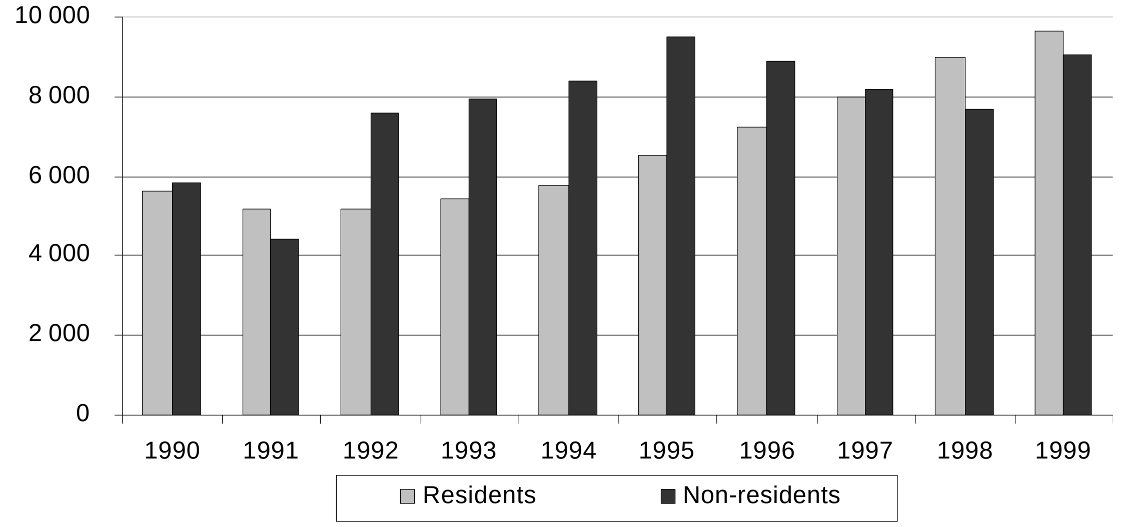
Nights spent in hotels[1] by residents and non-residents (in thousands)



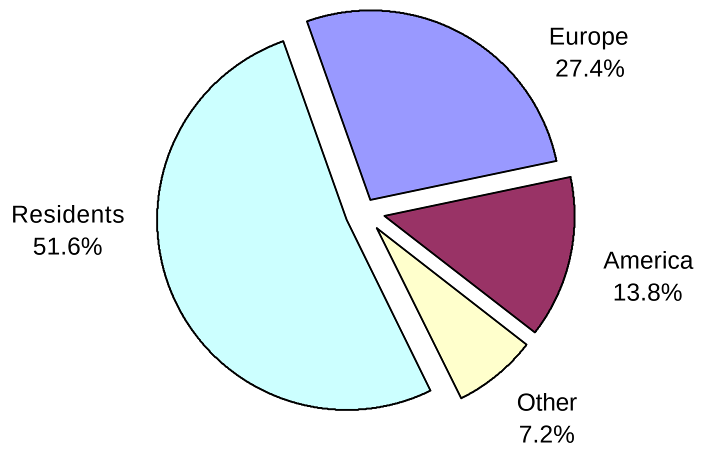
([1]) Tourist hotels and not yet listed hotels.

Source: CBS.

In all years thus far, except for 1991 (the Gulf War year), inbound tourists accounted for more than half of total nights spent in hotels. In 1998, after a slump in inbound tourism starting in 1996, only 46% of total nights spent in hotels were of inbound tourists; the rest were of Israelis.

Initial figures for 1999 point to an increase in total nights spent. There were 18.7 million nights spent in hotels, 12% higher than in 1998, due to a 17% increase in non-resident nights and a more modest increase, of only 7%, in resident nights.

% Share of nights spent by nationality - 1999



Source: CBS.

Most non-resident nights in hotels are from Europe (56% of total non-resident nights in 1999).

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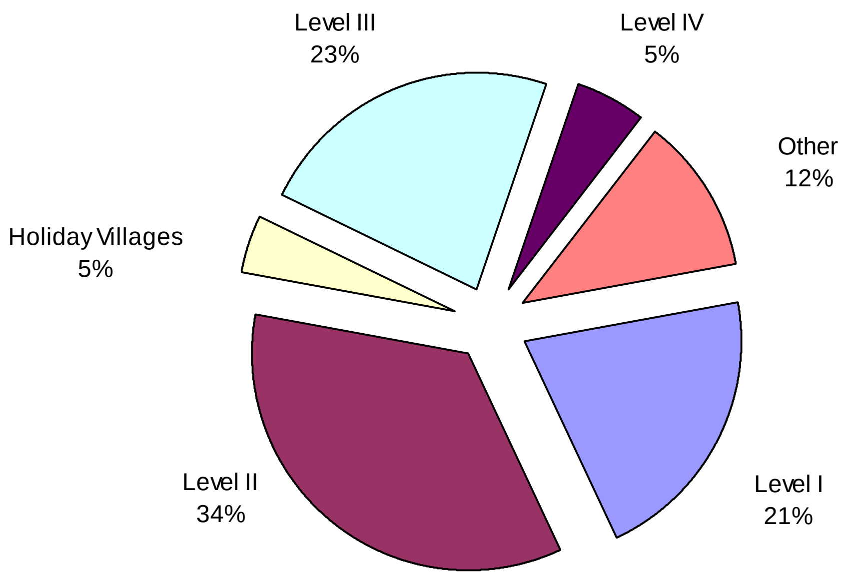
Tourism hotels are classified by levels, "I" being the highest and "IV" being the lowest. Some 43% of inbound-tourist nights from America were recorded at hotels at the highest level; in relation to only 19% of non-resident nights from Europe.

Total nights spent in hotels by category (in thousands)

	1995	1996	1997	1998	%97/98
Total	**16 018**	**16 146**	**16 123**	**16 688**	**3.5**
Level I	3 180	3 137	3 248	3 480	7.2
Level II	5 858	5 820	5 676	5 770	1.7
Level III	3 960	4 053	3 822	3 804	-0.5
Level IV	1 041	969	942	884	-6.2
Holiday Villages	820	902	822	785	-4.6
Other	1 160	1 265	1 614	1 966	21.8

Source: CBS.

Total nights spent in hotels by category - 1998



Source: CBS.

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Tourism demand: Inbound and National Tourism

Arrivals of visitors from abroad by geographical zone[1] (in thousands)

	1990 [2]	1995	1996	1997	1998	% 98/97
Total	**1 342**	**2 531**	**2 361**	**2 295**	**2 200**	**-4.1**
Europe	760	1 478	1 409	1 353	1 271	-6.1
EU15 [3]	**653**	**1 191**	**1 120**	**964**	**914**	**-5.2**
Rest of Europe	107	287	289	389	357	-8.2
Americas	323	601	578	572	607	6.1
Africa	31	86	65	57	50	-12.3
Asia	100	268	233	225	198	-12.0
Oceania	19	32	30	31	27	-12.9
Other	109	66	46	57	47	-17.5
	% share of total					
Europe	**56.6**	**58.4**	**59.7**	**59.0**	**57.8**	**-2.0**
EU15 [3]	48.7	47.0	47.4	42.0	41.5	-1.2
Rest of Europe	8.0	11.4	13.2	17.0	16.2	-4.1
Americas	24.1	23.7	24.5	24.9	27.6	10.7
Africa	2.3	3.4	2.8	2.5	2.3	-8.5
Asia	7.5	10.6	9.9	9.8	9.0	-8.2
Oceania	1.4	1.3	1.3	1.4	1.2	-9.3
Other	8.1	2.6	1.9	2.5	2.1	-14.0

([1]) These figures are the sum of Tourists (by country of residence) + Cruise passengers (by citizenship).

([2]) 1990 figures: excludes tourist arrivals via Elat checkpoint.

([3]) 1990 figures: excludes Portugal cruise passengers and Luxembourg visitors.

Source: Ministry of Tourism (MOT).

First figures for 1999 indicate an increase in inbound tourism, amounting to 2.54 million visitor arrivals, 15% more than in 1998 (and slightly higher than the previous record set in 1995).

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Arrivals of tourists from abroad by geographical zone (in thousands)

	1990	1995	1996	1997	1998	% 98/97
Total	**1 132**	**2 216**	**2 100**	**2 010**	**1 942**	**-3.4**
Europe	664	1 256	1 212	1 147	1 082	-5.6
EU 15 [1]	**555**	**1 020**	**979**	**923**	**868**	**-5.9**
Rest of Europe	109	236	233	224	214	-4.4
Americas	324	582	559	548	571	4.2
Africa	34	85	65	57	49	-13.0
Asia	86	239	214	205	177	-13.5
Oceania	21	30	28	29	25	-15.0
Other	3	23	23	24	36	51.4
	Percentage of total					
Europe	**58.7**	**56.7**	**57.7**	**57.0**	**55.7**	**. .**
EU 15 [1]	49.1	46.0	46.6	45.9	44.7	-2.6
Rest of Europe	9.6	10.7	11.1	11.2	11.0	-1.0
Americas	28.6	26.3	26.6	27.3	29.4	7.9
Africa	3.0	3.9	3.1	2.8	2.5	-9.9
Asia	7.6	10.8	10.2	10.2	9.1	-10.5
Oceania	1.8	1.3	1.3	1.5	1.3	-12.0
Other	0.3	1.0	1.1	1.2	1.9	56.8

([1]) 1990 figure excludes Luxembourg tourists.

Source: MOT.

First figures for 1999 indicate an increase in tourist arrivals of 17%, amounting to 2.27 million.

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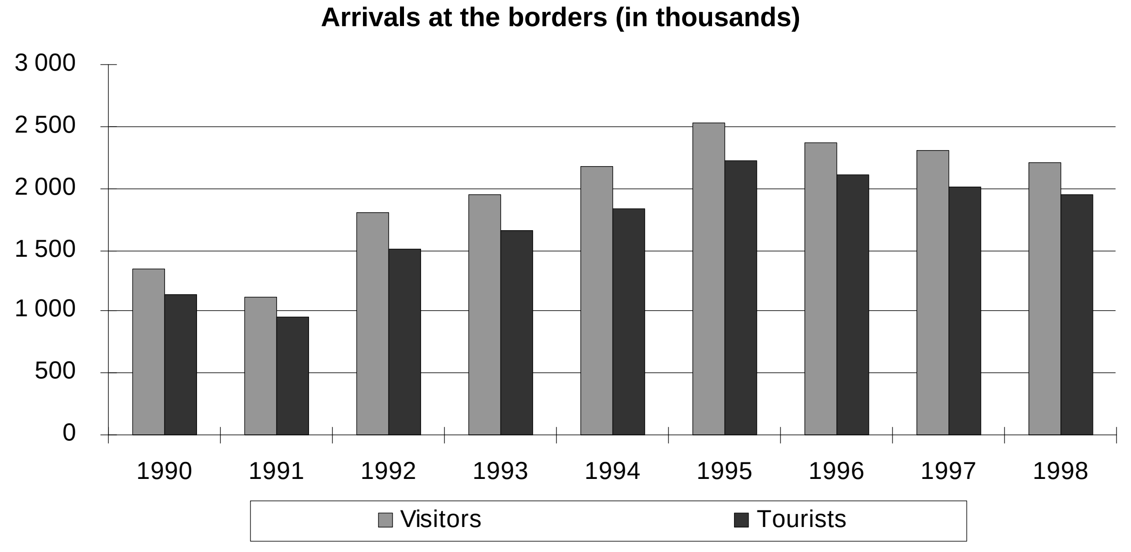
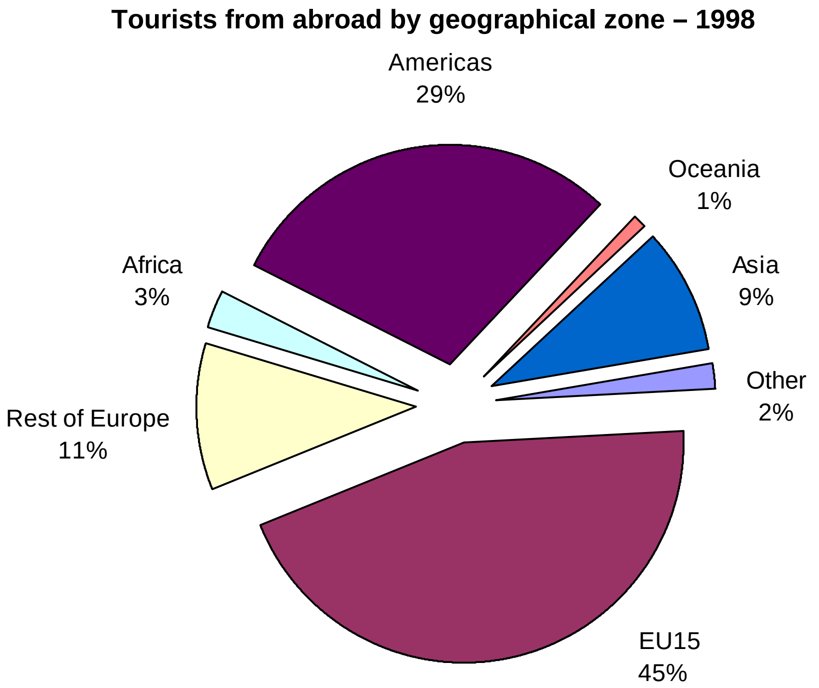


Source: MOT.

More than half of inbound tourism originates in Europe: in 1998, 56% of inbound tourists came from Europe (more than 80% of them from EU15), 29% from the Americas and 9% from Asia.



Source: MOT.

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The Ministry of Tourism of Israel (MOT) annual survey of a sample of inbound tourists on departure from Israel reveals the purpose of their visit, type of accommodation used and how the trip was organised, among other factors. The principal findings of MOT's survey in 1998 are:

Characteristics of tourists - four main source markets - 1998

	USA	UK	France	Germany	Italy	Total
Total tourist arrivals (in thousands)	**451**	**198**	**169**	**146**	**85**	**1 942**
Average family group size	1.8	2.0	1.9	1.9	1.8	1.9
Main purpose of visit (%)						
Pilgrimage	**30**	**11**	**17**	**26**	**58**	**22**
Holiday & leisure	8	47	27	18	5	22
Touring & sightseeing	23	9	13	20	14	18
Visiting friends and /or relations	16	18	28	12	3	16
Business	12	8	10	13	13	13
Study & research	6	2	2	4	1	4
Conventions	3	2	2	3	3	3
Health treatment	0	1	1	5	2	2
Other	2	2	2	1	2	2
Organisation of trip (%)						
Non-inclusive tour	**52**	**48**	**62**	**50**	**43**	**55**
Inclusive tour	48	52	38	50	57	45
Frequency of visit (%)						
First visit to Israel	**55**	**48**	**30**	**55**	**66**	**55**
Return visit	45	52	70	45	34	45
Main type of Accommodation (%)						
Hotel/holiday village	**70**	**72**	**55**	**72**	**79**	**69**
Friends & relatives	15	14	28	11	4	16
Youth hostel	3	4	4	5	1	5
Christian hospice	2	2	6	6	13	4
Rented room/apartment	5	4	6	3	1	4
Other	4	2	2	3	1	3

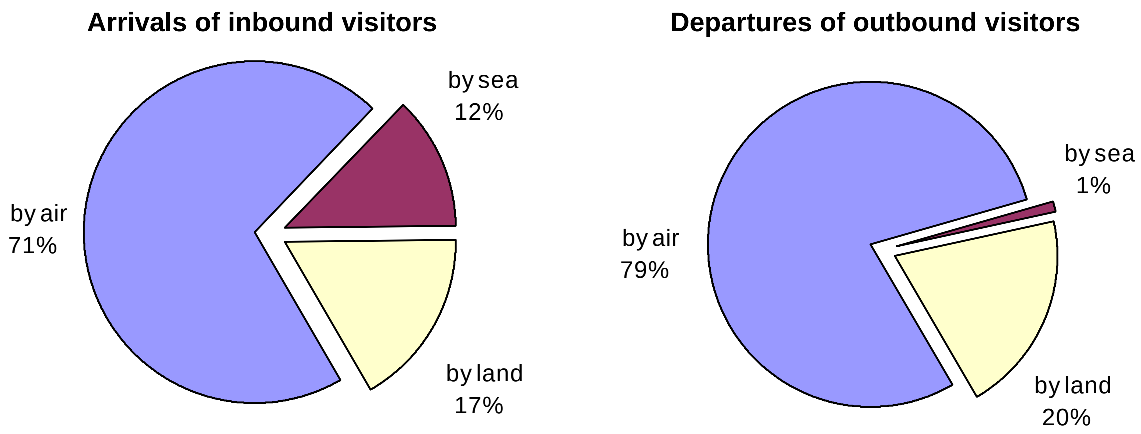
Source: MOT.

Figures may not add up due to rounding.

ISRAEL

Since the Peace Treaty with Jordan was signed in October 1994, traffic at Israel's overland border crossings has grown in number of both non-resident visitors and residents: 17% of entries from abroad (as against 8% in 1980) and 20% of resident departures (12% in 1980) in 1998 were by land.

Arrivals of inbound visitors and departures of Israelis by mode of transport used - 1998



Source: MOT.

Concerning outbound tourism, the number of resident departures abroad has been rising steadily each year. Since Israel was established, more than 28 million resident departures abroad have been recorded. During Israel's first years, the numbers were modest, but due to the rise in standards of living and the world-wide decrease in international airfares, there was a perceptible growth in the proportion of residents who travelled abroad, along with a decrease in the duration of their stays abroad.

Since 1996, outbound departures have exceeded inbound arrivals. The figures in 1998 were 3 million departures abroad and a duration of stay of 19 nights on average per departure (for departures not exceeding one year).

The majority of resident departures abroad are by air. In 1998, the breakdown was 79% by air, 20% by land (to Jordan and Egypt), and only 1% by sea.

The median age of outbound tourists fluctuates around 39 years.

On the basis of a sample of outbound tourists aged 15+, it was found that 76% of departures in 1998 were for tourism purposes and 8% for business purposes. The main destination for 61% of travellers was Europe; the main destinations for the others were the Americas and Oceania (20%), Asia (16%), and Africa (only 2%).

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JORDAN

Part I: General situation and main indicators

Development and Impact of Tourism

Jordan contains a wealth of archaeological and historical sights, offering great variety to tourists, including the coral reef of Aqaba, the bewildering valley of Wadi Rum and the Nabatean stone-cut city of Petra.

Tourism is Jordan's second largest generator of foreign exchange. In 1999, 1.36 million tourists visited Jordan resulting in foreign exchange receipts of over ECU 745 million, and representing approximately 10.5% of GDP. In addition, tourism has been an important employment generator, currently employing more than 27 000 people directly, and far more in view of links to other sectors. The actual tourism potential of the Kingdom is even greater; capturing this potential, however, will require Jordan to develop the sector in a coherent manner to ensure its economic, social and environmental sustainability.

Balance of Payments (Mio ECU)

	1990	1995	1996	1997	1998	1999	% 99/98
Travel Item							
Receipts	**404**	**505**	**585**	**682**	**690**	**745**	**8.1**
Expenditures	265	325	300	350	315	333	5.9
Net account	139	180	285	331	375	412	9.9
Services Account (including travel item)							
Receipts	**1 591**	**2 348**	**2 754**	**3 205**	**3 203**	**3 436**	**7.3**
Expenditures	1 203	1 309	1 289	1 535	1 707	1 828	17.1
Net account	388	1 040	1 466	1 670	1 496	1 608	7.5
% Share of travel receipts	**25.4**	**21.5**	**21.2**	**21.3**	**21.5**	**21.7**	**. .**
Current Account							
Receipts	**3 422**	**3 970**	**4 518**	**5 198**	**5 269**	**5 722**	**8.6**
Expenditures	3 249	4 166	4 693	5 172	5 266	5 399	2.5
Net account	151	-196	-175	26	3	322	11 566.5
% Share of travel receipts	**11.8**	**12.7**	**12.9**	**13.1**	**13.1**	**13.0**	**. .**

Source: Department of Statistics (DOS).

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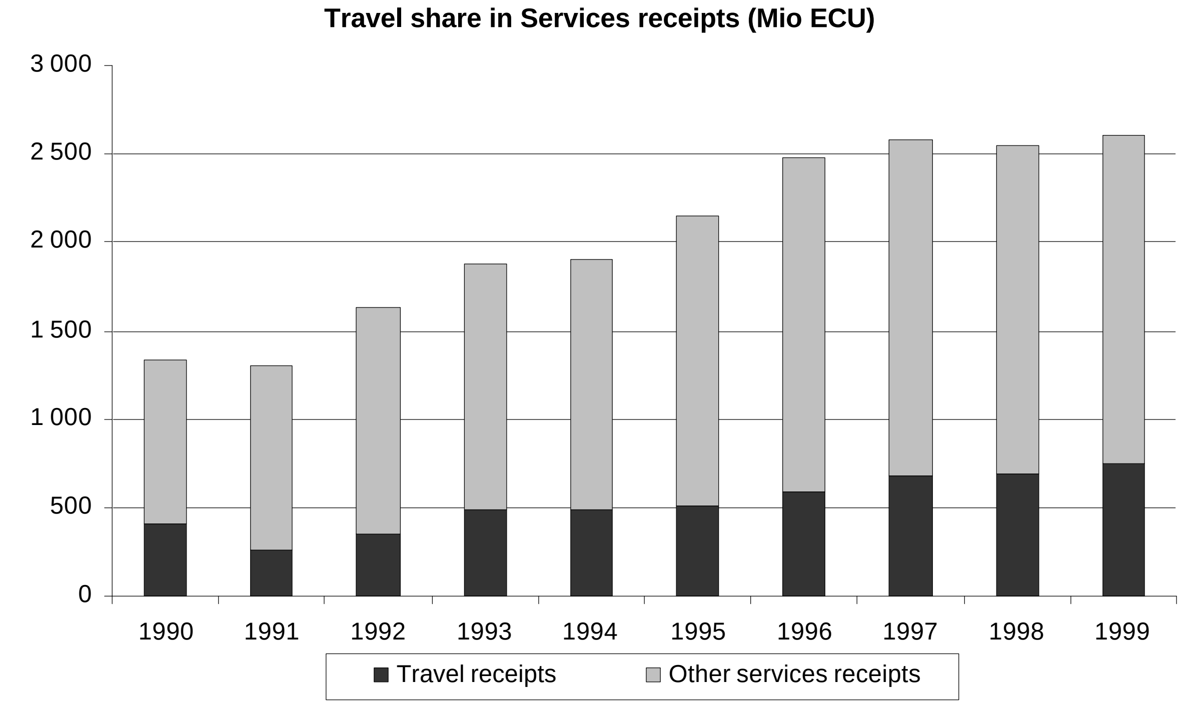


Source: DOS.

Part II Tourism Supply

Infrastructure and Accommodation Capacity

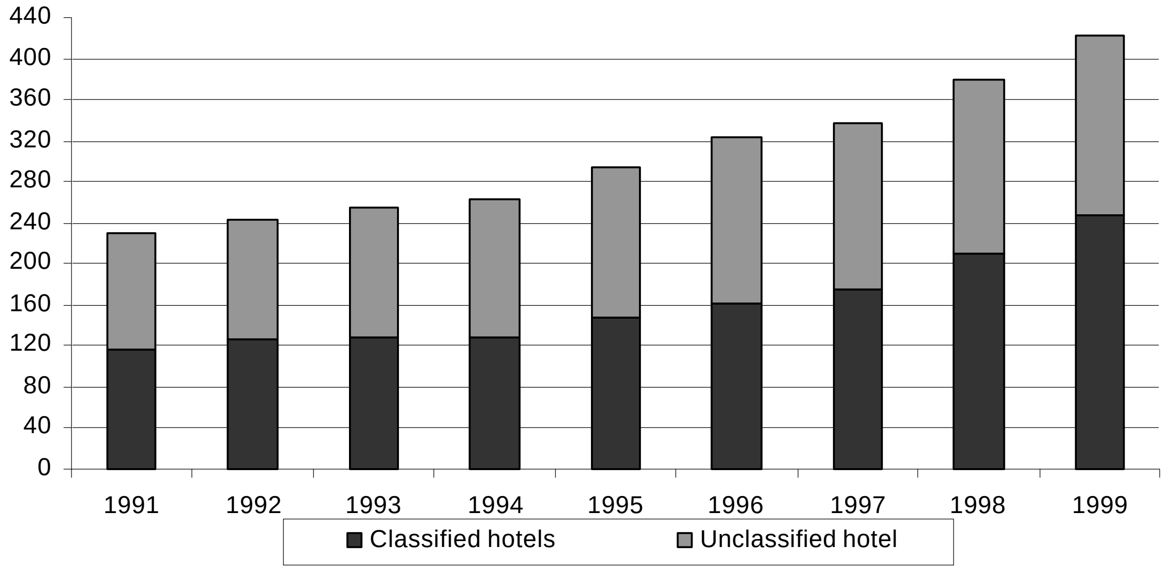
Over the 90's the number of hotels and similar establishments has increased every year, from 229 in 1991 to 422 in 1999 (+84.3%). Over the same period the number of classified hotels more than doubled. Accordingly the number of bed-places in hotels and similar establishments doubled and amounted to 31 765 in 1999, compared to 15 625 in 1991.

Number of hotels and similar establishments

	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total	**229**	**244**	**255**	**262**	**294**	**324**	**336**	**380**	**422**
Classified hotels	116	126	128	129	148	161	175	211	247
Unclassified hotel	113	118	127	133	146	163	161	169	175

Source: Ministry of Tourism and Antiquities (MOTA).

Number of hotels and similar establishments



Source: MOTA.

Classified hotels account for roughly half of the total supply of hotels and similar establishments. Over the reference period, classified hotels lowest share was in 1994 (49.2%) and its highest in 1999 (58.8%). In terms of bedrooms and bed-places though, classified hotel account for an average 83% and 80% of total capacity, respectively.

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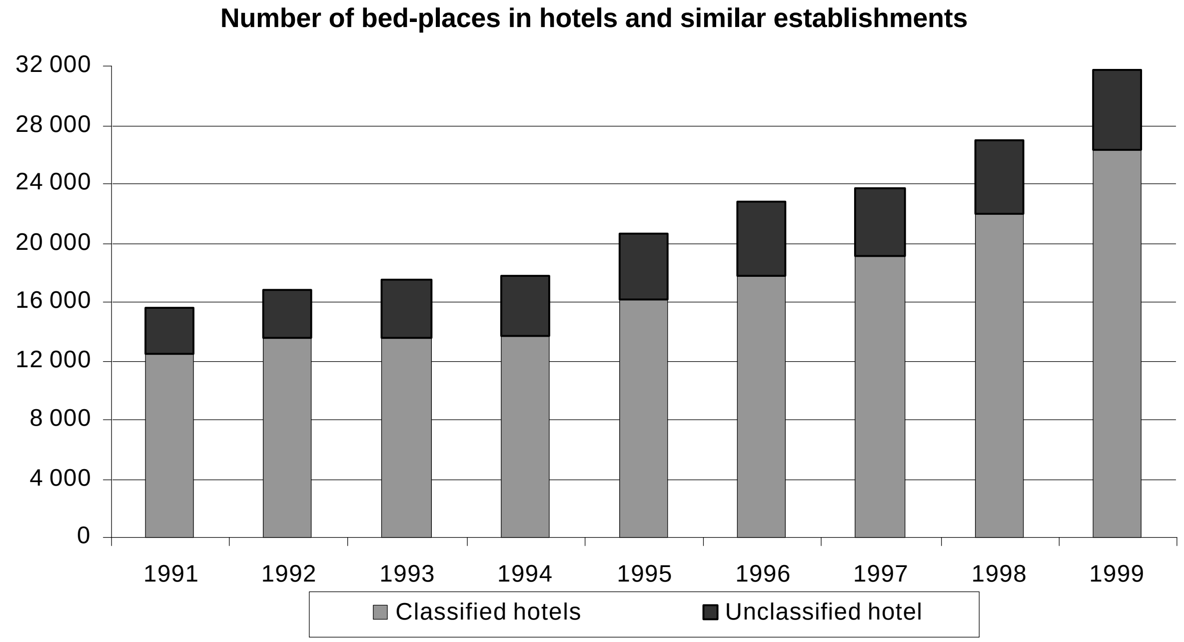
Number of bed-places in hotels and similar establishments

	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total	**15 625**	**16 756**	**17 463**	**17 709**	**20 613**	**22 735**	**23 777**	**27 050**	**31 765**
Classified hotels	12 526	13 520	13 586	13 692	16 093	17 756	19 074	21 941	26 295
Unclassified hotel	3 099	3 236	3 877	4 017	4 520	4 979	4 703	5 109	5 470

Source: MOTA.



Source: MOTA.

Number of bedrooms in hotels and similar establishments

	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total	**7 837**	**8 600**	**8 790**	**8 881**	**10 436**	**11 493**	**12 109**	**13 704**	**16 181**
Classified hotels	6 594	7 296	7 185	7 250	8 565	9 406	10 147	11 513	13 781
Unclassified hotel	1 243	1 304	1 605	1 631	1 871	2 087	1 962	2 191	2 400

Source: MOTA.

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Source: MOTA.

Bedroom capacity - all accommodation establishments by category

	1992	1993	1994	1995	1996	1997	1998	1999
TOTAL	**8 600**	**8 790**	**8 881**	**10 436**	**11 493**	**12 109**	**13 704**	**16 181**
Unclassified hotel	1 304	1 605	1 631	1 871	2 087	1 962	2 191	2 400
Classified hotels	7 296	7 185	7 250	8 565	9 406	10 147	11 513	13 781
Deluxe	946	946	946	1 037	1 037	948	963	([1])
5 star	516	511	516	517	1 023	954	1 162	3 032
4 star	1 521	1 517	1 182	1 685	1 524	1 831	2 104	1 930
3 star	1 958	1 815	1 715	2 073	2 416	2 471	2 685	3 485
2 star	1 281	1 316	1 770	1 964	1 895	2 189	2 166	1 918
1 star	1 052	1 052	1 093	1 261	1 483	1 369	1 561	1 742
Pensions	22	28	28	28	28	28	-	-
Hot.apart & suites	:	:	:	:	:	357	856	1 658
Motel	:	:	:	:	:	:	16	16

([1]) Data included under 5 star hotels

Source: MOTA.

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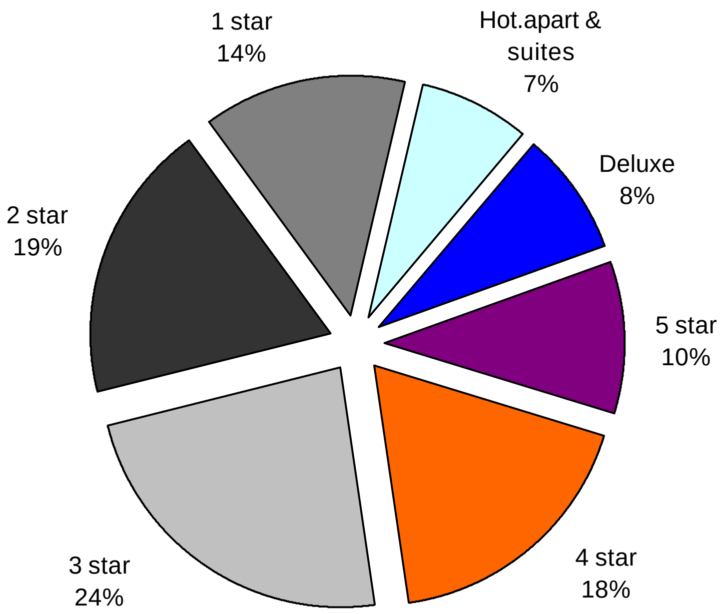
Classified hotels: share of hotel rooms per category - 1998



Source: MOTA.

Part III: Tourism Demand

Occupancy of collective tourist accommodation establishments: inbound and domestic tourism

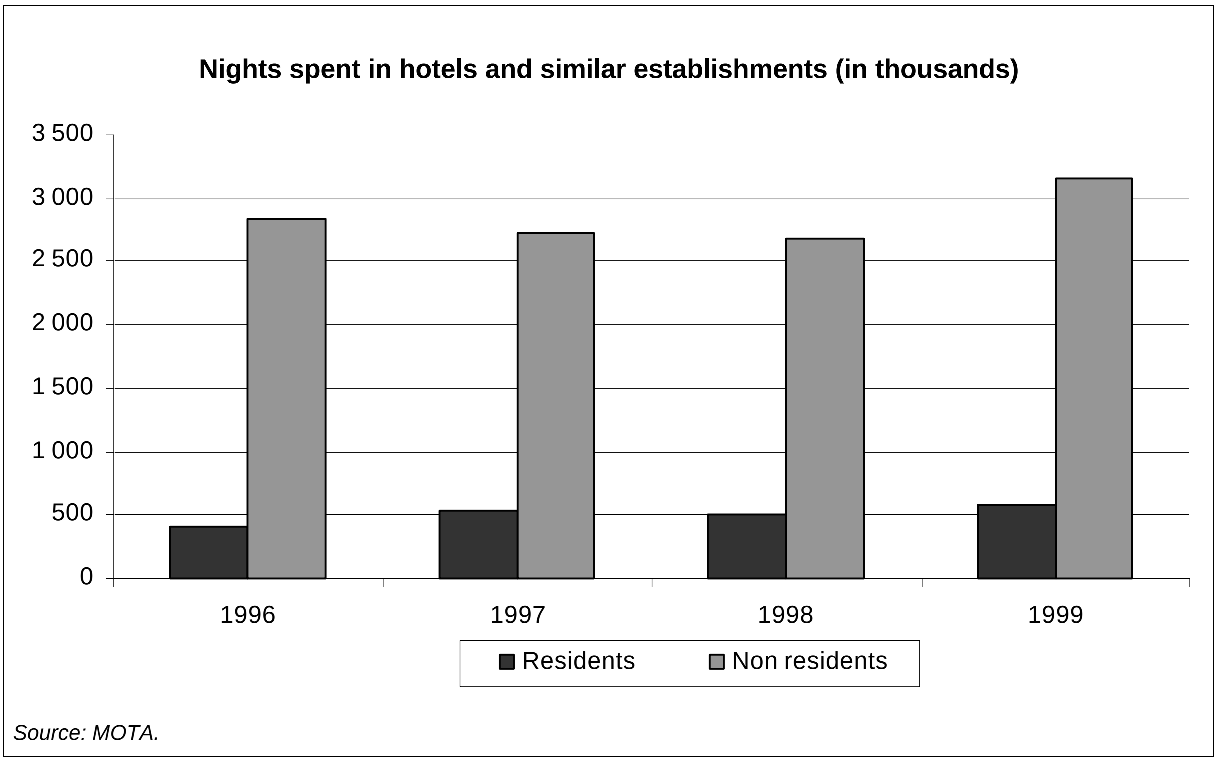
Total nights spent in hotels and similar establishments grew substantially in 1995 compared to 1994, increasing by 18.3%, to 3.5 million. After a drop between 1996 and 1998, total nights spent in hotels and similar establishments reached new heights in 1999, totalling 3.7 million and increasing by 17% compared to 1998 and by 6.4% compared to 1995. Compared to 1998, the number of nights spent by residents increased by 16% and nights spent by non-residents increased by 18%.

Nights spent by non-residents account for well over 80% of total nights spent in hotels and similar establishments. The number of nights spent by non-residents in tourist accommodation increased from 2.8 million in 1996 to 3.1 million in 1999 (+ 11.2%).

Nights spent in hotels and similar establishments (in thousands)

	1994	1995	1996	1997	1998	1999	% change 99/96
Total	**2 964**	**3 506**	**3 242**	**3 249**	**3 179**	**3 731**	**15.1**
Residents	:	:	406	529	497	577	42.1
Non residents	:	:	2 836	2 720	2 682	3 154	11.2
% share of non residents	**. .**	**. .**	**87.5**	**83.7**	**84.4**	**84.5**	**. .**

Source: MOTA.



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Bed-places occupancy rate in hotels and similar establishments (%)

	1993	1994	1995	1996	1997	1998	1999
Average	**45.0**	**49.4**	**48.4**	**41.4**	**38.5**	**36.3**	**35.3**
Classified hotels	40.0	42.9	46.3	40.5	37.9	32.7	30.6
Unclassified hotel	49.9	55.8	50.5	42.2	39.1	39.96	39.9

Source: MOTA

Bedrooms occupancy rate in hotels and similar establishments (%)

	1993	1994	1995	1996	1997	1998	1999
Average	**51.6**	**54.2**	**52.2**	**45.6**	**43.6**	**40.9**	**40.6**
Classified hotels	47	50.3	52.6	46.8	43.6	37.9	34.9
Unclassified hotel	56.1	58.1	51.7	44.4	43.6	43.8	46.2

Source: MOTA.

Bedroom and bed-places occupancy rate in classified hotels (%)

Source: MOTA.

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Tourism demand: Inbound and National Tourism

Arrivals of visitors at the borders[1] (in thousands)

	1990	1995	1996	1997	1998	1999	% 99/98
Total	**2 633.3**	**3 277.2**	**3 163.6**	**3 067.9**	**3 303.1**	**3 315.2**	**0.4**
Europe	**206.1**	**458.8**	**473.0**	**455.8**	**429.9**	**496.5**	**15.5**
EU15	**:**	**214.4**	**226.4**	**208.9**	**187.1**	**254.7**	**36.1**
Belgium	2.0	7.4	8.3	11.1	10.4	13.2	26.7
Denmark	1.0	3.0	3.8	3.9	3.6	4.4	23.8
Germany	19.4	44.8	56.6	45.1	32.0	43.2	35.2
Greece	1.4	3.8	2.6	2.6	2.8	3.9	37.1
Spain	7.4	14.0	9.5	8.4	11.1	17.3	55.1
France	11.2	30.1	30.3	29.5	28.8	45.5	57.7
Ireland	:	1.9	1.9	2.1	2.0	2.3	15.8
Italy	18.0	29.3	27.5	26.4	29.0	47.8	65.1
Luxembourg	:	0.2	0.2	0.1	0.1	0.2	48.7
Netherlands	2.7	15.4	18.6	13.5	12.2	17.6	44.8
Austria	7.3	9.8	12.5	9.3	6.8	8.3	23.5
Portugal	:	1.0	0.8	0.7	0.7	1.2	69.5
Finland	7.0	2.8	2.6	2.9	2.1	2.3	11.6
Sweden	2.6	6.0	7.5	6.6	6.7	7.5	11.6
United Kingdom	15.4	45.0	43.8	46.7	38.8	39.9	2.8
Norway	0.5	1.6	1.9	2.2	2.2	2.4	7.8
Switzerland	2.1	7.6	8.3	6.5	5.5	6.9	25.5
Poland	1.9	1.3	1.1	1.7	2.6	3.0	12.9
Romania	3.2	1.4	1.5	1.5	2.1	2.0	-4.7
Russia	3.2	21.2	4.9	6.8	7.7	9.2	19.0
Bulgaria	1.1	1.6	1.1	1.2	1.5	1.2	-22.7
Other European countries	114.1	209.7	227.8	227.0	221.2	217.2	-1.8
Americas	**38.5**	**103.3**	**108.0**	**107.7**	**108.6**	**123.5**	**13.7**
Africa	**64.6**	**40.8**	**54.8**	**40.5**	**41.8**	**43.6**	**4.4**
Middle East	**2 013.9**	**2 582.7**	**2 415.1**	**2 354.8**	**2 614.2**	**2 531.0**	**-3.2**
South Asia	**252.6**	**28.3**	**48.0**	**42.7**	**54.4**	**49.6**	**-8.8**
East Asia & Pacific	**56.1**	**59.2**	**59.7**	**61.2**	**47.7**	**64.3**	**34.7**
Japan	4.6	6.7	8.1	7.6	7.6	9.1	19.8
Australia	5.2	10.5	10.1	11.4	10.4	12.0	15.3
Not specified	1.4	4.2	5.1	5.2	6.5	6.8	4.6

([1]) Excluding Jordanians.

Source: MOTA.

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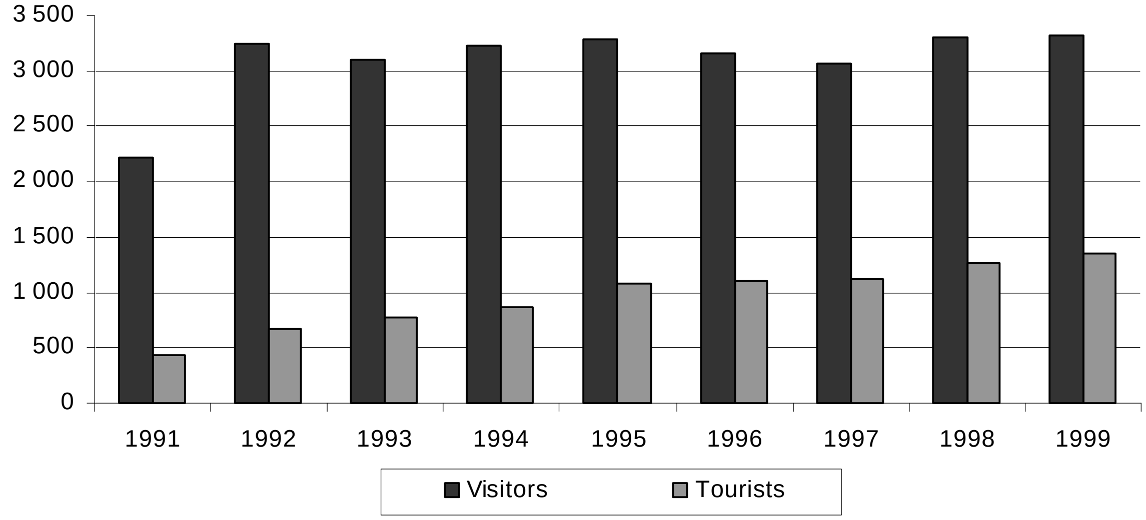
Since 1992, the total number of arrivals at the borders has always been over 3 million. In 1998 and 1999 it attained new heights with 3.3 million, after having experienced a decline in 1996 and 1997. In 1999 the number of arrivals of international visitors remained stable compared to 1998, increasing only very slightly by 0.4%.

Arrivals at the borders (in thousands)



Source: MOTA.

The majority of visitors come from Middle East countries: 76% in 1999 compared to 86% in 1992. In 1999 arrivals of visitors from Europe accounted for 15% of the total (compared to 8.8% in 1992), but represented 22% of tourist arrivals.

Arrivals at the borders of tourists from abroad (in thousands)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total	**577**	**439**	**669**	**775**	**858**	**1 074**	**1 103**	**1 127**	**1 256**	**1 358**
Europe	118	58	122	153	192	255	252	239	219	293
EU15	:	48	106	131	172	214	226	209	187	255
Americas	39	24	39	52	70	103	108	108	109	124
Middle East	405	348	491	547	553	567	573	604	772	762
Others	16	9	18	24	43	148	170	176	156	180
% Share of Europe	**20.4**	**13.2**	**18.2**	**19.7**	**22.4**	**23.7**	**22.8**	**21.2**	**17.4**	**21.6**
% Share of EU15	. .	11.0	15.8	16.9	20.0	19.9	20.5	18.5	14.9	18.8
% Share of Americas	6.8	5.5	5.8	6.7	8.2	9.6	9.8	9.6	8.7	9.1
% Share of Middle East	70.2	79.3	73.4	70.6	64.4	52.8	52.0	53.6	61.5	56.1

Source: MOTA.

JORDAN

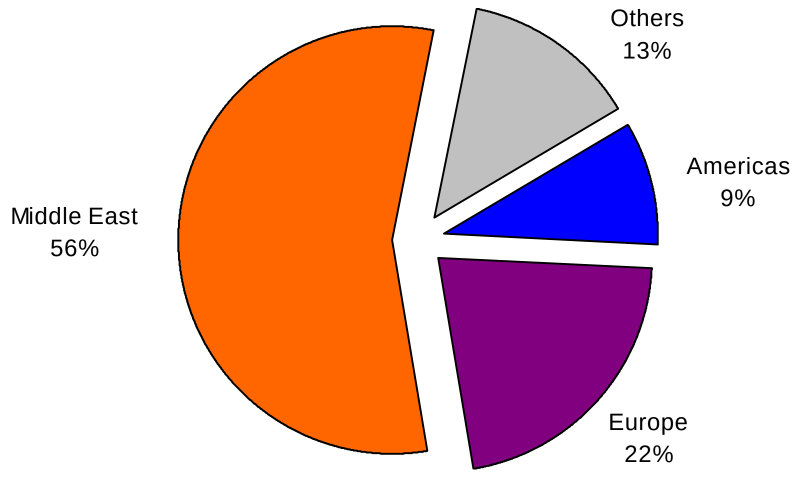
Evolution of arrivals at the borders of tourists from abroad (% change)

	91/90	92/91	93/92	94/93	95/94	96/95	97/96	98/97	99/98
Total	**-23.9**	**52.3**	**15.8**	**10.7**	**25.2**	**2.7**	**2.2**	**11.5**	**8.1**
Europe	-50.5	108.2	25.5	26.0	32.9	-1.4	-4.9	-8.3	33.4
EU15	. .	120.8	23.6	31.1	24.8	5.6	-7.7	-10.5	36.1
Americas	-37.8	63.7	31.2	35.7	47.9	4.5	-0.3	0.9	13.7
Middle East	-13.9	40.9	11.5	1.1	2.4	1.1	5.5	27.9	-1.4
Others	-45.9	100.5	33.4	78.4	248.5	15.0	3.2	-11.3	15.4

Source: MOTA.

The total number of tourist arrivals has experienced year to year increases, amounting to 1 358 thousand in 1999 compared to 1 256 thousand in 1998 (increase of 8%). Previous to these recent years, Jordan had enjoyed a boom in tourism during 1995. The number of tourists visiting Jordan increased by 25% over that of 1994. In 1995, about 24% of tourists came from the European countries, 10% from the Americas, and 53% from the Middle East countries.

% Share of arrivals at the borders of tourists from abroad - 1999



Source: MOTA.

Part I: General situation and main indicators

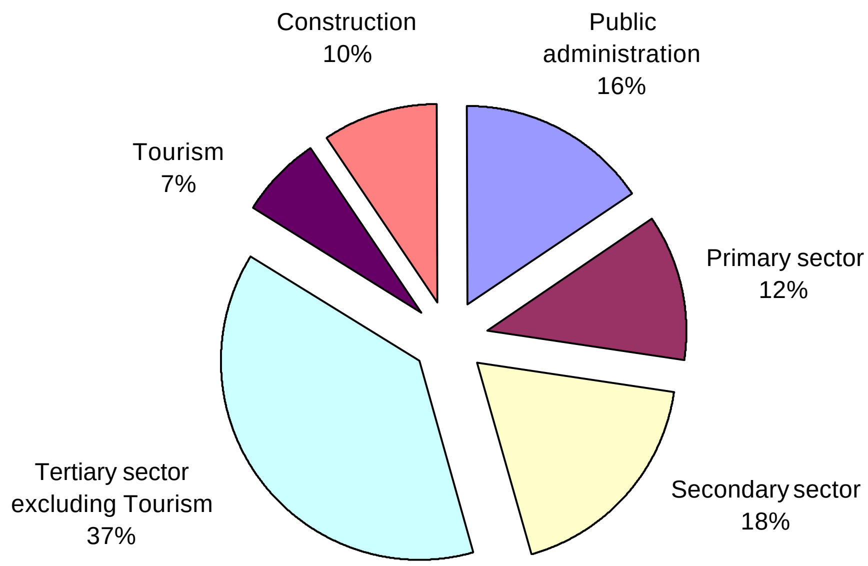
Development and Impact of Tourism

The main features of this small country of 10 452 km^2 include a narrow coastal plain that becomes a little wider in the North and in the South. The steep heights of the Mount-Lebanon mountain chain, which reaches over 3 000 meters at its highest point, 30 to 50 kilometres away from the coast, the rather narrow Bekaa plain, and to the East, the Anti-Lebanon, which nearly reaches 3 000 meters at Mount Hermon, are the main characteristic points. Such geographic features are unique in the Middle East. They are very popular with visitors from neighbouring countries, which lack such assets: cool temperatures, green landscapes, mountains, snow, coast, added to a language and cultural community; a western way of life to be found nowhere else in the area, quality products to be bought, a traditional hospitality and above all a friendly and multilingual population. It offers enormous possibilities on a rather reduced space. Visitors like modern Lebanon and the contact with the Lebanese people. Climatic factors are really attractive all year round for residents and visitors alike.

Tourism has always played an essential part in the Lebanese economy. Prior to the 1975 events, the tourism sector was considered one of the most important economic sectors, due to the investments at stake, the amount of money involved, the jobs created and the complex economic, social and human changes that derived from it. In 1974, the income yielded by the tourism sector amounted to 19% of GDP. All through the events (1975-1991), the activity was stopped. It slowly restarted in 1992.

These figures and statistics allow us to speak of tourism as having an influence on the other productive sectors of the Lebanese economy.

% Share of Tourism in the GDP - 1998



Source: Ministry of Finance (MOF) & Ministry of Tourism (MOT).

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The Gross Domestic Product is broken down in the following sectors: primary 12%, secondary 18%, tertiary 38.25% (tourism sector excluded), public administration 15.5%, construction 9.5% and tourism 6.75%.

GDP and Balance of Payments (Mio ECU)

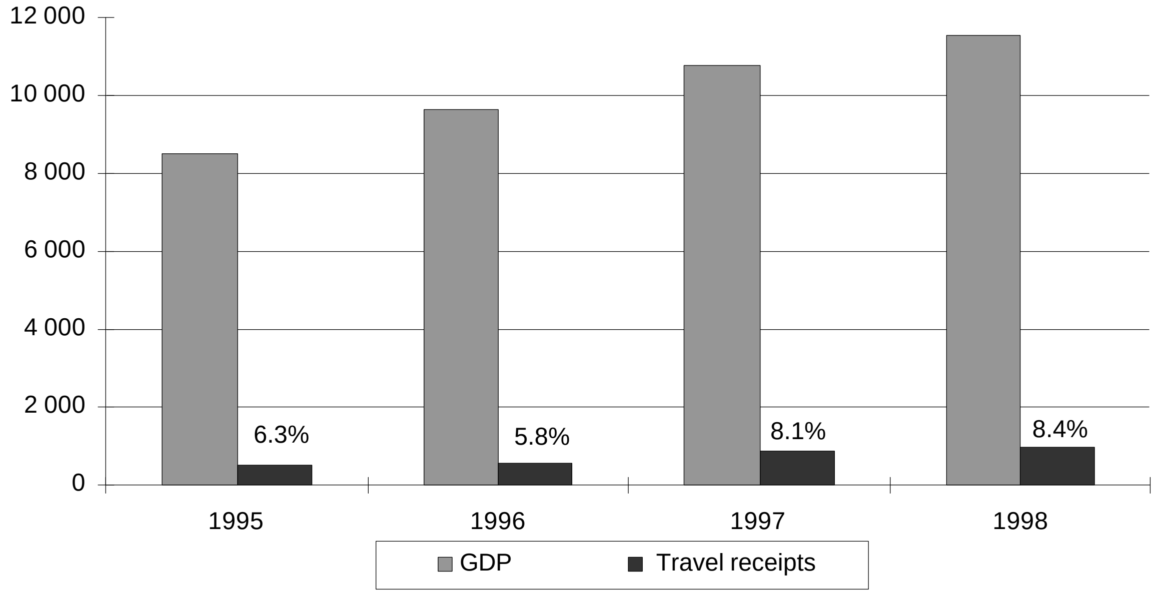
	1995	1996	1997	1998	% change 98/97
GDP	**8 500**	**10 232**	**13 106**	**14 419**	**10.0**
Travel Receipts	534	556	875	974	11.4
% Share of travel receipts in relation to GDP	**6.3**	**5.4**	**6.7**	**6.8**	**. .**

Source: MOF and MOT.

Because of data availability, tourism receipts will be used instead of the share of tourism in GDP. The graph below shows the trend in GDP and tourism receipts for the period 1995-1998. It shows that the contribution of tourism in the creation of national revenue is growing.

Tourist receipts have been constantly increasing since calm returned.

Evolution of the GDP and Travel receipts (Mio ECU)



Source: MOF and MOT.

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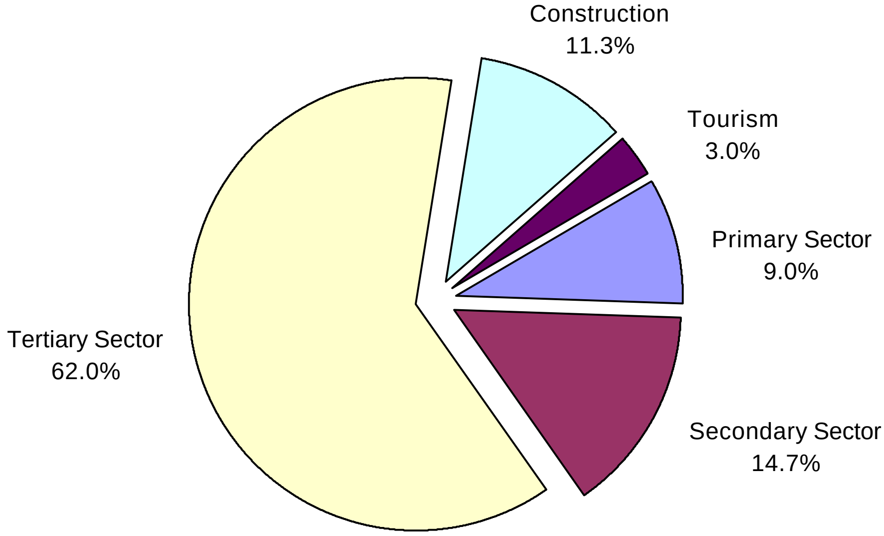
In 1998, the active population in Lebanon amounted to 1 362 231 persons, of which 78.4% are men and 21.6% are women, which stands for 34% of the total population. Employment by economic sectors can be broken down as follows: Primary sector (agriculture) 9.0%, Secondary sector (industry) 14.7%, Construction 11.3% and the Tertiary sector 65% (including tourism). Employment in commerce represents 22.2% of total employment in the tertiary sector

The active population in the tourism sector amounts to 40 730 persons in 1998; it represents 7% of the work force employed in the services sector and 3% of the total working population in Lebanon.

Employment in all economic sectors - 1998



Source: MOF and MOT.

The higher number of tourists entails higher employment along with the creation of new jobs linked to the technological evolution of the tourist sector.

As a whole, direct employment in the tourism sector can be estimated around 35 000 to 40 000 (seasonal and informal employment excluded).

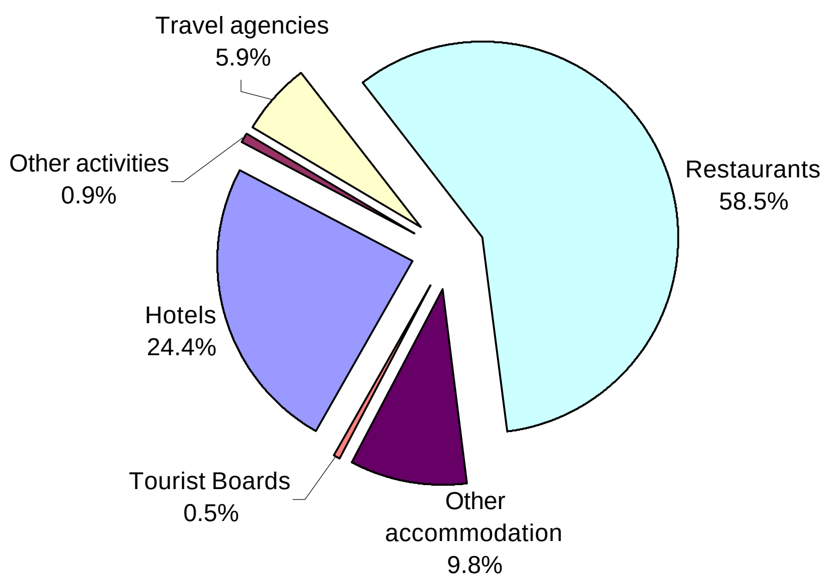
The quantitative and qualitative information available on employment related to tourism is limited to some activities, those for which it was possible to establish a rough estimate. The prospects of evolution of the tourism sector provide an estimated employment breakdown by activity for the years 1995, 1998, 2003 and 2010.

Estimation and forecasts of employment in the tourism sector

	1995	1998	2003	2010	% change 98/95
Total	**32 780**	**40 730**	**56 140**	**76 660**	**24.3**
Hotels	8 000	9 940	15 670	22 110	24.3
Similar establishments	2 000	2 400	2 690	3 120	20.0
Travel agencies	2 500	4 010	6 700	10 600	60.4
Guides	:	80	170	270	. .
Associated employment	100	280	310	360	180.0
Restaurants	20 000	23 820	30 400	40 000	19.1
Tourist Boards	180	200	200	200	11.1

Source: Estimated by the consultant (MOT).

Employment in the tourism sector – 1998



Source: MOT.

Part II: Tourism Supply

Infrastructure and Accommodation Capacity

The Lebanese hotel network is highly developed and includes many luxury establishments. Beirut offers many comfortable hotels with good administration service, old hotels that have been renovated into first category establishments located at the very heart of the capital. In the mountains, apart from new establishments that have been built recently, many unpretentious hotels, most of which are open during the summer, can be found.

The hotel supply is continuously increasing and new projects are constantly getting started.

Number of hotel establishments and bed-places by region

	1995		1996		1997		1998	
	Hotels	Bed Places	Hotels	Bed Places	Hotels	Bed Places	Hotels	Bed Places
Total	**191**	**15 489**	**199**	**16 649**	**203**	**17 379**	**214**	**19 296**
Beirut	37	3 324	41	4 269	45	4 679	50	5 696
% share	19.4	21.5	20.6	25.6	22.2	26.9	23.4	29.5
Out of Beirut	154	12 165	158	12 380	158	12 700	164	13 600
% share	80.6	78.5	79.4	74.4	77.8	73.1	76.6	70.5

Source: MOT (Hotel Guide).

The statistics from the Ministry of Tourism report 191 tourist hotels in 1995. But the structure of the Lebanese hotel sector is not evenly spread over the regions. 3 and 4 star hotels are badly needed in Beirut and in the other tourist areas of the country.

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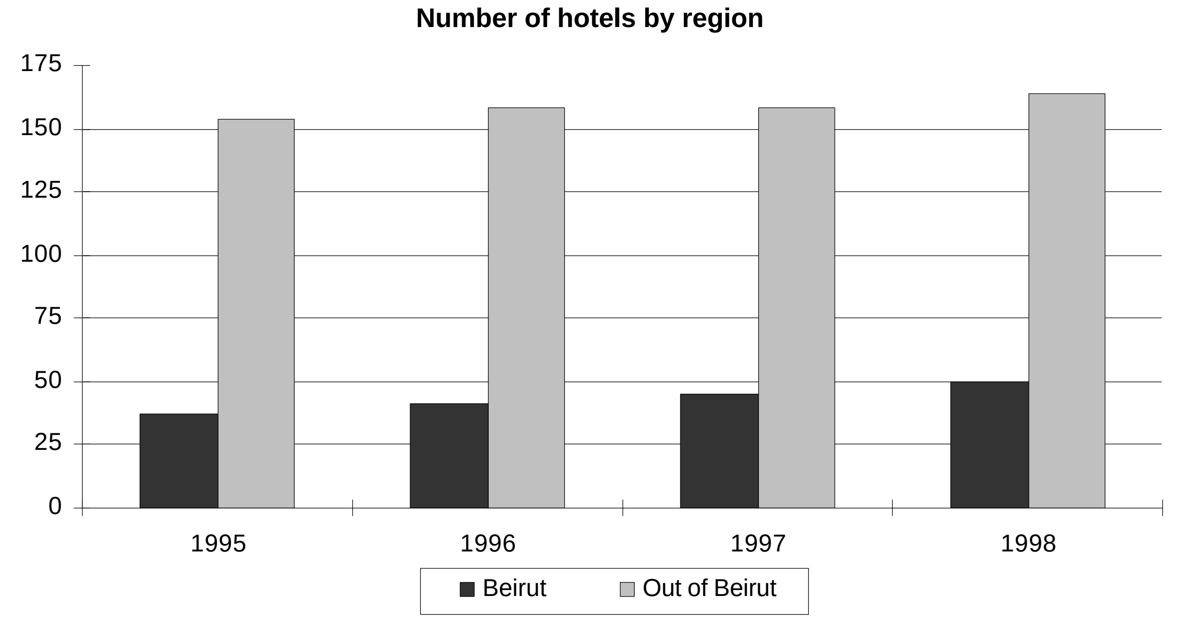
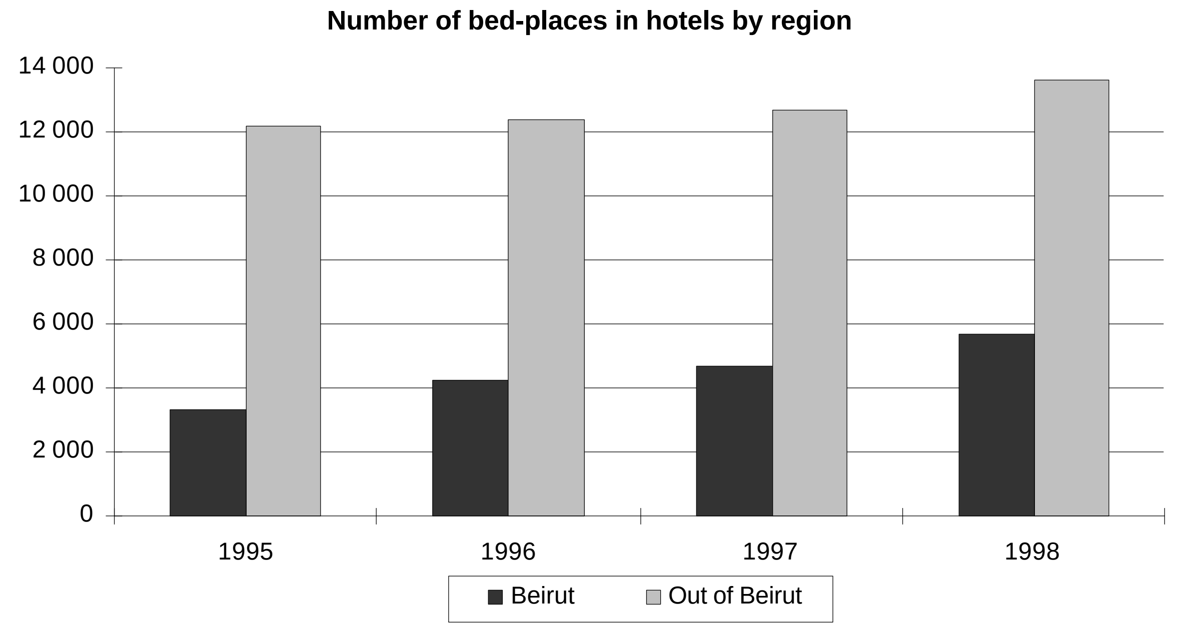


Source: MOT (Hotel Guide).

30% of bed-places in hotels in Lebanon are to be found in Beirut, 48% in the Mohafazat of Mount-Lebanon, 15% in North Lebanon, 5% in the Bekaa and 2% in South Lebanon.



Source: MOT (Hotel Guide).

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Number of hotel establishments and bed-places by quality category

	1995		1996		1997		1998	
	Hotels	Bed Places	Hotels	Bed Places	Hotels	Bed Places	Hotels	Bed Places
Total	**191**	**15 489**	**199**	**16 649**	**203**	**17 360**	**214**	**19 296**
5 Star	5	984	5	984	6	1 264	7	1 544
4 Star	40	4 578	45	5 460	46	5 670	53	7 067
3 Star	49	4 458	50	4 656	52	4 896	55	5 136
2 Star	67	4 269	69	4 349	69	4 349	69	4 349
1 Star	30	1 200	30	1 200	30	1 200	30	1 200
	% share							
5 Star	**2.6**	**6.4**	**2.5**	**5.9**	**3.0**	**7.3**	**3.3**	**8.0**
4 Star	20.9	29.6	22.6	32.8	22.7	32.7	24.8	36.6
3 Star	25.7	28.8	25.1	28.0	25.6	28.2	25.7	26.6
2 Star	**35.1**	**27.6**	**34.7**	**26.1**	**34.0**	**25.1**	**32.2**	**22.5**
1 Star	15.7	7.7	15.1	7.2	14.8	6.9	14.0	6.2

Source: MOT (Hotel Guide).

Upmarket (5-4 star) hotels account for 44.6% of bed-places, middle market (3-star) hotels account for 26.6% of bed-places, down market (2-1 star) hotels account for 28.8% of bed-places.

The current construction of upmarket hotels (about 10 000 bed-places in the capital alone) could in the future create an imbalance in the existing hotel stock. The restoration works carried out on around ten luxury hotels that had been destroyed are over by now. Several new upmarket hotels have seen the light. A total of 12 000 hotel bed-places have been restored at a cost of $US 350 million. 3 000 new bed-places have been created at a cost of $US 100 million. Such figures are constantly on an upward trend due to the large amount of big hotels about to open their doors in the country, especially in Beirut.

Moreover, the big international hotel chains have been back in Lebanon since 1995 to take part of the tourist market. The activity is expected to increase by around 10% a year. With a situation of peace growth could be of 40%.

Part III: Tourism Demand

Occupancy of collective tourist accommodation establishments: inbound and domestic tourism

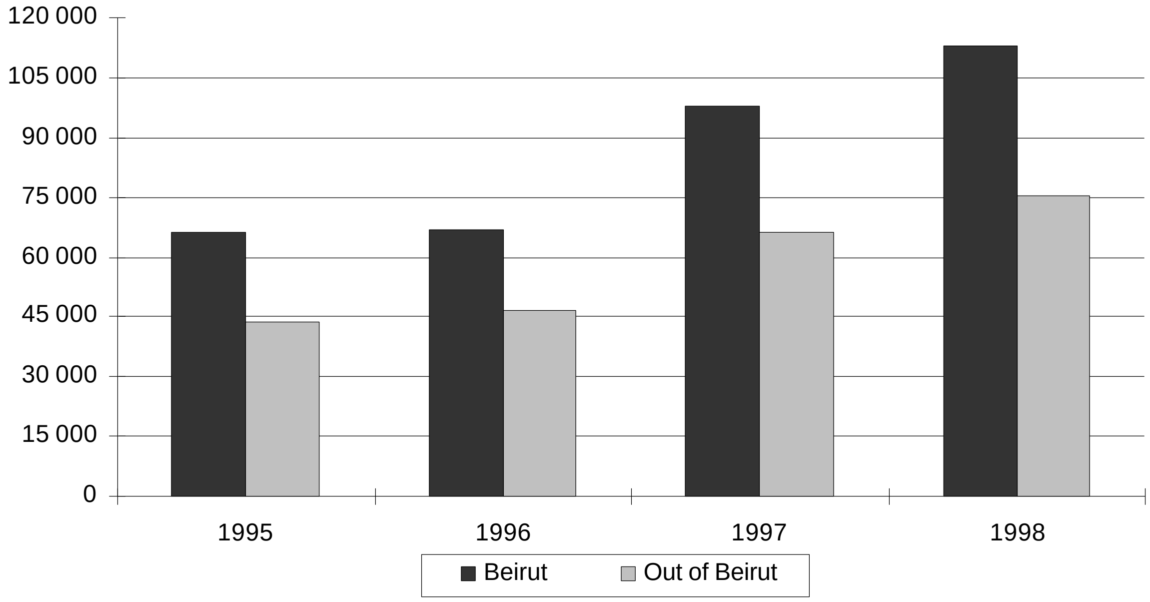
Tourists mainly look for accommodation in Beirut hotels; newly built hotels in the coast rank second.

Total nights spent in hotels by region

	1995	1996	1997	1998	% 98/97
Total	**110 051**	**113 275**	**164 636**	**188 000**	**14.19**
Beirut	66 200	66 800	98 136	112 800	14.94
Out of Beirut	43 851	46 475	66 500	75 200	13.08

Source: MOT.

Total nights spent in hotels by region



Source : MOT.

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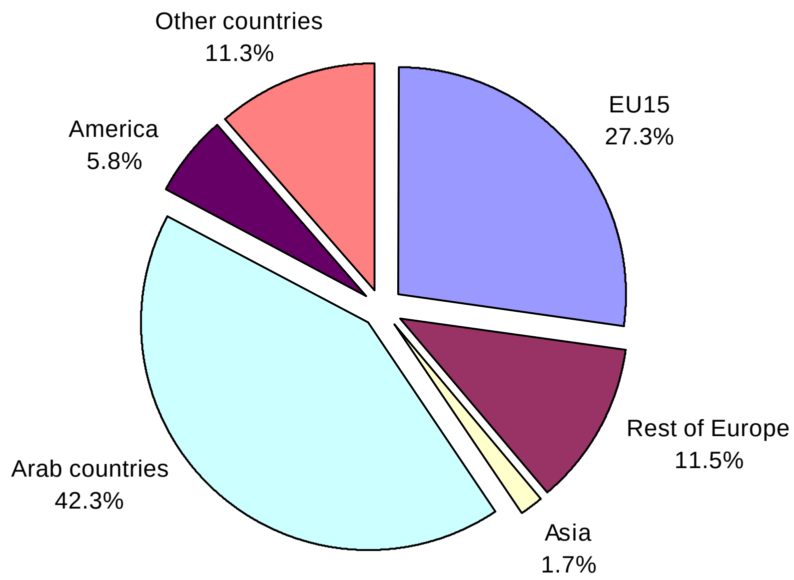
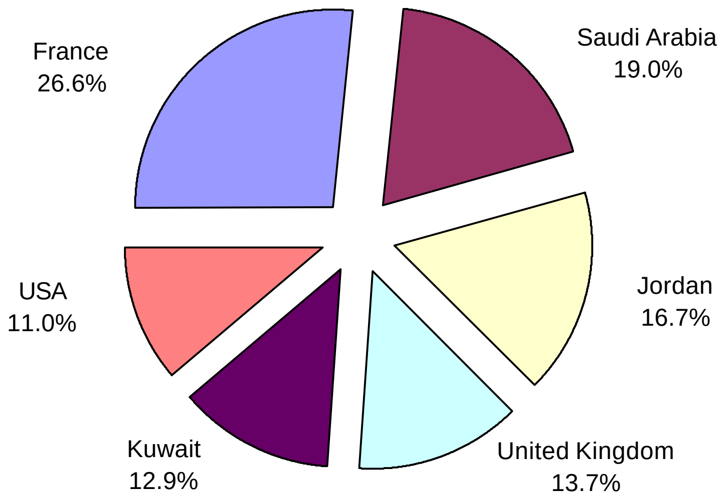
% Share of nights spent in hotels by non residents by geographical zone - 1998



Source: MOT.

% Share of nights spent by main generating countries – 1998



Source: MOT.

In Beirut, top market hotels are usually those preferred by tourists. Luxury hotels will go on hosting businessmen and visitors who stop over in Lebanon.

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Occupancy rate of bed-places in classified hotels (%) - 1998

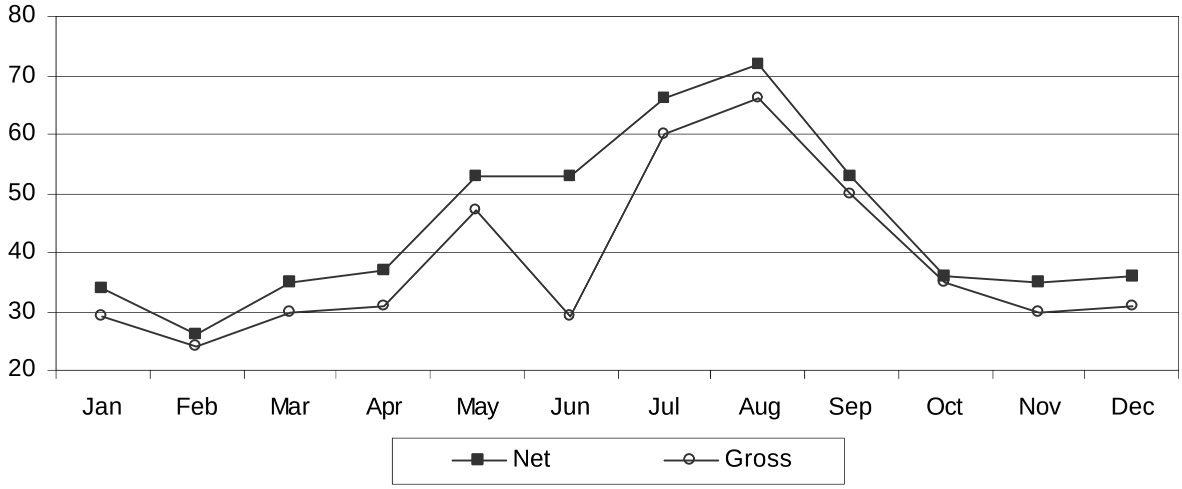
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Net	**34**	**26**	**35**	**37**	**53**	**53**	**66**	**72**	**53**	**36**	**35**	**36**
Gross	29	24	30	31	47	29	60	66	50	35	30	31

Source: MOT.

The average bed-place occupancy rate in 1998 reached 60% in Beirut hotels. As for mountain establishments, they mainly host seasonal tourists (40%).

47% of the guests in mountain hotels are Lebanese and tourists from neighbouring countries. 20% of Arab tourists often rent apartments or villas for the whole season.

Net and gross seasonal occupancy of bed-places (%) - 1998



Source: MOT.

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Tourism demand: Inbound and National Tourism

Thanks to its geographic situation, at the junction of three continents, Lebanon has always attracted many tourists, visitors have always stopped here and shown interest in it. Tourists and holidaymakers from Arab countries as well as businessmen from Western countries and the Far East enjoy their stays here.

The tourists that visit Lebanon come from very different places, their interests are quite diversified and they come in all seasons. They can be divided into three categories:

- The first one is made up of tourists mainly coming from Arab countries, who are attracted by the mountain climate, the sea and the easy way of life to be experienced in Lebanon. During the summer, they usually stay a few weeks.
- The second category is made up of people on leisure trips, foreigners residing in the Arab countries, tourists passing through, businessmen from all over the world who are interested in the activities of Beirut, people attending congresses, etc.
- The third category dates back to 1967. It is mostly made of Europeans, who stay for an average of four days.

The statistical data currently available are provided by the Lebanese General Security Authorities and are derived from the boarding and landing passes collected at Beirut International Airport and from the arrivals at the various borders. Such data provide information on the number and nationality of visitors, but nothing specific with regards to the number of tourists nor country of residence.

In the short term, introducing some questions regarding tourism in the records of the General Security authorities will enable the creation of a single entry / exit card with all the information necessary to make a distinction between visitors and tourists and thus a segmentation of the tourists by type of visit will be possible: accommodation type, length of stay, main reason for the visit, etc…

The aim is on the one hand to find out the number of foreign tourists coming to Lebanon and the number of Lebanese travelling abroad, the length and terms of the stay, the expenses incurred and, on the other hand, to study inbound tourists from Lebanese descent separately.

Apart from the summer visitors, who come mainly from Arab countries, tourists coming to Lebanon are made up of rather high social and income level leisure travellers, who tend to stay for short periods of time (about 4 days) and a rather large proportion of people on business trips (delegates, representatives on an official tour, conferences, congresses, exhibitions, etc. European leisure travellers are slowly coming back to Lebanon. Travel agencies offer both nice average price packages and more luxurious trips for upmarket clients. Most tourists chose to stay in hotels.

The figures relating to foreigners coming to Lebanon show a steady increase. In 1995, inbound tourism amounted to 449 809 visitors, and reached 673 261 visitors in 1999, Syrians excluded. For the most part, Syrians are either day-trippers or seasonal workers.

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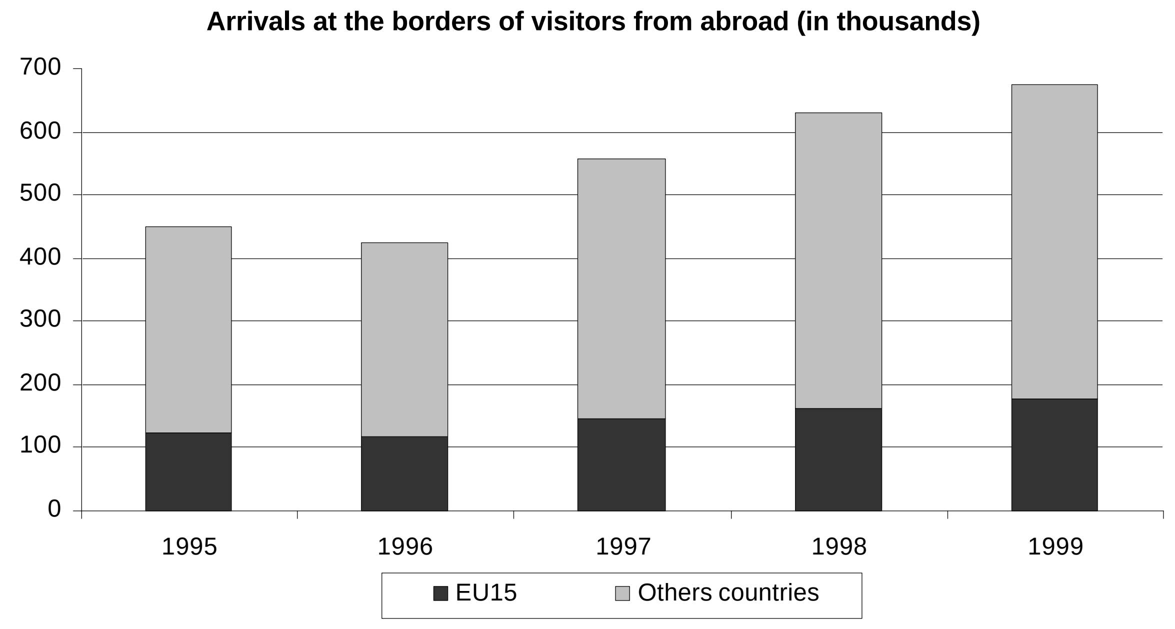
Arrivals at the borders of visitors from abroad

	1995	1996	1997	1998	1999	%99/98
Total [1]	**449 809**	**424 000**	**557 568**	**630 781**	**673 261**	**6.73**
Europe	151 982	146 760	173 383	195 949	223 853	14.24
% share	**33.8**	**34.6**	**31.1**	**31.1**	**32.2**	**. .**
EU15	**122 000**	**116 000**	**145 267**	**162 214**	**178 112**	**9.80**
% share	**27.1**	**27.4**	**26.1**	**25.7**	**26.5**	**. .**
Rest of Europe	29 982	30 760	28 116	33 735	45 741	35.59
Americas	50 568	46 917	59 486	68 222	84 516	23.88
Africa	13 232	13 527	19 380	23 496	15 729	-33.06
Asia	30 538	33 676	44 103	40 962	54 349	32.68
Oceania	19 399	20 238	24 498	24 952	28 733	15.15
Arab countries	**151 280**	**145 620**	**217 924**	**245 481**	**265 581**	**8.19**
% share	**33.6**	**34.3**	**39.1**	**38.9**	**39.4**	**. .**
Others	32 810	17 262	18 794	31 719	500	-98.42

([1]) Lebanese and Syrians are not included in the number of arrivals.

Source: MOT.



Source: MOT.

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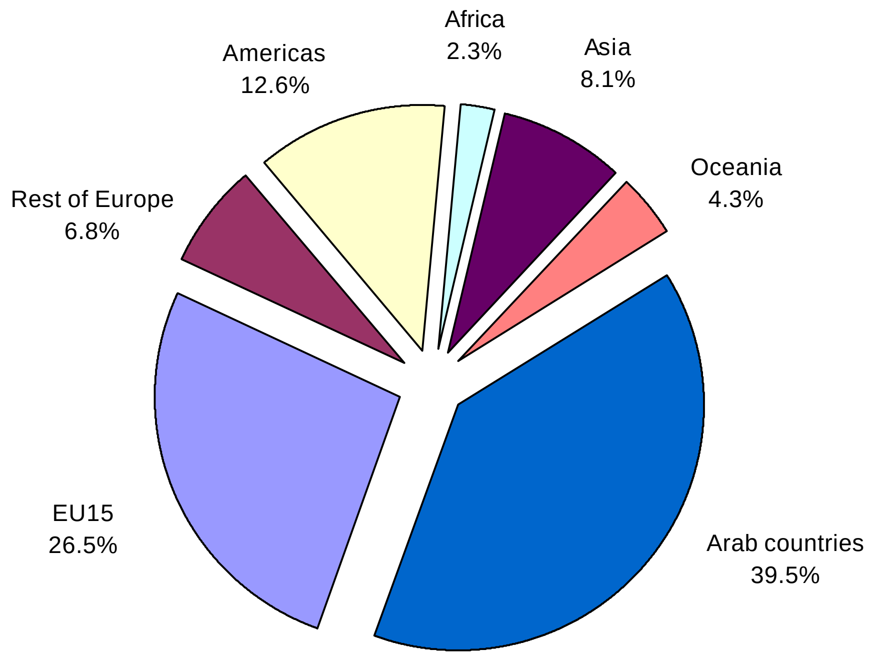
Roughly 40% of the total number of visitors are Arabs. Among Arab visitors, 71 143 out of the total of 630 781 that arrived at the borders in 1998 came from Saudi Arabia alone, 50 640 from Jordan and 40 191 from Kuwait.

As for visitors from European countries (31%), French nationals rank first in 1998 with 58 527 arrivals, followed by 27 148 Germans, 22 033 British and 14 674 Italians. Some of these visitors are residents in countries other than their countries of origin, for example in the neighbouring Arab countries. Such tourists visit the country more and more frequently.

Arrivals of visitors at the borders by geographical zone - 1999



Source: MOT.

Arab tourism registers a high seasonal peak in summer. As for European visitors, they mostly come in April and between July and October.

According to the surveys, it appears that 60% of foreign tourists come to Lebanon on holidays, 30% on business and 10% to visit relatives. Transport modes used are mainly by air, 70% in regular flights; 30% by land.

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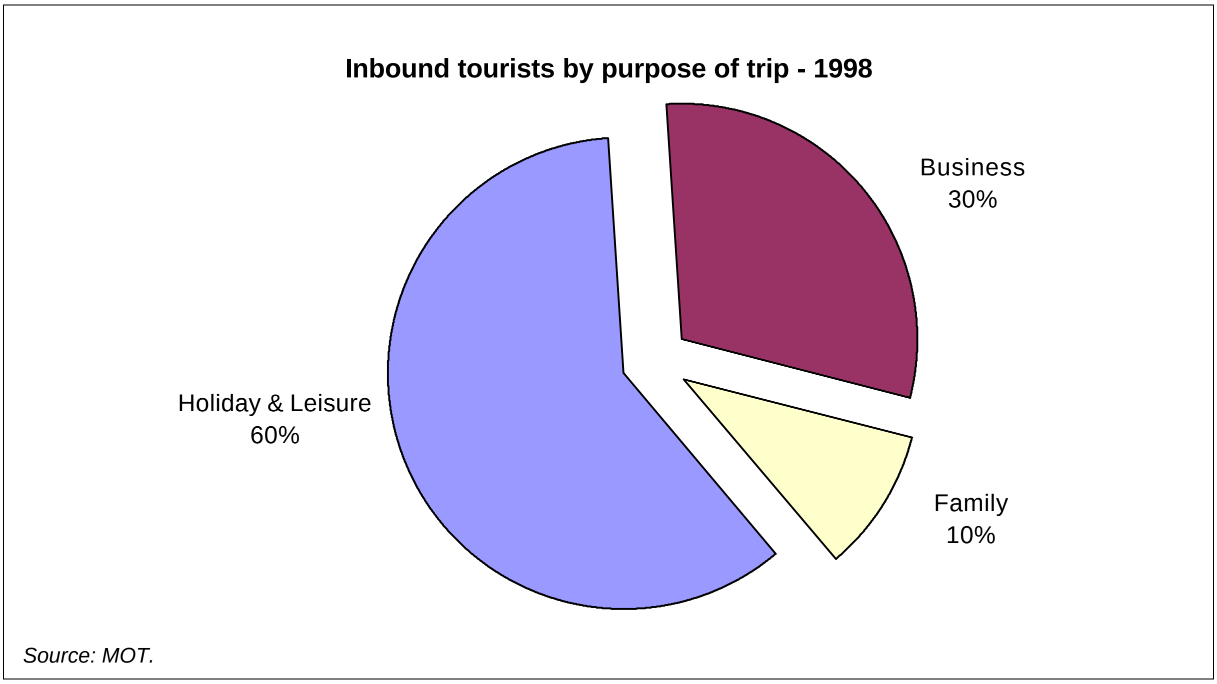
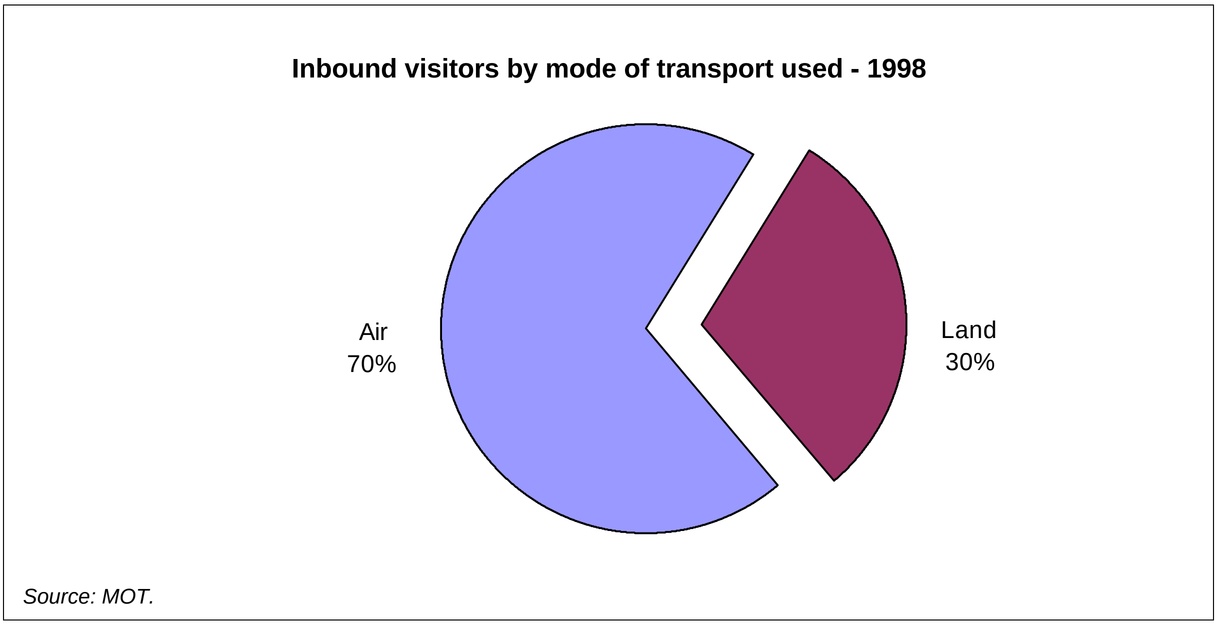


Most Lebanese residing abroad and who come home during the holidays, stay with relatives or friends.



PART IV: Future Perspectives

Tourism in Lebanon will largely depend on the trends and prospects of the international and regional tourist markets, the latter being largely reliant on the peace process.

Due to the political situation in the Middle East, international tourism has not been able to develop at the same rhythm as it has in other regions in the world.

The future of tourism in Lebanon will be influenced by domestic and regional factors relating to the demographic growth in Lebanon and in the Arab world, to the population getting younger, to an increase in the standard of living and to the important economic possibilities facing the country. The Arab world is likely to become the natural source of tourists travelling to Lebanon, especially with the emergence of an urban middle class, which is increasingly expressing its needs for holidays and leisure. As a result, regional tourist demand will turn into a vast seasonal movement toward Lebanon.

Moreover, as Europeans are generally highly keen holidays and leisure and benefit from increasingly long paid vacation, they tend to spread their holidays and to diversify their demand in terms of activity and destination. As a result, it becomes necessary to promote tourism within European circles themselves, in order to attract tourists to Lebanon, gateway to one of the richest tourist areas in the world.

With its rehabilitated and modernised infrastructure, renewed hotel stock and brand new airport, Lebanon will recover its share of the regional tourist market and will focus on the specificities that make it different from the neighbouring destinations.

When it comes to adventure and cultural tourism, Lebanon might regain its position as main gate into the region. Counting on its assets, Lebanon can become a focal destination, either as a complement to its Arab neighbours, or by itself, as an “initiation” to the Middle East, or as destination for a second trip to the region.

As for business tourism (fairs & congresses, etc) Lebanon is bound to be at the forefront, thanks to the after congress activities it has to offer, to Beirut’s role as an international business centre, to the local know-how when it comes to organisation and reception.

To attract tourists however, and to make them stay, summer and holiday resorts should be attractive and diversified. Tourism supply needs modernising in order to satisfy potential tourists. Consequently, actions related to enhancing and diversifying tourism supply appear to be one of the first tasks to be carried out along with those oriented to the acknowledgement, protection and use of the patrimony.

As the Ministry of Tourism is aware that Lebanon ought to regain its position in regional and international tourism, as it is also aware that, on entering the 21st century, the tourism industry entails some planning and estimation work, it has undertaken to prepare a tourism development and reconstruction plan (1995) which ought to help rebuild the tourism economy, damaged from the regional events.

Tourism does not only mean foreign currencies flowing in. The successive effects that the initial expenses have on the economic circuit turn tourism into a factor of socio-economic development that will create regional prosperity, income and employment to the country.

Part I: General situation and main indicators

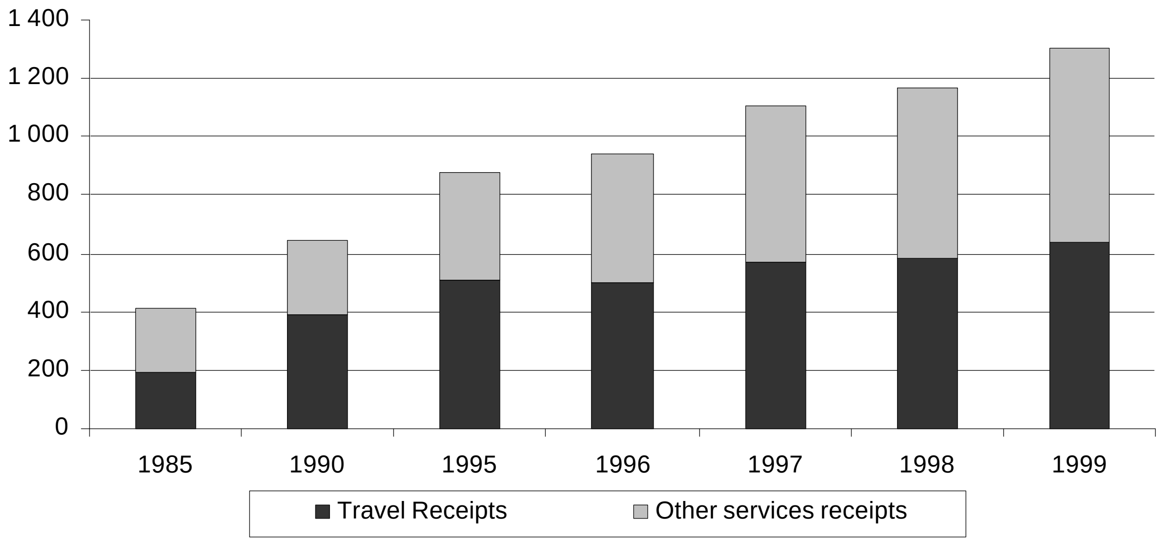
Development and Impact of Tourism

The tourism industry is an important mainstay of the Maltese economy. Since its birth in the post-colonial period of the early 1960s, this industry has developed rapidly into the island's leading industry, contributing to around 30% of the Gross Domestic Product.

The modern phase of Malta's economic history coincides with the first efforts to introduce effective measures in order to render the local economy more viable by reducing its dependence on the British military base. The first Development Plan for Malta (1959-64) launched the initial drive towards the economic development of the Maltese Islands and identified four main growth sectors, including tourism.

These initiatives have to be understood in the context of the post-war growth in international tourism. Improvements in the general standard of living together with improved and cheaper transportation brought holidays abroad within the reach of a much wider proportion of the population. This development helped establish tourism as one of the fastest growing industries in the Mediterranean regions.

Share of international travel receipts in services receipts (Mio ECU)



Source: Central Office of Statistics (COS).

This development in international tourism coincided with Malta's need to diversify its economic base away from near-total dependence on the British military presence on the Island. However, the road ahead was neither easy nor simple. To begin with, the policy-makers had to devise strategies that would veer the Island's international image away from that of a fortress economy to that of a sunshine resort. Moreover, the receptive facilities in the country were still very unorganised and fragmented and were mostly geared towards servicing the needs of military personnel and their families.

Furthermore, whatever facilities were available could not compete effectively with the establishments and services that were on offer in other competing and long-established Mediterranean resorts. Therefore, policies that would provide the required incentives to investment in tourism-related infrastructure and accommodation had to be devised in earnest.

In the period since the late 1950s and the early 1960s, the Maltese tourism industry has witnessed substantial developments both in terms of receptive facilities and in the number of tourists it caters for, as well as in terms of the level of earnings accruing from this industry. In 1960, there were only 26 hotels with 1 388 beds on the Island. At that time, tourist arrivals stood at 19 689 and generated less than Lm1 million in gross earnings. However, once the policy strategies that were meant to attract tourism to the Island began to yield the desired results, and given Government's encouragement to investment in tourism-related facilities, the number of hotels increased to 110 in 1970, thereby increasing the hotel bed-stock of 7 935. As at the end of 1998 the hospitality industry could provide 38 932 bed-places in 251 collective accommodation establishments.

The hotel building boom in the second half of the 1960s, together with the substantially increased earnings from tourism, gave further impetus to local efforts directed towards diversifying the Maltese economy. In the years since its early formative period, the tourism industry has managed to establish itself as one of the main sectors of the Maltese economy. Arrivals surged from 170 853 in 1970 to 728 732 in 1980, to 871 776 in 1990 and to 1 182 240 in 1998.

With two exceptions, the level of earnings from this industry increased year after year. As already indicated earlier on, earnings from tourism surged from about Lm1 million in 1960 to Lm 9.8 million in 1970. In 1985, tourism earnings reached Lm 69.9 million (ECU 194.8 million) and went on to increase further to Lm 232.8 million (ECU 504.5 million) in 1995, to Lm 254.6 million (ECU 585.3 million) in 1998, and to Lm 271.4 million (ECU 637.4 million) in 1999.

Balance of Payments (Mio ECU)

	1985	1990	1995	1996	1997	1998	1999	% 99/98
	Travel Item							
Receipts	**194.8**	**390.0**	**504.5**	**499.5**	**571.1**	**585.3**	**637.4**	**8.9**
Expenditures	65.4	107.8	163.4	172.2	168.2	172.3	189.1	9.76
Net account	129.4	282.2	341.1	327.3	402.9	413.1	448.3	8.53
	Services Account (including the travel item)							
Receipts	**410.9**	**643.2**	**877.3**	**939.5**	**1 103.9**	**1 163.7**	**1 307.0**	**12.3**
% share of travel receipts	**47.4**	**60.6**	**57.5**	**53.2**	**51.7**	**50.3**	**48.8**	**. .**
	Current Account							
Net account	**- 30.2**	**- 43.9**	**- 273.7**	**- 280.7**	**- 180.3**	**- 157.7**	**- 118.8**	**-24.7**

Source: COS.

Share of accommodation expenditure in international travel receipts (Mio ECU)

	1985	1990	1995	1996	1997	1998	% 98/97
Travel Receipts	**194.8**	**390.0**	**504.5**	**499.5**	**571.1**	**585.3**	**2.50**
For Hotel accommodation [1]	73.3	142.8	199.5	208.8	258.4	300.8	16.44
Hotel Accommodation as % of Travel Receipts	**37.7**	**36.6**	**39.6**	**41.8**	**45.2**	**51.4**	**. .**

([1]) Includes hotels, guesthouses and complexes.

Source: COS.

The preceding tables provide an analysis of Malta's earnings from tourism and their impact on the country's balance of payments. Throughout the years, Malta has always enjoyed a surplus on the travel account of the balance of payments. This surplus increased from ECU 129.4 million in 1985 to ECU 341.1 million in 1995, to ECU 413.1 million in 1998, and to ECU 448.3 million in 1999. Earnings from tourism also account for a considerable proportion of all services receipts from abroad. In 1985, travel receipts accounted for 47.4% of all the country's services receipts from abroad. This proportion went up to a high 57.5% in 1995 and down to 50.3% in 1998.

It has already been established that the tourism industry contributes towards a considerable share of the GDP. Indeed, recent evaluations of the industry have estimated that every Lm1 of tourists' expenditure on the Island has an average multiplier of 1.14% on the Gross National Product, of 0.41% on Government Finance, of 0.30% on savings and of 0.70% on imports and outflows. These average multipliers provide an indication of the direct, indirect and induced impacts of each Maltese lira of tourism expenditure on each respective category. The maximum impacts of tourism expenditure on the GNP have been estimated at 27%, that on Government finance at 29% while that on savings, household income and imports and outflows have been estimated at 23%, 25% and 17% respectively.

The next tables provide quarterly tourism earnings and estimated breakdowns of tourism expenditure in the Maltese Islands. The latter breakdowns are based on surveys carried out in 1998 by the National Tourist Organisation of Malta. According to these surveys, around half or ECU 295 million was expended on accommodation services. This amount is very consistent with the estimate drawn up by the Balance of Payments Unit of the Central Office of Statistics (as shown in the table above). Another ECU 125 million or 21.4% was spent on food and beverages with the largest amounts being expended at restaurants and take-away. The next largest amount of all outlays, ECU 63 million or 10.8% of all tourist expenditure went to shopping. Most expenditure here was concentrated on the acquisition of souvenirs and gifts. Around ECU 49 million or 8.3% of all tourist expenditure in Malta was devoted to recreation.

Quarterly distribution of international tourist arrivals and earnings, 1998

Quarter	Jan - Mar	April - June	July - Sep	Oct - Dec	Total
Number of Tourists	**172 548**	**338 130**	**430 610**	**240 952**	**1 182 240**
% Share	14.6	28.6	36.4	20.4	100.0
Gross Earnings (ECU thousands)	**96 867**	**151 102**	**198 950**	**138 229**	**585 147**
% Share	16.6	25.6	34.0	23.6	100.0

Source: National Tourist Organisation (NTO) & COS.

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Estimated breakdown of earnings from international tourism, 1998 (in thousands ECU)

Gross earnings from:	Q1	Q2	Q3	Q4	Annual	Annual % share
Total	**96 866.8**	**151 101.5**	**198 949.9**	**138 229.3**	**585 147.4**	**100.0**
Passengers Handling/Resort Transfer	2 518.5	3 626.4	4 575.8	3 317.5	14 038.3	2.4
Accommodation	48 917.7	73 133.1	106 239.2	66 626.5	294 916.6	50.4
Catering/Food and Beverages	21 213.8	32 637.9	40 784.7	30 825.1	125 461.6	21.4
Domestic Transport	5 133.9	6 799.6	12 931.7	7 326.2	32 191.4	5.5
Recreation	6 199.5	17 527.8	13 727.5	10 920.1	48 374.9	8.3
Shopping	11 236.5	15 865.7	18 502.3	17 416.9	63 021.4	10.8
Other	1 646.7	1 511.0	2 188.4	1 797.0	7 143.2	1.2

Source: NTO.

The considerable growth of the tourism industry in Malta also resulted in increasing employment opportunities. In 1990, 7 975 persons were employed in hotels and catering establishments. This number went up to 9 013 in 1998, thereby accounting for 6.6% of the total gainfully occupied population. In 1998, another 6 928 persons were employed on a part-time basis in the Hotels and Catering industry. In addition to this, a considerable number of jobs in other sectors of the economy are directly or indirectly dependent on the well being of the tourism sector for their continued existence.

A study carried out by the National Tourism Organisation of Malta reveals that, apart from those who are directly employed in hotel and catering establishments, another 10 349 full-time equivalent jobs directly relate to the tourism sector. These jobs are with the national airline, the car hire sector and a group of other services. Given this, the number of jobs that are, to a greater or lesser extent, directly dependent on tourism account for about 14.1% of all the gainfully occupied in the country.

Total employment and employment in the hotel and catering sector

	1990 [1]	1995	1996	1997	1998	1999
Total Gainfully Occupied	**127 196**	**134 832**	**136 145**	**136 788**	**137 387**	**138 206**
Hotel & Catering	7 975	8 561	8 457	9 078	9 013	9 476
% share	**6.3**	**6.3**	**6.2**	**6.6**	**6.6**	**6.9**

([1]) Figures for 1990 above cannot be compared with the other years. The ETC revised figures only as from January 1994.

Source: COS.

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Employment in the Hotel and Catering sector 1995 - 1998

	1995			1996		
	Men	Women	Total	Men	Women	Total
Total Gainfully Occupied	**98 778**	**36 054**	**134 832**	**98 878**	**37 267**	**136 145**
Self-Employed Persons	13 853	1 920	15 773	13 640	1 927	15 567
Employees	84 925	34 134	119 059	85 238	35 340	120 578
Total Hotel & Catering	**5 947**	**2 614**	**8 561**	**5 807**	**2 650**	**8 457**
Self Employed Persons	626	114	740	615	114	729
Employees	5 321	2 500	7 821	5 192	2 536	7 728
% share of employment in the Hotel & Catering sector						
Total	**6.0**	**7.3**	**6.3**	**5.9**	**7.1**	**6.2**
Self-Employed Persons	4.5	5.9	4.7	4.5	5.9	4.7
Employees	6.3	7.3	6.6	6.1	7.2	6.4

	1997			1998		
	Men	Women	Total	Men	Women	Total
Total Gainfully Occupied	**98 700**	**38 088**	**136 788**	**98 478**	**38 909**	**137 387**
Self-Employed Persons	13 487	1 941	15 428	13 329	1 906	15 235
Employees	85 213	36 147	121 360	85 149	37 003	122 152
Total Hotel & Catering	**6 244**	**2 834**	**9 078**	**6 254**	**2 759**	**9 013**
Self Employed Persons	623	112	735	611	112	723
Employees	5 621	2 722	8 343	5 643	2 647	8 290
% share of employment in the Hotel & Catering sector						
Total	**6.3**	**7.4**	**6.6**	**6.4**	**7.1**	**6.6**
Self-Employed Persons	4.6	5.8	4.8	4.6	5.9	4.7
Employees	6.6	7.5	6.9	6.6	7.2	6.8

Source: COS.

Part II: Tourism supply

Infrastructure and Accommodation Capacity

With increasing arrivals and an established receptive infrastructure, the tourism industry worked to consolidate its position. The choice of accommodation facilities was increased considerably by further investments in tourist complexes and self-catering establishments. These latter accommodation categories now provide a good proportion of the available bed-stock.

Tourist accommodation capacity

	1985	1990	1995	1996	1997	1998	1999
Number of establishments	**191**	**262**	**260**	**257**	**263**	**251**	**251**
Number of bed-places	22 496	33 882	37 308	38 152	39 434	38 932	38 932

Source: COS.

Number of collective accommodation establishments by quality category

	1985	1990	1995	1996	1997	1998	% 98/97
Total	**191**	**262**	**260**	**257**	**263**	**251**	**-4.6**
Hotels and similar	**186**	**256**	**256**	**255**	**261**	**248**	**-5.0**
Hotels with stars	**116**	**131**	**134**	**138**	**120**	**130**	**8.3**
5 Star	6	4	5	6	8	8	0.0
4 Star	21	17	31	32	30	33	10.0
3 Star	55	59	58	58	47	53	12.8
2 Star	28	35	29	31	28	30	7.1
1 Star	6	16	11	11	7	6	-14.3
Unclassified	-	2	-	-	21	3	-85.7
Holiday Complex / Appart. Hotels	**27**	**55**	**58**	**55**	**54**	**50**	**-7.4**
Guest House	43	68	64	62	66	65	-1.5
Hostels	5	6	4	2	2	3	50.0

Source: COS.

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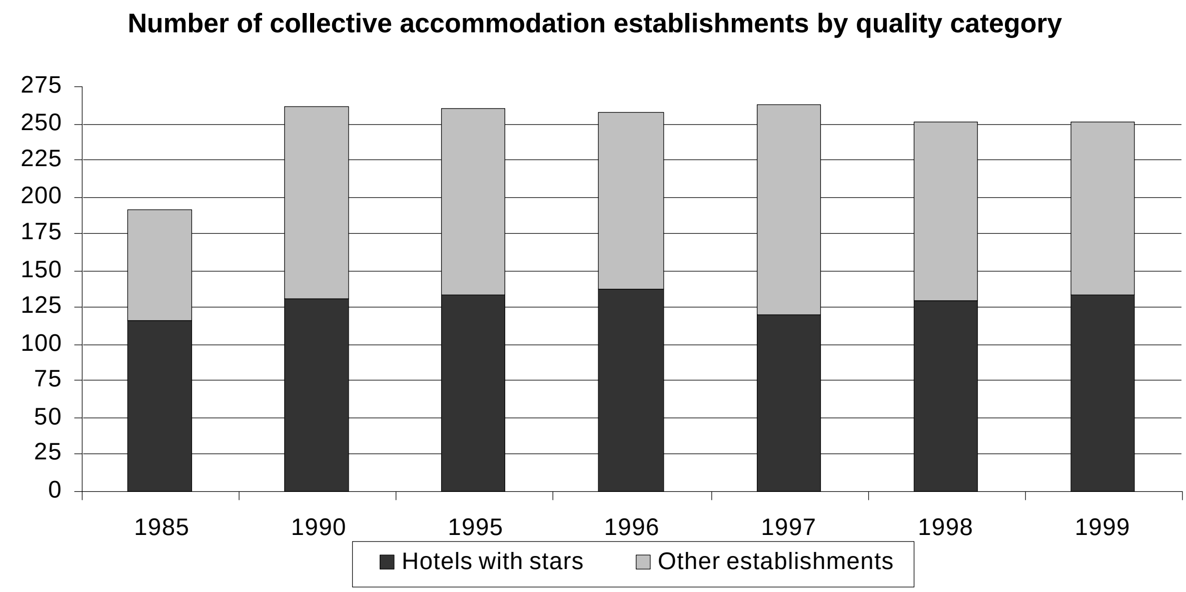
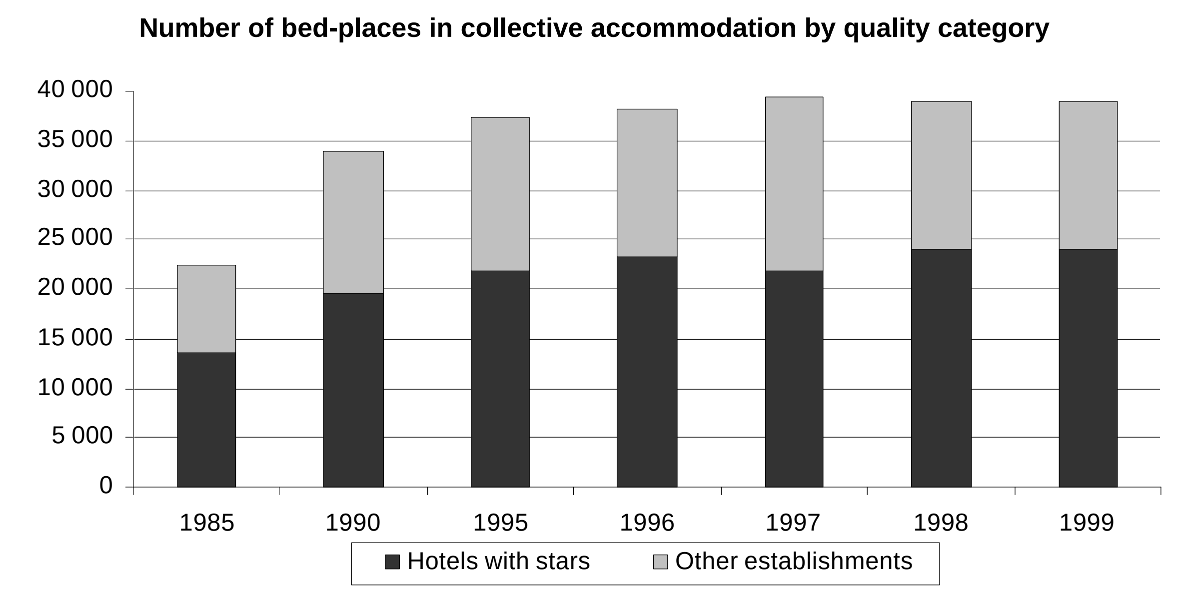


Source: COS.

In 1985, the number of beds in collective accommodation establishments amounted to 22 496. This increased by 14 812 or 65.8% to 37 308 in 1995 and to 38 932 in 1998. In 1999, the number of collective accommodation establishments and bed-places on offer remained the same as in 1998.In addition to this, the tourism industry disposes of about 10 000 bed-places in self-catering accommodation. Apart from this considerable increase in the number of bed-places the hospitality industry took active measures to upgrade the type and quality of accommodation and other facilities that are on offer.



Source: COS.

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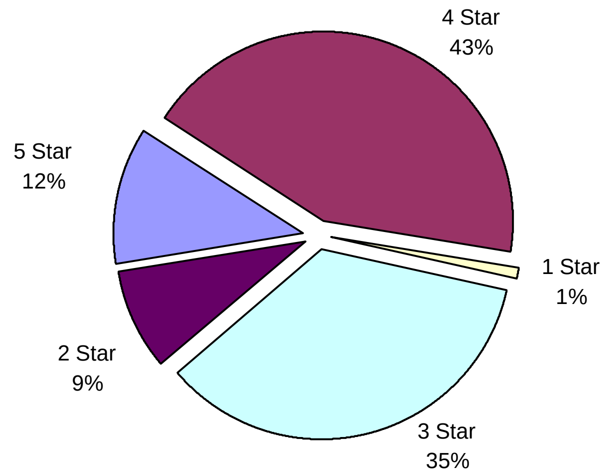
Number of bed-places in collective accommodation by quality category

	1985	1990	1995	1996	1997	1998	% 98/97
Total	**22 496**	**33 882**	**37 308**	**38 152**	**39 434**	**38 932**	**-1.3**
Hotels and similar	**22 305**	**33 646**	**37 190**	**38 052**	**39 334**	**38 784**	**-1.4**
Hotels with stars	**13 486**	**19 626**	**21 815**	**23 176**	**21 886**	**24 015**	**9.7**
5 Star	1 720	1 230	1 274	1 774	2 878	2 878	0.0
4 Star	5 418	6 477	9 688	10 153	9 781	10 461	7.0
3 Star	4 775	9 452	8 464	8 500	6 973	8 369	20.0
2 Star	1 327	1 917	2 017	2 377	2 014	2 097	4.1
1 Star	246	550	372	372	240	210	-12.5
Unclassified	-	125	-	-	2 678	468	-82.5
Holiday Complex / Appart. Hotels	**7 979**	**12 368**	**13 924**	**13 502**	**13 300**	**12 900**	**-3.0**
Guest House	840	1 527	1 451	1 374	1 470	1 401	-4.7
Hostels	191	236	118	100	100	148	48.0

Source: COS.

The number of bed-places in 5-star hotels increased by over 67% to 2 878 between 1985 and 1998. During the same period the bed-stock in 4-star hotels almost doubled to 10 461 in 1998 from 5,418 in 1985. While, at 53, the number of 3-star hotels remained relatively stable between 1985 and 1998, the number of bed-places in these hotels went up to 8 369 in 1998 from 4 775 in 1985. At the same time, the number of holiday complexes and apart-hotels increased to 50 from 27 in 1985. Their relative number of bed-places also increased to 12 900 from 7 979 in 1985.

% Share of bed-places in hotels with stars – 1998



Source: COS.

Catering Establishments

	1990		1995		1996		1997		1998		1999	
	N°	Covers	N°	Covers	N°	Covers	N°	Covers	N°	Covers	N°	Covers
Restaurants	**284**	**14 449**	**475**	**22 628**	**497**	**24 092**	**537**	**25 658**	**553**	**38 844**	**525**	**25 375**
1st Class	29	2163	25	1771	27	1954	27	1934	26	13954	25	1944
2nd Class	109	6230	121	7011	134	7596	155	8786	160	9045	154	8726
3rd Class	109	4827	231	10368	241	11094	258	11412	265	12130	253	11236
4th Class	37	1229	98	3478	95	3448	97	3526	102	3715	93	3469
Snack Bars	**308**	**8038**	**223**	**7310**	**233**	**7318**	**254**	**7506**	**258**	**8309**	**266**	**8376**
1st Class	21	1293	8	604	8	604	8	604	8	604	8	604
2nd Class	27	1227	26	1634	23	1394	22	1310	25	1798	26	1884
3rd Class	65	1853	61	2257	74	2511	97	2833	101	3154	106	3108
4th Class	195	3665	128	2815	128	2809	127	2759	124	2753	126	2780
Take-Aways	**:**	**-**	**45**	**-**	**45**	**-**	**43**	**-**	**41**	**-**	**46**	**-**

Source: COS.

Over the years, further investments went into the build-up of the catering facilities on the Island. In 1990, there were 284 restaurants with a capacity of some 14 449 covers on the Island. These increased to 475 establishments with a capacity of 22 628 covers in 1995 and to 553 establishments with a capacity of 38 844 covers in 1998. In addition to these restaurants, there were 258 snack bars with a capacity of 8 309 covers in 1998.

Part III: Tourism Demand

Occupancy of collective tourist accommodation establishments: inbound and domestic tourism

Concerning inbound tourism, between 1985 and 1990, the average tourist length of stay in the country went up to 10.9 days from 7.4 days in 1985. The length of stay then stabilised and thereafter, declined to 9.5 days in 1998. In 1985, tourists from abroad spent over 3.8 million days in collective accommodation and other establishments (including private). This went up by over 9.6 million days in 1990 to 10.9 million in 1997, and up by over 0.4 million or 3.7% to 11.3 million in 1998. In 1999, the number of days spent by foreign tourists in Malta increased by 3%, amounting to over 11.6 million. Days spent in hotels and similar establishments accounted for over 70% of the total (8.2 million).

Days stayed by tourists from abroad in tourist accommodation (in thousands)

	1985	1990	1995	1996	1997	1998
Total	**3 840**	**9 604**	**10 919**	**10 665**	**10 939**	**11 326**
Hotels and similar	**2 428**	**6 425**	**7 632**	**7 328**	**7 693**	**8 078**
Hotels with stars	**2 278**	**4 100**	**4 644**	**4 632**	**5 132**	**5 442**
5 Star	258	428	338	358	517	718
4 Star	536	1 281	2 396	2 456	2 638	2 859
3 Star	533	2 073	1 708	1 441	1 554	1 484
2 Star	666	276	193	367	414	372
1 Star	284	42	9	9	8	10
Unclassified	97	71	1	17	1	33
Holiday Complex / Appart. Hotels	**:**	**2 162**	**2 881**	**2 601**	**2 499**	**2 529**
Guest House	53	92	106	78	61	74
Hostels	21	:	:	-	1	-
Private Residence	274	2 989	2 893	2 683	2 489	2 541
Other	1 118	190	394	654	756	706

Source: COS.

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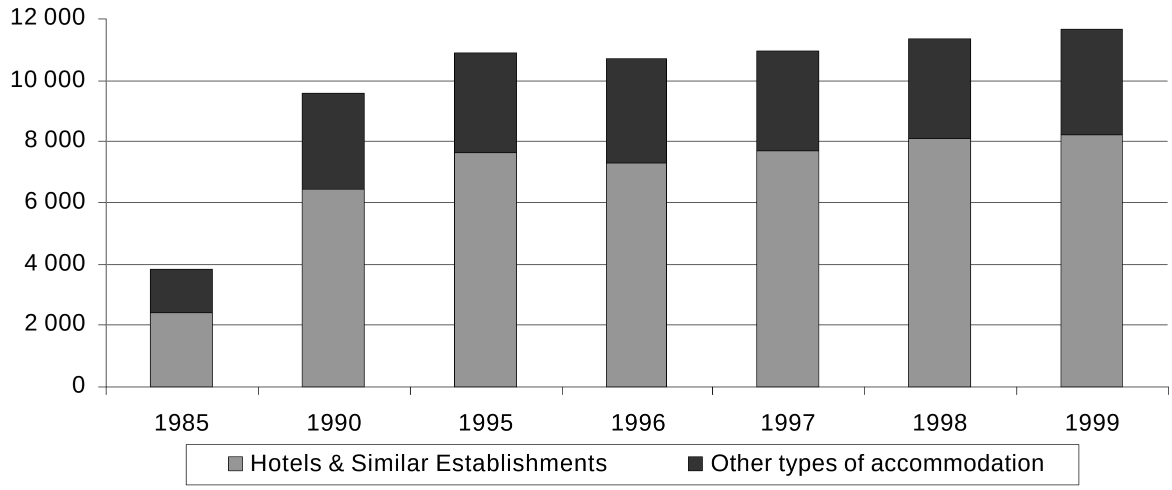
Average length of stay of tourists from abroad in tourist accommodation

	1985	1990	1995	1996	1997	1998
Total	**7**	**11**	**10**	**10**	**10**	**9**
Hotels and similar	**10**	**10**	**9**	**10**	**9**	**9**
Hotels with stars	**10**	**10**	**9**	**9**	**9**	**9**
5 Star	8	8	7	7	7	7
4 Star	10	10	9	9	9	9
3 Star	11	11	10	10	10	9
2 Star	11	11	9	10	9	9
1 Star	10	10	9	10	10	8
Unclassified	12	9	11	10	12	9
Holiday Complex / Appart. Hotels	**:**	**11**	**10**	**11**	**10**	**10**
Guest House	12	11	9	10	10	10
Hostel	10	:	:	8	6	10
Private Residence	1	13	12	12	12	12
Other	12	11	7	7	8	8

Source: COS.

Days stayed by tourists from abroad in tourist accommodation (in thousands)



Source: COS.

The investments that went into the upgrade of Malta's tourism infrastructures were accompanied by efforts to attract a mix of tourists that would justify such investments and thereby enhance their utilisation rates.

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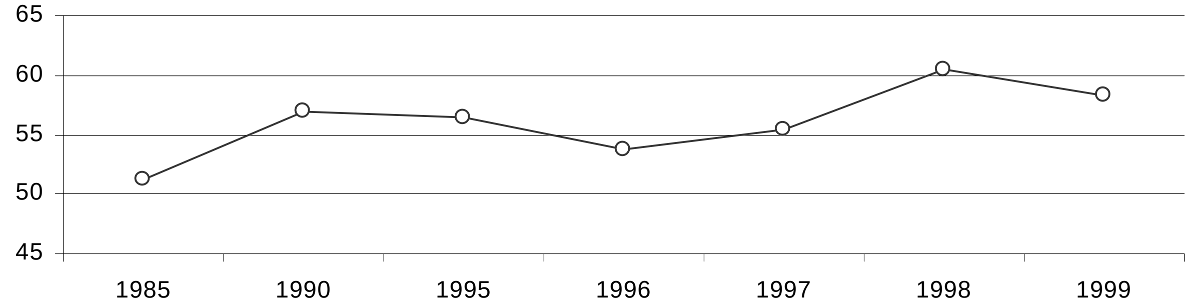
Collective accommodation - Gross occupancy rates (%)

	1985	1990	1995	1996	1997	1998
Hotels and similar	**51.2**	**56.9**	**56.5**	**53.8**	**55.5**	**60.4**
5 star	41.2	68.6	72.6	77.1	80.5	68.9
4 star	54.1	62.0	67.5	69.7	71.4	76.9
3 star	52.3	61.6	52.5	46.7	50.3	53.6
2 star	20.1	41.8	26.2	49.9	48.1	50.6
1 star	23.5	26.0	6.9	6.9	6.7	11.8
Holiday Complexes/ Apart Hotels	**34.3**	**54.5**	**60.0**	**51.2**	**51.0**	**57.0**
Guest Houses	17.1	29.9	18.7	13.6	10.6	13.8

Source: COS.

Over the period 1985 to 1998, there was a general improvement in the occupancy levels of these establishments. Indeed, their overall occupancy rate improved to 60.4% in 1998 from 51.2% in 1985.However, an analysis of the data would reveal a general preference on the part of foreign tourists to use the services of the 4 and 5-star hotel categories.

Gross occupancy rates in hotels and similar establishments (%)



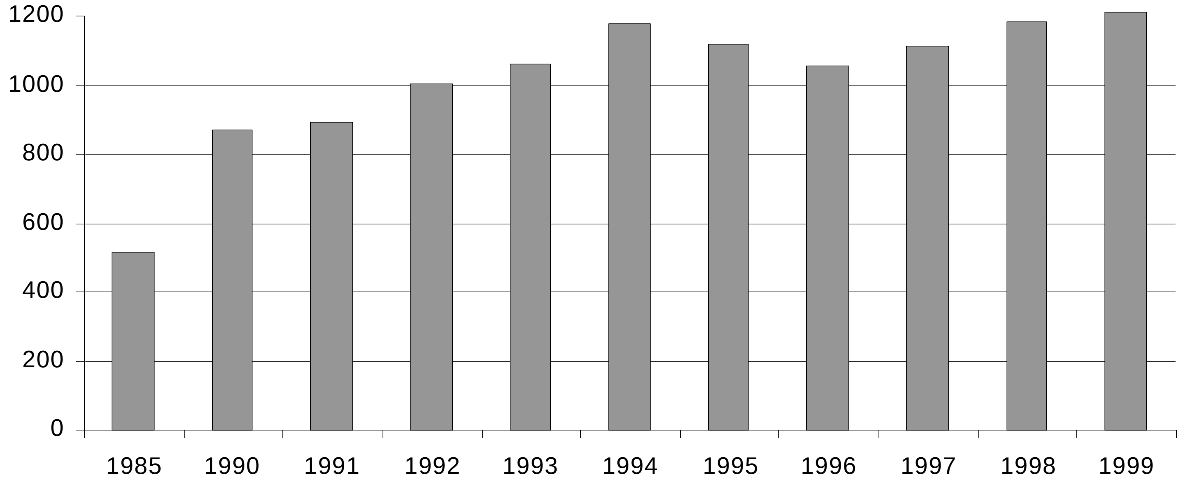
Source: COS.

The occupancy level of the 5-star hotel category moved upwards from 41.2% in 1985 to a high of 80.5% in 1997 and to 68.9% in 1998. The occupancy rate of the 4-star hotel category went up from 54.1% in 1985 to 67.5% in 1995 and to 76.9% in 1998. At 53.6% in 1998, the occupancy rate of the 3-star hotel category remained relatively constant over the period under review. The occupancy rate of the 2-star hotel category went up to 50.6% in 1998 from 20.1% in 1985, while that of the 1-star hotel category declined from 23.5% in 1985 to 11.8% in 1998. In the period under review, the occupancy levels in the holiday complexes and the apart-hotels went up to 57.0% in 1998 from 34.3% in 1985.

Tourism demand: Inbound and National Tourism

In order to establish itself as a tourist destination, Malta initially exploited its historical links to the United Kingdom and two of its major natural attributes attractive to tourists, namely the sun and the sea. As a result of the strong historical relationship between Malta and the UK and for various other reasons as well, the Island proved conducive enough to the British tourist. At the same time, a trip to Malta was also advertised as a sunshine holiday with the result that the country gradually established itself as a predominantly summer resort. These factors led to marked imbalances in the nationality and seasonal spread of tourist inflows.

Total tourist arrivals (in thousands)



Source: COS.

For a very long period of time, the British market was the main source market for incoming tourists, and British tourists still account for a considerable proportion of all tourists visiting Malta. In the 1960s, British tourists accounted for over 70% of all incoming tourists. This went down to 67% in 1975, to over 49% in 1985, to over 41% in 1995 and further down to 38% in 1998.

The intensive diversification campaigns that were carried out over the years sought to reduce the dependence of the Maltese tourism industry on the British market by opening up new source markets, mainly in Central and Northern Europe. At the same time, the UK market was not neglected. This strategy paid off because although the British market still accounts for the largest share of all incoming tourists, an increasing proportion of tourists now come from such source markets as Germany, Italy, France, The Netherlands, and a number of other countries.

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Main generating markets: tourist arrivals by nationality (in thousands)

	1985	1990	1995	1996	1997	1998	1999	% 99/98
Total	**517.9**	**871.8**	**1 116.0**	**1 053.8**	**1 111.2**	**1 182.2**	**1 214.2**	**2.7**
United Kingdom	256.5	450.0	461.2	398.9	436.9	448.8	422.4	-5.9
% Share	**49.5**	**51.6**	**41.3**	**37.9**	**39.3**	**38.0**	**34.8**	**. .**
Germany	57.0	130.3	187.8	184.1	193.0	203.2	212.4	4.5
% Share	**11.0**	**15.0**	**16.8**	**17.5**	**17.4**	**17.2**	**17.5**	**. .**
Italy	43.8	64.0	97.4	89.4	90.2	90.6	92.7	2.4
% Share	**8.5**	**7.3**	**8.7**	**8.5**	**8.1**	**7.7**	**7.6**	**. .**
France	24.4	34.4	72.9	64.5	62.5	72.5	73.3	1.0
% Share	**4.7**	**3.9**	**6.5**	**6.1**	**5.6**	**6.1**	**6.0**	**. .**
Netherlands	7.9	22.2	45.5	48.6	52.2	56.5	65.3	15.6
% Share	**1.5**	**2.5**	**4.1**	**4.6**	**4.7**	**4.8**	**5.4**	**. .**
Austria	4.8	12.1	20.1	15.9	17.9	23.7	29.0	22.3
% Share	**0.9**	**1.4**	**1.8**	**1.5**	**1.6**	**2.0**	**2.4**	**. .**
Belgium	2.9	10.0	22.0	21.9	25.6	25.1	28.3	12.7
% Share	**0.6**	**1.2**	**2.0**	**2.1**	**2.3**	**2.1**	**2.3**	**. .**
Switzerland	10.0	14.4	18.5	19.9	17.9	24.8	23.4	-5.4
% Share	**1.9**	**1.7**	**1.7**	**1.9**	**1.6**	**2.1**	**1.9**	**. .**
Ireland	4.3	10.4	14.2	10.2	11.7	15.1	20.1	33.0
% Share	**0.8**	**1.2**	**1.3**	**1.0**	**1.1**	**1.3**	**1.7**	**. .**
Sweden	1.9	5.0	8.5	9.9	11.3	14.2	19.1	34.7
% Share	**0.4**	**0.6**	**0.8**	**0.9**	**1.0**	**1.2**	**1.6**	**. .**
United States	6.8	9.9	10.9	12.0	14.9	17.6	18.6	5.2
% Share	**1.3**	**1.1**	**1.0**	**1.1**	**1.3**	**1.5**	**1.5**	**. .**
Denmark	16.8	17.6	17.5	16.7	15.8	14.6	17.3	18.7
% Share	**3.3**	**2.0**	**1.6**	**1.6**	**1.4**	**1.2**	**1.4**	**. .**
Other	80.7	91.3	139.5	161.8	161.2	175.6	192.3	9.5
% Share	**15.6**	**10.5**	**12.5**	**15.4**	**14.5**	**14.9**	**15.8**	**. .**

Source: COS.

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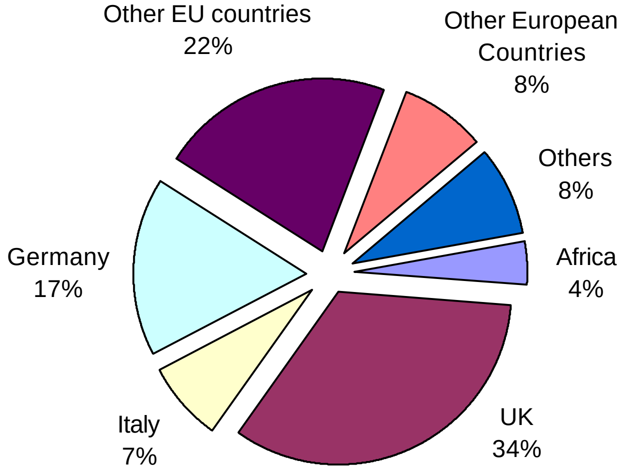
Between 1985 and 1995, tourist arrivals from the British market increased by 204 691 to 461 159 from 256 468 in 1985. In 1998, the number of arrivals from the British market declined by 12 396 or 2.7% when compared to 1995 and reached 448 763. In 1995, arrivals from the French market went up by 48 437 over 1985 and reached 72 876. In the same year, the number of German tourists to Malta went up by 130 763 over 1985. In 1998, these went on to increase by a further 15 438 or 8.2% over 1995. During the same periods the number of Dutch tourists increased by 37 599 in 1995 over 1985 and by 11 008 or 24.2% in 1998 over 1995. The same substantial increases were recorded for the Italian market.

Malta is essentially a holiday destination and the amount of tourists who visit for leisure purposes confirm this. It is estimated that in 1998, around 1 053 375 or 89.1% of all tourists visited the island for leisure purposes. The next largest group of visitors, which amounted to 81 575 or 6.9% of total arrivals, came to Malta for business and professional purposes. Another 23 645 tourists or 2.0% of all arrivals visited their relatives and friends on the Island. Health tourism accounted for just 0.3% of all arrivals. The remaining 20 098 or 1.7% of all incoming tourists in 1998 visited the country for a variety of reasons.

Most incoming tourists to Malta come from the Member States of the European Union. In 1995, over 87% of all tourists or 973 302 originated in the Member States of the EU. The share of the EU in Maltese tourism went down to around 83% in 1998.

At 2.7% in 1998, the share of incoming tourism from the EFTA countries increased only marginally since 1995. In the period under review, the number of tourists from the "Other European Countries" group went up from 39 522 in 1995 to 70 261 in 1998. Thereby, this group's share of total incoming tourists went up to 5.9% in 1998 from 3.5% in 1995. At 2.1%, the share of North American tourists in total tourism to the Maltese islands increased marginally over the previous years. The same can be said for tourism flows from the other identified regions.

Tourist arrivals at the borders - 1999



Source: COS.

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Tourist arrivals at the borders

	1995	1996	1997	1998	1999	% 98/97
Total	**1 115 971**	**1 053 788**	**1 111 161**	**1 182 240**	**1 214 230**	**6.4**
Europe	**1 038 366**	**961 053**	**1 023 664**	**1 088 305**	**1 108 194**	**6.3**
E.E.A.	**980 342**	**892 077**	**946 677**	**993 268**	**1 016 283**	**6.8**
EU15	**973 302**	**885 116**	**939 986**	**986 413**	**1 005 981**	**4.9**
Belgium	22 008	21 879	25 567	25 146	28 349	-1.6
Denmark	17 500	16 702	15 769	14 553	17 276	-7.7
Germany	187 761	184 110	193 020	203 199	212 430	5.3
Greece	3 408	3 800	5 964	8 010	10 705	34.3
Spain	8 054	6 837	4 937	4 575	5 597	-7.3
France	72 876	64 453	62 457	72 512	73 264	16.1
Ireland	14 158	10 211	11 717	15 094	20 082	28.8
Italy	97 384	89 439	90 190	90 558	92 726	0.4
Luxembourg	507	427	305	637	584	108.8
Netherlands	45 526	48 611	52 238	56 534	65 345	8.2
Austria	20 095	15 909	17 913	23 741	29 027	32.5
Portugal	8 777	6 866	6 009	4 358	4 921	-27.5
Finland	5 552	7 082	5 672	4 583	4 242	-19.2
Sweden	8 537	9 891	11 329	14 150	19 065	24.9
United Kingdom.	461 159	398 899	436 899	448 763	422 368	2.7
EFTA	**25 542**	**26 861**	**24 615**	**31 631**	**33 750**	**28.5**
Iceland	57	163	176	112	200	-36.4
Norway	6 942	6 745	6 478	6 711	10 024	3.6
Switzerland	18 502	19 900	17 924	24 776	23 448	38.2
Liechtenstein	41	53	37	32	78	-13.5
Other European Countries	**39 522**	**49 076**	**59 063**	**70 261**	68 463	**19.0**
Turkey	1 455	1 885	2 434	4 302	4 993	76.7
Poland	3 488	3 412	4 350	5 585	6 766	28.4
Czech Rep.	4 701	6 323	6 143	6 272	6 225	2.1
Slovakia	624	1 052	1 753	1 434	1 701	-18.2
Hungary	5 697	5 696	5 244	6 467	8 852	23.3
Africa	**45 051**	**58 056**	**46 999**	**46 339**	54 258	**-1.4**
North America	**16 223**	**17 410**	**20 985**	**24 825**	25 590	**18.3**
United States of America	10 945	11 969	14 924	17 641	18 558	18.2
Canada	5 276	5 434	6 060	7 182	7 017	18.5
South and Central America	**1 038**	**1 018**	**1 012**	**1 432**	1 413	**41.5**
Asia	**6 761**	**7 161**	**8 792**	**11 629**	14 134	**32.3**
Japan	2 130	2 950	3 879	5 586	6 396	44.0
Australia, Oceania and other territories	**8 484**	**9 018**	**9 591**	**9 628**	10 554	**0.4**
Australia	7 908	8 459	8 952	8 934	9 656	-0.2
New Zealand	545	543	610	664	869	8.8
Not Specified	48	72	118	82	87	-30.5

Source: COS.

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Seasonal pattern of tourist arrivals by mode of transport (in thousands)

	1985			1990			1995			1996		
	Sea	Air	Total	Sea	Air	Total	Sea	Air	Total	Sea	Air	Total
Total	**31**	**487**	**518**	**45**	**827**	**872**	**77**	**1 039**	**1 116**	**81**	**973**	**1 054**
Winter												
Jan / Feb / Nov / Dec	5	85	90	5	155	160	7	199	206	10	195	205
% of total	**17.1**	**17.4**	**17.4**	**12.2**	**18.7**	**18.4**	**8.8**	**19.2**	**18.4**	**12.0**	**20.0**	**19.4**
Shoulder												
Mar / Apr / May / Jun / Oct	8	207	215	16	373	388	29	485	514	30	440	470
% of total	**26.5**	**42.6**	**41.6**	**35.1**	**45.0**	**44.5**	**38.0**	**46.6**	**46.0**	**36.7**	**45.3**	**44.6**
Summer												
Jul / Aug / Sep	18	195	212	24	300	323	41	356	396	42	337	379
% of total	**56.4**	**40.0**	**41.0**	**52.7**	**36.3**	**37.1**	**53.2**	**34.2**	**35.5**	**51.3**	**34.7**	**36.0**

	1997			1998			% Change 98/85			% Change 98/97		
	Sea	Air	Total	Air	Total	Total	Sea	Air	Total	Sea	Air	Total
Total	**71**	**1 040**	**1111**	**80**	**1 102**	**1 182**	**4.6**	**6.0**	**5.9**	**12.3**	**6.0**	**6.4**
Winter												
Jan / Feb / Nov / Dec	10	196	206	8	215	224	25.0	8.1	8.7	-13.9	9.6	8.5
% of total	**13.7**	**18.9**	**18.5**	**10.5**	**19.5**	**18.9**	**19.6**	**2.0**	**2.6**	**-23.3**	**3.4**	**2.0**
Shoulder												
Mar / Apr / May / Jun / Oct	23	482	505	27	501	528	-8.0	3.4	2.7	15.5	3.9	4.4
% of total	**32.5**	**46.4**	**45.5**	**33.5**	**45.5**	**44.7**	**-12.0**	**-2.5**	**-3.0**	**2.8**	**-1.9**	**-1.8**
Summer												
Jul / Aug / Sep	38	361	400	45	386	431	10.2	8.5	8.6	16.9	6.8	7.7
% of total	**53.8**	**34.7**	**36.0**	**56.1**	**35.0**	**36.4**	**5.4**	**2.3**	**2.6**	**4.2**	**0.7**	**1.3**

Figures may not add up due to rounding.

Source: COS.

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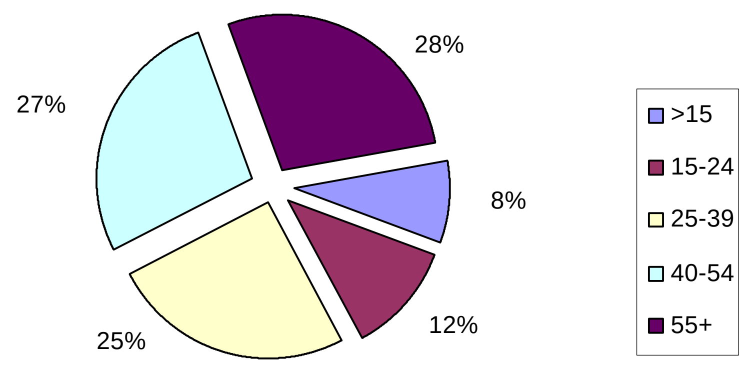
Around 80% of all incoming tourists are concentrated in the spring and summer seasons. This uneven stream of arrivals is especially pronounced in the peak summer months between July and September. In 1998, over 36% of all tourist arrivals were concentrated in these months, as against 41% in 1985. In 1998, almost 45% of all tourists were concentrated in the shoulder months. The relative share of all arrivals for these months was of 42% in 1985 and of 46% in 1995. The winter months accounted for almost 19% of all tourist arrivals in 1998. This share was over 17% in 1985 and over 18% in 1995.

The Maltese tourism authorities and the industry itself have adopted various strategies to correct the unbalanced seasonal pattern of tourists and to spread arrivals more evenly throughout the year. Promotional drives were intensified. These efforts were complemented by the activity of tour operators and travel agents who placed more emphasis on the extension of the tourist season to the lean winter months in order to remain operational the whole year round. Apart from advertising, another boost to winter holidays stemmed from lower pricing policies adopted by tour operators which managed to keep the cost of all-inclusive holidays during the off-season period well below that of the high season period. Another important strategy for the correction of this imbalance has been the promotion of the Island for incentive group travel during the lean months, and as a conference and convention centre.

Although these strategies yielded some results, they did not achieve the desired results as the seasonal imbalance in tourist arrivals is still considerably pronounced. Nevertheless, some positive results have been achieved. Between 1985 and 1998, winter tourism to Malta grew at a faster rate than either spring or summer tourism. In turn, the number of arrivals during the shoulder months was higher than in the summer months.

Although the vast majority of all tourists to Malta are evenly spread among all age groups, the group in the 65+ age bracket is significantly higher than in the other age groups. While the number of tourists within each five-year age group accounts for an average of 8% of all tourists, the number of tourists in the 65+ age group reached 12.7% of all tourists in 1998. The latter group of tourists is mostly concentrated in the winter months. This class of tourists opts to visit the Island then because of the country's relatively mild weather conditions during this season.

Age distribution of incoming tourists - 1998



Source: COS.

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Maltese going abroad

Over the years, the number of Maltese going abroad has also increased significantly. A total of 166,741 Maltese residents went abroad in 1998. The majority of Maltese travel by air, with the most popular destinations being Italy and the United Kingdom.

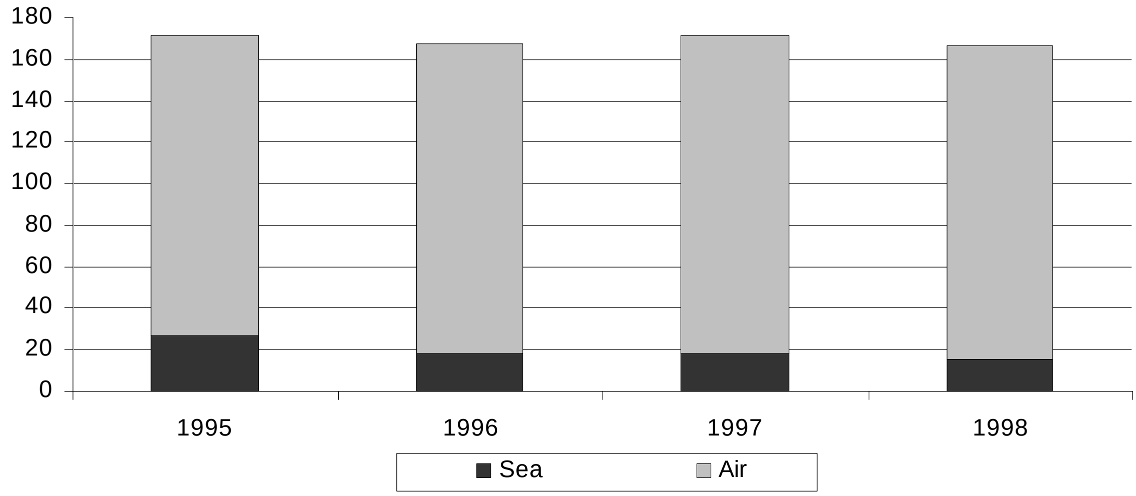
Maltese going abroad

	1995		1996		1997		1998	
	Sea	**Air**	**Sea**	**Air**	**Sea**	**Air**	**Sea**	**Air**
Total	**26 671**	**144 249**	**18 742**	**149 147**	**17 921**	**153 756**	**15 865**	**150 876**
France	37	7 152	67	7 829	12	8 685	-	9 156
Germany	-	7 203	-	8 834	-	11 811	-	14 241
Italy	23 960	42 942	15 459	43 611	15 762	43 895	14 030	41 958
Netherlands	-	3 114	-	3 288	-	4 531	-	4 692
Switzerland	-	2 760	-	3 209	-	5 945	-	6 297
Tunisia	49	8 737	55	7 947	69	9 960	84	8 278
UK	-	52 028	-	53 586	-	49 832	-	47 720
Other	2 625	20 313	3 160	20 843	2 076	19 097	1 749	18 534

Source: COS.

However, the numbers to these two destinations are on the high side because the Maltese usually use the ports within these countries in transit to other countries. In 1985, the Maltese spent ECU 65.2 million on travel abroad. This expenditure went up to ECU 107.8 million in 1990, and to ECU 163.4 million in 1995. In 1998, expenditure on travel abroad by the Maltese amounted to ECU 172.3 million and in 1999 to ECU 189.1 million.

Number of Maltese tourist going abroad (in thousands)



Source: COS.

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Part I: General situation and main indicators

Development and Impact of Tourism

Ever since it became independent, Morocco has given special emphasis to tourism in the development strategy that has been a part of its seven year plans, the first of which covered the 1960 – 1964 period. Such emphasis finds its roots in the natural assets and tourism attractions of Morocco, especially its geographical situation, its proximity to the European tourist market, its large beach coasts (3 600 km, both on the Mediterranean sea and Atlantic ocean), its rich historical and cultural patrimony, its wide variety of landscapes, and the warm and welcoming attitude of Moroccans towards tourists.

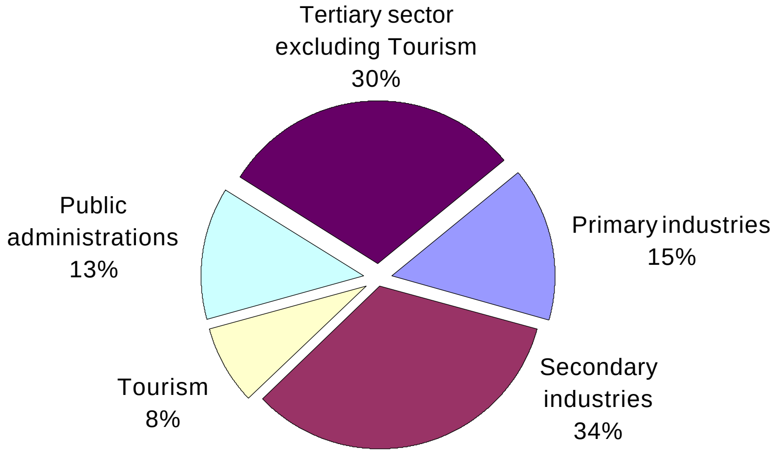
As a means to reinforce its political will, starting in 1965, the Moroccan state has set up the appropriate legal and institutional instruments, such as the creation of the Ministry of Tourism and of the Moroccan National Tourism Office, which is a specialised public body endowed with legal status and financial autonomy. The national authorities have also favoured representative bodies abroad and have implemented structures oriented to human resource training, while encouraging both national and foreign private investments in the sector.

The tourism policies adopted have contributed to giving important weight to the sector, in the economic, social and cultural fields.

The quality of the Moroccan tourist product is the result of an encouragement policy that has been carried out for almost four decades. The sector currently makes up one of the pillars of the Moroccan economy, since, as a whole, it generates almost as much revenue in foreign currency as the money transfers from Nationals residing abroad (NRA).

As a whole, tourism indicators have gone up since 1990, in spite of some setbacks that can be explained, among others, by the effects of the international, national and regional situations. Inbound foreign tourism exceeded 2 million people in 1998, which represents a growth rate of about 10% with respect to the previous year. Tourism receipts have registered an exceptionally high 21.5% growth rate, reaching ECU 1 532 million, at a time when the money transfers from the NRA amounted to ECU 1 756 million. In 1999 arrivals of foreign visitors amounted to 2 350 895 and tourism receipts to ECU 1 839 million.

Percentage contribution to GDP by Economic Activity - 1997



Source: Department of Statistics (DS).

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Nights spent have reached 31.27 million in 1998, which accounts for a 5% yearly growth in comparison to the previous year. Nights spent in hotels and similar establishments represented nearly half of this amount (14.79 million) but registered a higher growth between 1997 and 1998 (8.6%). However, the average net occupancy rate does not exceed 48.2%, in spite of the fact that it has registered a fairly important 11.3% yearly growth.

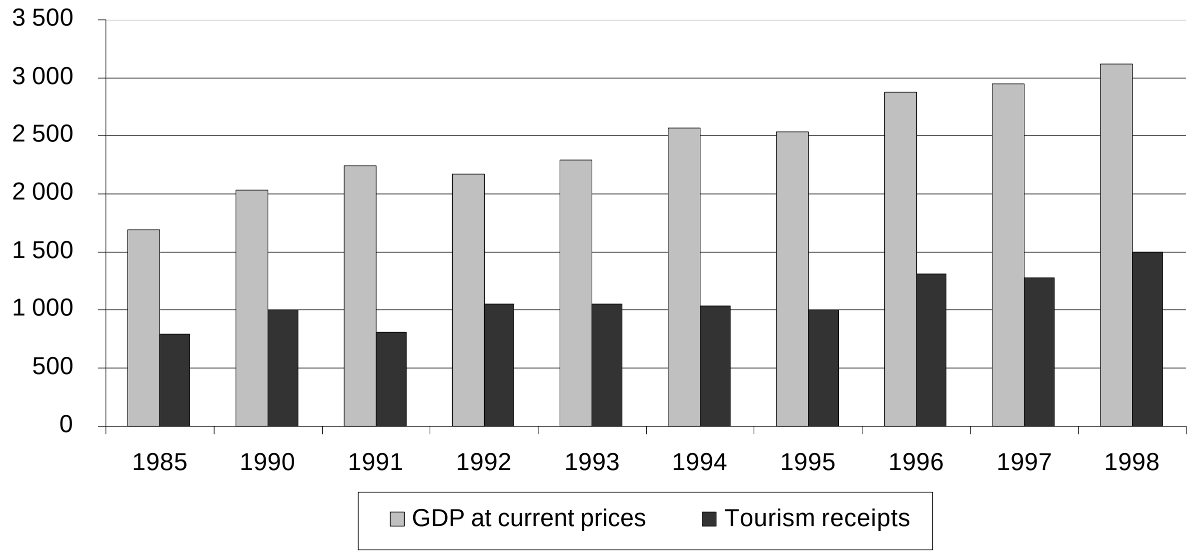
The weight of the tourism sector, which has remained stable in 1997 and 1998, represents 7.8% of the GDP, and enjoys a prominent position within Services activities (60.3%), at the same time as it accounts for one fifth of the total tertiary activities (Trade, Transport and communications, and Services). An examination of sub-branches of the tourism sector shows that the hotel industry directly and indirectly accounts for 40.8% of the value added generated by tourism activities, other services related to tourism for 22.5%, handicraft for 17.5%, passenger transport for 12.1% and the catering industry for 7.1%.

Compared to other sectors, tourism generates more than transport and communications (5.9%), and construction and public works (4.6%). While the share of tourism is almost the same as that of energy (8.7%), it is far more important than mining (2.2%). Finally, it is worth noting that tourism generates as much as half the primary sector (15.3%), which includes agriculture, forestry and fisheries.

The tertiary sector produced the largest share of GDP (38.2%), followed by the secondary sector (33%), the primary sector (15%) and public administration (13%). To a certain extent, the small contribution of the public administration in GDP denotes the regulatory role played by the State to support and improve the competitiveness of the Moroccan economy with a view of an integral and complete open economy by 2010.

Because of data availability, tourism receipts will be used instead of the share of tourism in GDP. The graph below shows the trend in GDP and tourism receipts for the period 1985-1998. The similarity in the trends is corroborated by a strong correlation of 0.92. This shows that the contribution of tourism in the creation of national revenue is growing.

GDP and Tourism Receipts (Mio ECU)



Source: DS.

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As regards turnover, which amounted to ECU 2 246 million in 1994, it was mainly due to foreign tourism (61.2%). Both domestic tourism and international passenger transport account for 10.6%. Investment and tourism administration come right after, and contribute with 10.5%. The contribution of Nationals residing abroad (NRA) amounts to 7.1%

Generation of Turnover of tourism activities (Mio ECU) [1]

	1994	% share
Total	**2 246**	**100.0**
Inbound Tourism	1 375	61.2
Domestic Tourism	238	10.6
Nationals residing Abroad	160	7.1
International passenger Transport	238	10.6
Investments and Tourism Administration	236	10.5

Source: Ministry of Tourism (MOT). ([1])Estimated from large survey on tourism conducted in 1994.

Employment in the tourism sector (in thousands)

	1990	1995	1996	1997	1998	1999
Total	**515**	**584**	**596**	**602**	**608**	**620**
Direct employment	309	350	358	361	365	372
Indirect employment	206	234	238	241	243	248

Source: MOT.

Although direct and indirect employment as a whole is increasing, and registers a yearly average rate of 2.1%, there has been a slow down of the growth rate. Total employment increased by 13.4% in 1995 compared to 1990, and by 6.2% in 1999 compared to 1995. In 1998 direct and indirect employment amount to 608 000, which accounted for a rather limited 1% growth compared to the previous year, but in 1999 increased by 2% compared to 1998.

In 1997, the comparison of employment in the tourism sector with that of other sectors shows that the largest share is produced by the secondary industries (60.7%), among which the manufacturing industries employs 45.6% of the population. The tertiary activities account for 22.1% of total employment, in which services account for 53%, and tourism for nearly 30% of person employed in tertiary activities. Of the services sector, the tourism industry accounts for more than 55% of employment; Tourism represents 6.5% of total employment. It should be noted that the low employment in the tertiary sector might be due to the large share of informal activities in the sector, and lead to a underestimation of the resulting statistics.

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Employment in the tourism industry compared to other economic sectors - 1997

Economic sectors	1997	% share of total employment
Total	**9 241 379**	**100.0**
Primary activities, of which:	**216 777**	**2.3**
Agriculture, fisheries	216 777	2.3
Secondary activities, of which:	**5 606 044**	**60.7**
Mining	836 423	9.1
Energy	180 359	2.0
Manufacturing industries	4 212 269	45.6
Public construction	376 993	4.1
Tertiary activities, of which:	**2 043 027**	**22.1**
Commerce	762 690	8.3
Transport and Communication	197 091	2.1
Services, of which:	1 083 246	11.7
Tourism	**602 000**	**6.5**
Public Administration	**1 375 531**	**14.9**

Source: DS and MOT.

Internal tourism receipts, money transfers from the national residing abroad (NRA) and the international travel receipts of the balance of payment show a similar upward trend from 1995 to 1998, in spite of the fact that tourism receipts registered a fall in 1997. It is worth noting that tourism receipts and money transfers from the NRA come in thousands of millions of ECU.

The travel item in the Balance of Payments (Mio ECU)

	1995	1996	1997	1998	% change 95/98
Travel Receipts	**889**	**1 318**	**1 275**	**1 528**	**75.1**
Transfer from Nationals residing abroad	1 468	1 580	1 662	1 756	22.3

Source: DS and Bank El Magrib.

The table on next page shows the relatively high share (average of about 13% over the period 1990 to 1999) of tourism receipts within total receipts of the balance of payments, which once again highlights the contribution of the sector to foreign currency earnings of the national economy. In the course of the period ranging between 1985 and 1999, tourism receipts have jumped from ECU 795 million in 1985 to ECU 1 839 million in 1999. However, some tourist activities, like travels abroad of residents in Morocco, imply expenditures. It is then necessary to take account of these expenditures in order to carry out an accurate analysis based on the net situation.

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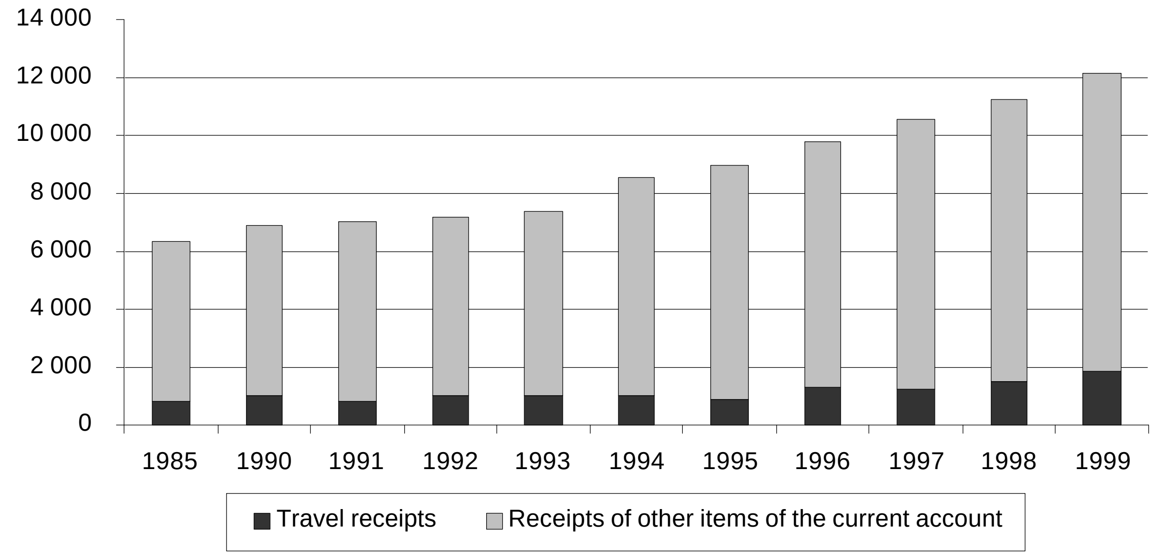
Balance of Payments (Mio ECU)

	1990	1995	1996	1997	1998	1999	% 99/98
Travel Item							
Receipts	**1 005**	**889**	**1 318**	**1 275**	**1 528**	**1 839**	**20.3**
Expenditures	147	231	236	278	378	431	14.1
Net account	859	658	1 082	997	1 150	1 408	22.4
Services Account (including the travel item)							
Receipts	**5 019**	**1 662**	**2 159**	**2 178**	**2 523**	**2 941**	**16.6**
Expenditures	6 986	1 445	1 403	1 520	1 752	1 885	7.6
Net account	-1 968	217	756	659	771	1 057	37.1
% Share of travel receipts	**20.0**	**53.5**	**61.1**	**58.5**	**60.6**	**62.5**	**. .**
Current Account							
Receipts	**6 891**	**8 948**	**9 822**	**10 550**	**11 248**	**12 161**	**8.1**
Expenditures	7 055	9 855	9 794	10 627	11 376	12 413	9.1
Net account	-164	-907	28	-77	-128	-252	96.6
% Share of travel receipts	**14.6**	**9.9**	**13.4**	**12.1**	**13.6**	**15.1**	**. .**

Source: DS and Bank El Magrib.

The travel balance has shown a surplus during the whole 1995-1999 period. It is to be noted that the travel item surplus is largely superior to the surpluses registered by other items making up the current account.

Current Account Receipts and the Share of Travel Receipts (Mio ECU)



Source: DS.

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Visitors to Morocco can be divided in three groups: nationals residing abroad (NRA), foreign tourists and cruise arrivals.

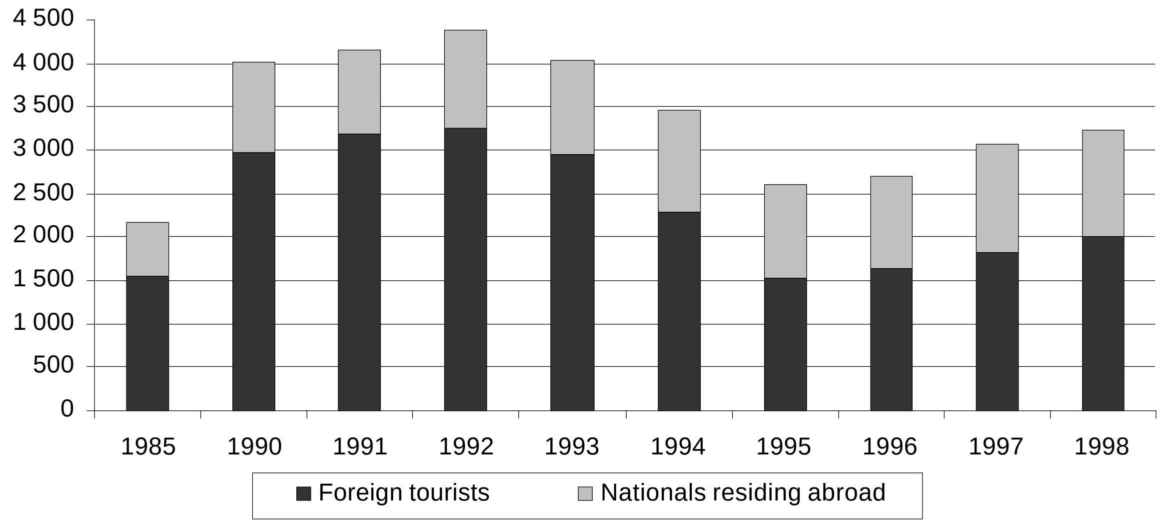
Arrivals of visitors at the borders (in thousands)

	1985	1990	1995	1996	1997	1998	% 98/97
Total visitors	**2 253**	**4 138**	**2 759**	**2 856**	**3 203**	**3 414**	**6.6**
Total tourist arrivals	**2 180**	**4 024**	**2 602**	**2 693**	**3 072**	**3 242**	5.5
Foreign tourists	1 536	2 978	1 524	1 633	1 823	2 001	9.8
Nationals residing abroad	644	1 046	1 078	1 061	1 248	1 241	-0.6
Cruise arrivals	**73**	**114**	**157**	**163**	**131**	**172**	**31.4**
Travel item of the Balance of Payments							
Travel receipts (Mio DH)	**6 100**	**10 548**	**9 929**	**14 597**	**13 780**	**16 449**	**19.4**

Source: MOT.

The number of tourist arrivals strongly increased between 1985 and 1992, and then fell between 1993 and 1995. Since 1995, the number of arrivals has been on the rise again. This trend has an important impact on the travel item of the Balance of Payments, which went up by 19.3% (in national currency) in 1998 compared to 1997. Since 1990 the number of arrivals of nationals residing abroad has remained fairly stable, with minor variations from year to year.

Tourist arrivals at the borders (in thousands)



Source: MOT.

Part II: Tourism supply

Infrastructure and Accommodation Capacity

Hotels and similar establishments include classified and non classified hotels. The other types of accommodation are made up of campsites and other tourist residences. As appears clearly in the table below, the highest concentration of hotels and similar establishments is to be found in the Mediterranean coast, the Centre and the South coast. This fact, that can be observed all along (1985, 1990-1998), is due, on the one hand to the geographical situation (the Mediterranean sea, which is the door to Europe) and on the other hand by the presence of touristic cities, such as Marrakech in the Centre South and Agadir in the South.

Number of hotels and similar establishments by region

	1985	1990	1995	1996	1997	1998	% 98/97
Total	**1 133**	**1 415**	**1 553**	**1 570**	**1 574**	**1 635**	**3.9**
Mediterranean coast	**253**	**315**	**326**	**331**	**331**	**338**	**2.1**
Tanger	124	124	130	132	131	136	3.8
Tetouan	64	94	89	90	90	98	8.9
Centre North	**121**	**135**	**150**	**151**	**151**	**163**	**7.9**
Fes	64	74	80	80	80	93	16.3
Meknes	27	28	32	23	32	32	0.0
East	**56**	**74**	**112**	**109**	**108**	**108**	**0.0**
Oujda	51	66	104	101	100	100	0.0
Centre	**332**	**370**	**381**	**385**	**386**	**394**	**2.1**
Casablanca	146	153	157	119	158	158	0.0
Rabat	69	74	78	50	80	83	3.8
Deep South	**35**	**67**	**87**	**93**	**95**	**117**	**23.2**
Errachidia	14	24	26	30	31	47	51.6
Ouarzazet	21	43	61	63	64	70	9.4
Centre South	**142**	**183**	**202**	**206**	**206**	**203**	**-1.5**
Marrakech	112	138	148	149	149	147	-1.3
South Coast	**194**	**271**	**295**	**295**	**297**	**312**	**5.1**
Agadir	81	99	112	112	114	132	15.8

Source: MOT.

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The distribution and development of the number of beds over the years is the same as the number of hotels and similar establishments and other types of accommodation. The large increase (+35%) in the number of beds can be observed between 1985 and 1990. In the past few years, the number of beds in hotels and similar establishments has remained fairly stable, showing a very slight percentage change of less than 1%. During the 1997-1998 period, the only positive relative increase was registered in the Deep South, Centre and South coast regions.

Number of beds in hotels and similar establishments by region

	1985	1990	1995	1996	1997	1998	% 98/97
Total	**82 605**	**111 419**	**122 956**	**124 196**	**123 845**	**124 570**	**0.6**
Mediterranean coast	**22 044**	**26 294**	**25 996**	**26 348**	**26 034**	**25 213**	**-3.2**
Tanger	11 538	11 684	11 492	11 637	11 300	12 329	9.1
Tetouan	6 028	8 646	7 629	7 708	7 708	6 180	-19.8
Centre North	**6 801**	**8 230**	**10 222**	**10 270**	**10 270**	**10 266**	**0.0**
Fes	4 054	5 150	6 368	6 368	6 368	6 412	0.7
Meknes	1 678	1 926	2 401	851	2 401	2 401	0.0
East	**2 291**	**3 010**	**5 230**	**5 092**	**4 970**	**4 921**	**-1.0**
Oujda	2 099	2 758	4 937	4 799	4 677	4 628	-1.0
Centre	**17 570**	**21 678**	**22 824**	**23 421**	**23 484**	**24 087**	**2.6**
Casablanca	8 745	10 936	11 829	4 556	11 941	12 060	1.0
Rabat	4 489	4 898	5 317	1 797	5 747	6 040	5.1
Deep South	**2 839**	**5 455**	**7 475**	**7 838**	**7 942**	**8 611**	**8.4**
Errachidia	686	1 209	1 509	1 636	1 716	1 972	14.9
Ouarzazet	2 153	4 246	5 966	6 202	6 226	6 639	6.6
Centre South	**11 735**	**20 651**	**22 246**	**22 188**	**22 332**	**22 159**	**-0.8**
Marrakech	10 826	19 165	20 059	20 097	20 241	20 111	-0.6
South coast	**19 325**	**26 101**	**28 963**	**29 039**	**28 813**	**29 313**	**1.7**
Agadir	14 749	20 116	22 579	22 589	22 363	23 093	3.3

Source: MOT.

Development in recent years

Although the number of hotels and similar establishments has remained nearly constant over the past years, the quality has been greatly improved, and this following various qualities ranking assessments organised by the tourism administration. In 1998 the number of classified hotels increase by 1.9% compared to the previous year, whereas non-classified hotels increase by 4.9%.

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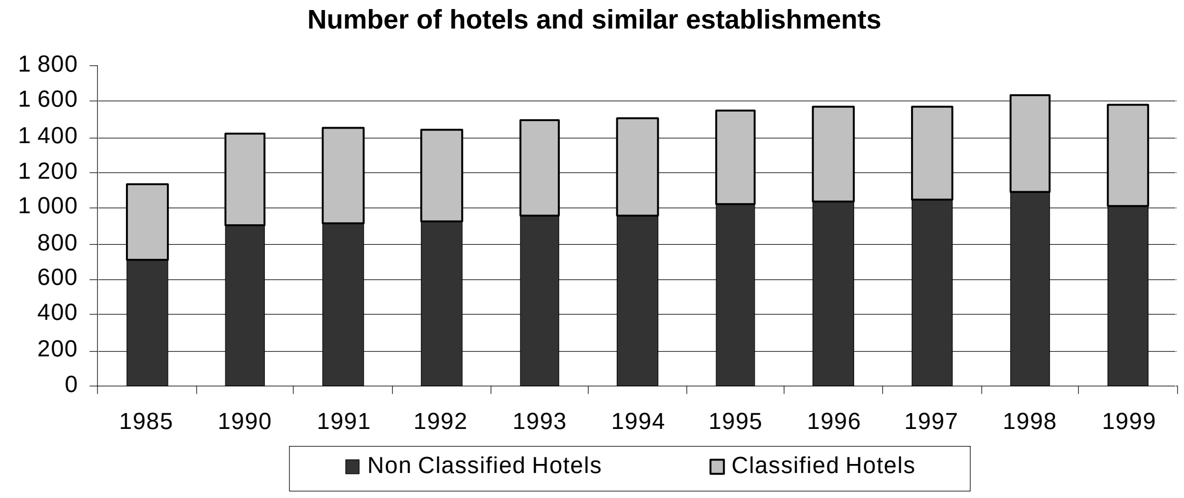
Number of establishments by category

	1985	1990	1995	1996	1997	1998	1999 [1]	% 99/98
Total	**1 216**	**1 500**	**1 638**	**1 655**	**1 659**	**1 720**	**1 671**	**-2.8**
Hotels and similar establishments	**1 133**	**1 415**	**1 553**	**1 570**	**1 574**	**1 635**	**1 586**	**-3.0**
Classified Hotels	422	511	526	533	532	542	568	4.8
Non classified Hotels	711	904	1 027	1 037	1 042	1 093	1 018	-6.9
Camping sites	**85**	**85**	**85**	**85**	**85**	**85**	**85**	**0.0**

([1]) Provisional figures.

Source: MOT.



Source: MOT.

Number of hotels and similar establishments by quality category

	1985	1990	1995	1996	1997	1998	% 98/97
Hotels and similar establishments	**1 133**	**1 415**	**1 553**	**1 570**	**1 574**	**1 635**	**3.9**
Classified Hotels	**422**	**511**	**526**	**533**	**532**	**542**	**1.9**
1 star	81	89	87	95	91	92	1.1
2 star	93	107	125	118	118	122	3.4
3 star	79	100	121	124	128	130	1.6
4 star	94	115	101	102	101	103	2.0
5 star	26	33	32	33	33	33	0.0
Tourist villages	19	27	23	25	25	25	0.0
Appart-hotels	30	40	37	36	36	37	2.8
Non classified Hotels	**711**	**904**	**1 027**	**1 037**	**1 042**	**1 093**	**4.9**

Source: MOT.

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The number of beds in hotels and similar establishments has remained fairly stable over the past four years. Three and four star *hotels account respectively for 24% and 19% of total bed-places in classified hotels.*

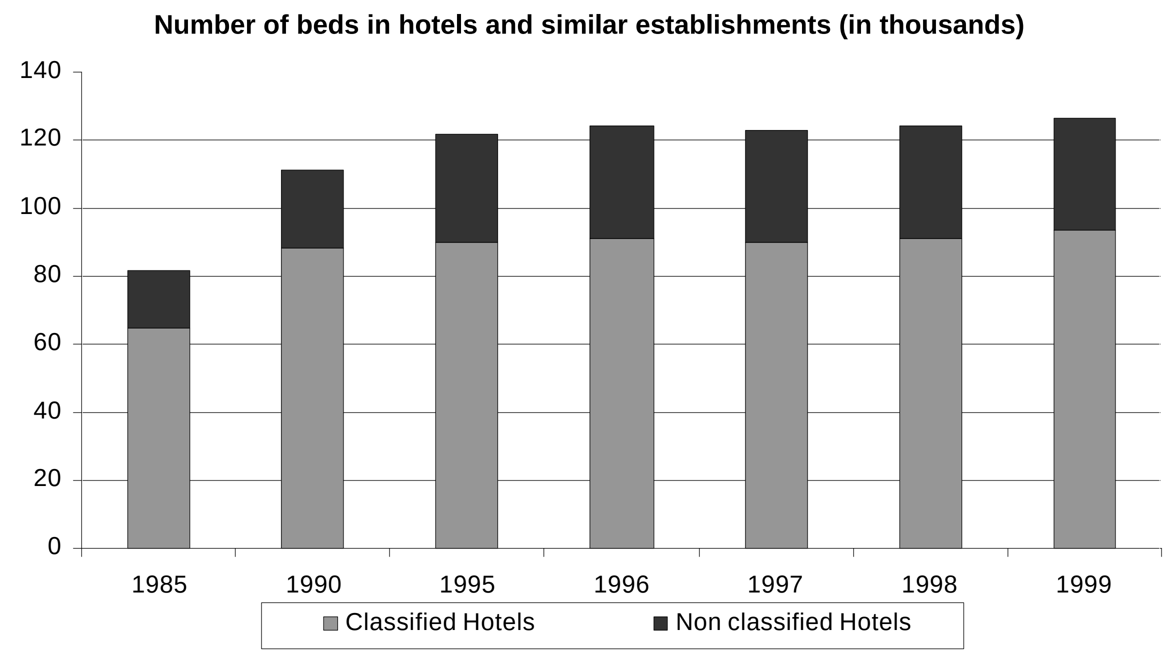
Number of beds by category (in thousands)

	1985	1990	1995	1996	1997	1998	1999[1]	% 99/98
Total	**179**	**209**	**220**	**222**	**221**	**222**	**224**	**0.8**
Hotels and similar establishments	**82**	**111**	**123**	**124**	**124**	**124**	**127**	**2.1**
Classified Hotels	65	88	90	91	90	91	93	2.6
Non classified Hotels	17	23	32	33	33	33	33	0.0
Camping sites [2]	**97**	**97**	**97**	**97**	**97**	**97**	**97**	**0.0**

([1]) Provisional figures.

([2]) Bed-places.

Source: MOT.



Source: MOT.

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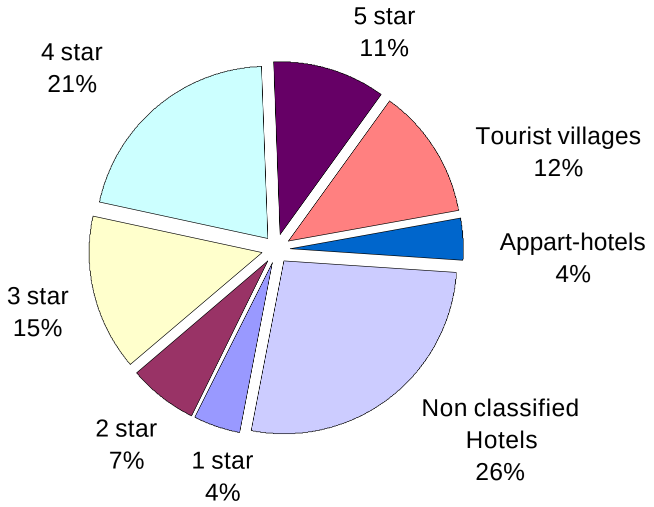
Number of beds in Hotels and similar establishments by quality category (in thousands)

Category	1985	1990	1995	1996	1997	1998	% 98/97
Hotels and similar establishments	**82**	**111**	**123**	**124**	**124**	**124**	**0.6**
Classified Hotels:	**65**	**88**	**90**	**91**	**90**	**91**	**0.9**
1 star	4	4	5	5	5	5	1.1
2 star	5	7	8	8	7	8	3.3
3 star	8	10	17	18	18	18	0.8
4 star	22	30	27	26	26	26	1.0
5 star	10	13	14	14	14	14	0.0
Tourist villages	11	16	14	15	15	15	0.0
Appart-hotels	5	8	6	5	5	5	1.8
Non classified Hotels	**17**	**23**	**32**	**33**	**33**	**33**	**-0.2**

Source: MOT.

% Share of beds in hotels and similar establishments by quality category - 1998



Source: MOT.

Part III: Tourism Demand

Occupancy of collective tourist accommodation establishments: inbound and domestic tourism

Total number of nights spent in hotels and similar establishments by region

(in thousands)	1985	1990	1995	1996	1997	1998	% 98/97
Total	**11 739**	**13 159**	**12 453**	**12 595**	**13 622**	**14 790**	**8.6**
Mediterranean coast	**2 353**	**2 457**	**1 733**	**1 676**	**1 731**	**1 858**	**7.3**
Tanger	1 388	1 200	869	812	835	867	3.8
Tetouan	658	669	521	499	516	535	3.7
Centre North	**928**	**1 096**	**933**	**1 030**	**1 116**	**1 199**	**7.5**
Fes	686	777	676	749	843	898	6.6
Meknes	171	232	195	204	206	223	8.4
East	**178**	**370**	**134**	**133**	**133**	**135**	**2.0**
Oujda	160	343	105	105	103	105	1.8
Centre	**2 435**	**2 841**	**2 542**	**2 519**	**2 640**	**2 728**	**3.4**
Casablanca	1 388	1 721	1 473	1 491	1 545	1 609	4.1
Rabat	650	689	656	646	691	718	3.9
Deep south	**319**	**480**	**446**	**566**	**628**	**711**	**13.2**
Errachidia	79	111	114	124	136	128	-6.3
Ouarzazet	240	370	333	442	492	584	18.6
Centre South	**1 948**	**2 487**	**2 479**	**2 745**	**3 157**	**3 545**	**12.3**
Marrakech	1 860	2 378	2 378	2 646	3 053	3 436	12.5
South coast	**3 577**	**3 427**	**4 186**	**3 927**	**4 217**	**4 612**	**9.4**
Agadir	3 266	3 086	3 801	3 571	3 853	4 212	9.3

Source: MOT.

The touristic regions of the Mediterranean coast, the centre, centre south and south coast have the highest number of nights spent in hotels and similar establishments. This distribution is in line with the distribution of hotels and similar establishments on the national territory.

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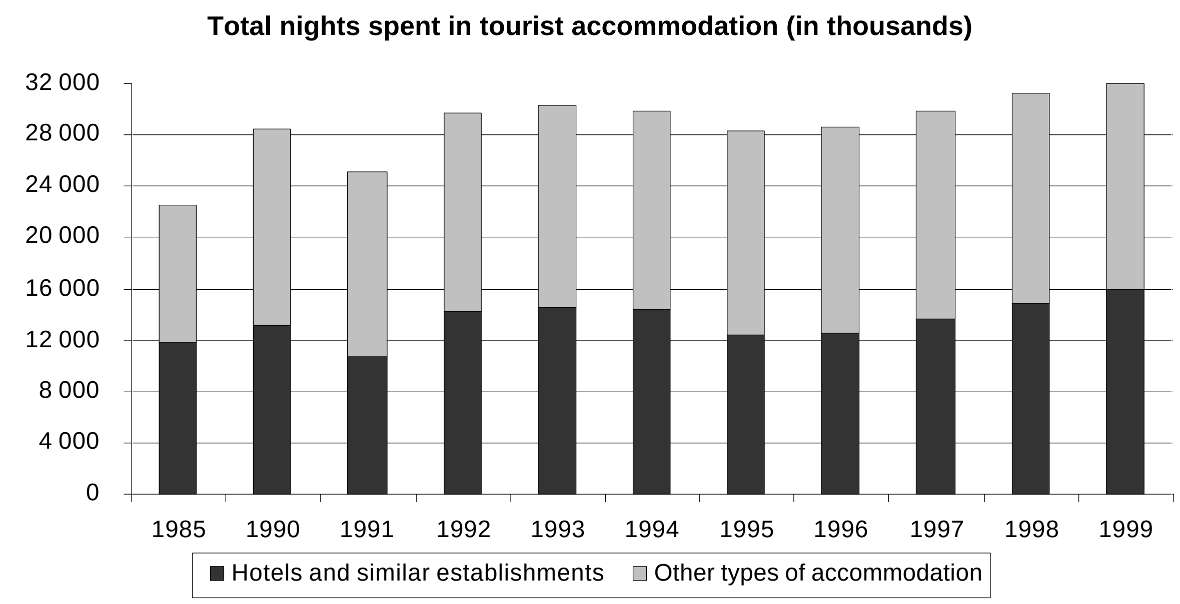
Total nights spent by type of accommodation (in thousands)

	1985	1990	1995	1996	1997	1998	1999	% 98/97
Total	**22 500**	**28 503**	**28 267**	**28 595**	**29 792**	**31 268**	**31 999**	**5.0**
Hotels and similar establishments	11 739	13 159	12 453	12 595	13 622	14 790	15 979	8.6
Camping sites	3 617	4 200	4 314	4 350	4 370	4 397	3 645	0.6
Other types of accommodation [1]	7 144	11 144	11 500	11 650	11 800	12 081	12 375	2.4

([1]) Including private accommodation

Source: MOT.

The total number of nights spent has increased significantly since 1995, and in 1998 registering an even steeper growth (around 5%, whereas it had remained under 4% during the other years). This upward trend can be noted both for hotels and similar establishments and other types of accommodation.



Source: MOT.

The sum of the nights spent in camping sites and other types of tourist accommodation is higher than those spent in hotels and similar establishments during the whole period considered. This can be explained by the development of domestic, social and youth tourism.

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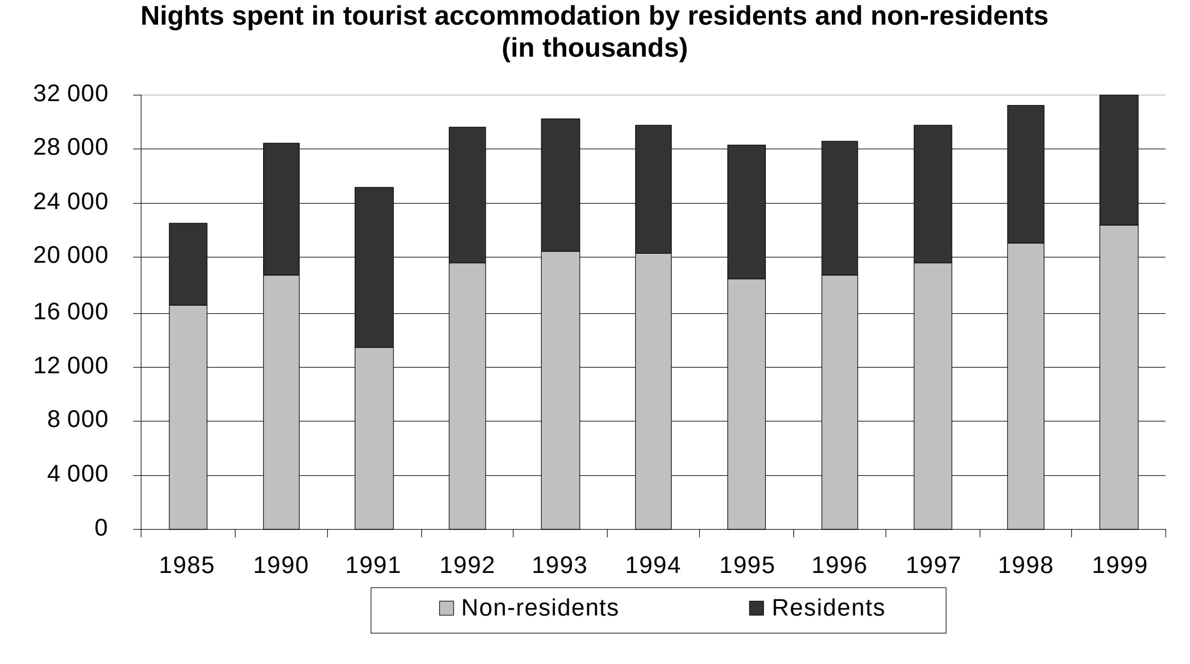
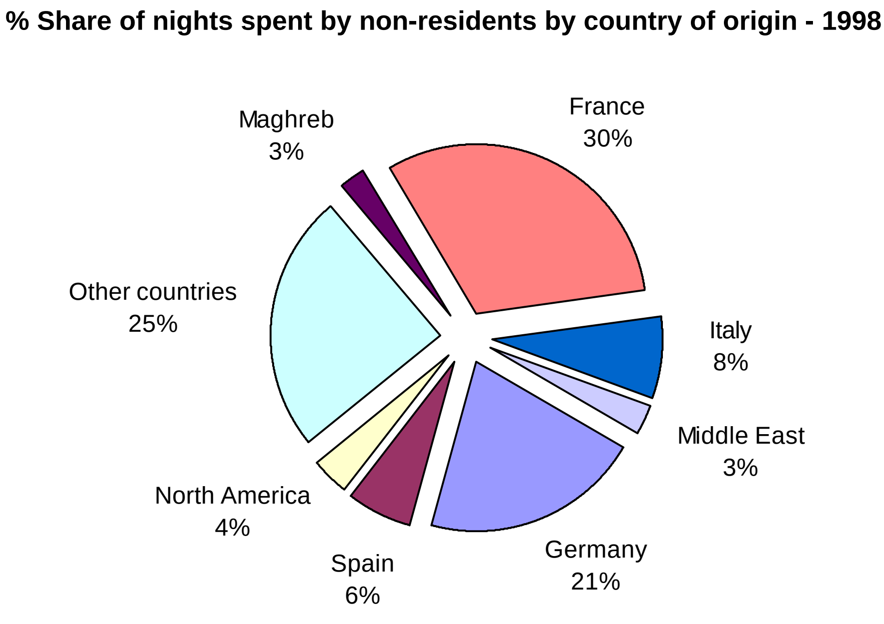


Source: MOT.

The number of nights spent in the category of classified hotels increases in nearly all the classes during the last years, except for 2-star hotels, in which the number slightly decreases. The upward trend seems more important as regards 4-star hotels, which registered a very high number of nights compared to the other hotel classes. The preference of tourists for 4-star hotels rather than 5-star hotels might be explained by the quality-price ratio.



Source: MOT.

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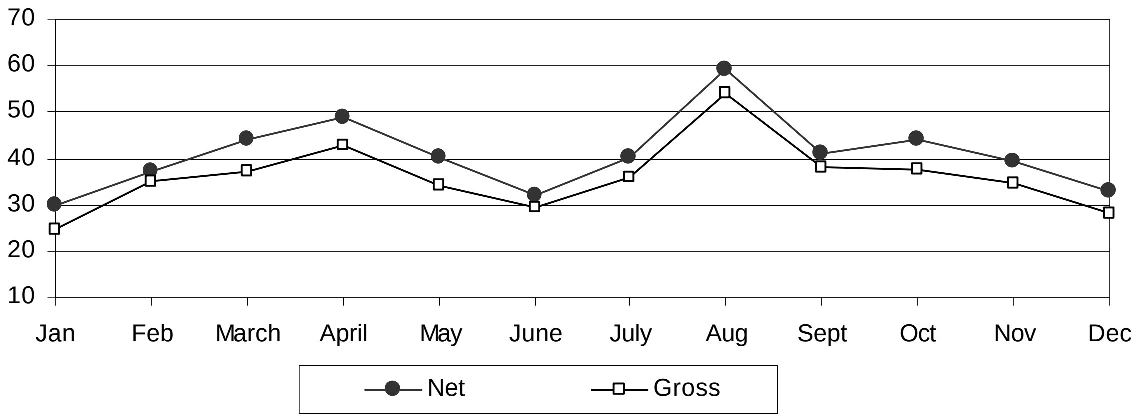
As can be observed in the graph on the previous page, the share of nights spent by tourists coming from France and Germany in hotels and similar establishments is the largest, due to the geographical position of Morocco and thus to its image abroad. On the other hand, tourists from America and Asia stay for shorter periods of time, which may be due not only to the distance between Morocco and such continents, but also to the fact that tourists from these parts of the world tend to take shorter vacations.

Evolution of gross and net occupancy rates (%) of bed-places in classified hotels, 1998



Source: MOT.

The graph above shows the evolution of the net and gross occupancy rates in 1998. The seasonal effect appears clearly, mostly in summer, when a peak is visible.

Tourism demand: Inbound and National Tourism

In the past few years, the average stay of foreign tourists has decreased from 12 nights in 1995 to 10.5 nights in 1998.

Arrivals at the borders of tourists from abroad (in thousands)

	1985	1990	1995	1996	1997	1998	1999	% 99/98
Total	**2 180**	**4 024**	**2 602**	**2 693**	**3 072**	**3 242**	**3 824**	**17.9**
Europe	1 149	1 186	**1 242**	**1 336**	**1 505**	**1 653**	**1 947**	17.8
EEA	1 147	1 183	1 188	1 280	1 447	1 582	1 871	18.2
EU15	**1 113**	**1 148**	**1 182**	**1 272**	**1 437**	**1 569**	**1 851**	**18.0**
North America	129	106	105	103	113	122	160	31.1
Nationals residing abroad	**644**	**1 046**	**1 078**	**1 061**	**1 248**	**1 241**	**1 473**	**18.7**
Others	258	1 686	178	193	206	226	244	8.0

Source: MOT.

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Arrivals at the borders of tourists from abroad by nationality

	1995	1996	1997	1998	1999	% 99/97	% 99/98
Total	**2 601 641**	**2 693 338**	**3 071 668**	**3 242 104**	**3 823 984**	**24.5**	**17.9**
NRAs	1 077 522	1 060 607	1 248 220	1 240 759	1 473 089	18.0	18.7
Europe	**1 241 869**	**1 335 710**	**1 504 881**	**1 652 825**	**1 947 302**	**29.4**	**17.8**
EU15	**1 182 186**	**1 271 807**	**1 437 392**	**1 569 070**	**1 851 211**	**28.8**	**18.0**
Belgium	44 102	44 481	61 159	75 170	88 443	44.6	17.7
Denmark	7 669	10 391	9 370	14 607	15 896	69.6	8.8
Germany	161 747	211 879	224 456	240 463	228 620	1.9	-4.9
Greece	4 957	5 075	5 758	6 045	6 538	13.5	8.2
Spain	199 133	196 511	218 782	226 897	255 333	16.7	12.5
France	421 890	496 541	585 154	632 845	811 805	38.7	28.3
Ireland	6 803	9 005	8 736	12 323	11 354	30.0	-7.9
Italy	101 212	91 485	122 525	112 023	126 477	3.2	12.9
Luxembourg	1 101	1 234	1 945	1 879	1 816	-6.6	-3.4
Netherlands	44 615	41 378	52 427	66 616	82 122	56.6	23.3
Austria	12 489	15 257	16 804	20 955	19 493	16.0	-7.0
Portugal	16 472	15 202	19 515	18 335	25 018	28.2	36.4
Finland	19 084	14 555	8 467	10 605	12 957	53.0	22.2
Sweden	12 000	15 803	19 279	25 412	30 661	59.0	20.7
United Kingdom	128 912	103 010	83 015	104 895	134 678	62.2	28.4
EFTA	**31 955**	**38 208**	**37 886**	**49 884**	**58 165**	**53.5**	**16.6**
Iceland	90	456	379	249	347	-8.4	39.4
Norway	6 258	8 211	9 311	13 236	19 794	112.6	49.5
Switzerland	25 586	29 514	28 164	36 370	37 993	34.9	4.5
Liechtenstein	21	27	32	29	31	-3.1	6.9
Other European countries	**27 728**	**25 695**	**29 603**	**33 871**	**37 926**	**28.1**	**12.0**
Turkey	3 031	3 065	3 398	3 220	3 920	15.4	21.7
Poland	5 535	5 002	5 472	8 230	8 679	58.6	5.5
Czech Rep.	2 618	2 607	2 662	3 360	4 076	53.1	21.3
Slovakia	934	1 464	1 974	2 142	2 298	16.4	7.3
Hungary	2 768	2 544	2 229	2 994	3 019	35.4	0.8
Africa	**77 464**	**86 301**	**90 530**	**92 836**	**95 354**	**5.3**	**2.7**
Middle Orient	**49 951**	**51 913**	**53 941**	**64 501**	**69 648**	**29.1**	**8.0**
Americas	**117 309**	**118 731**	**129 389**	**141 538**	**178 458**	**37.9**	**26.1**
North America	104 893	103 049	112 667	122 372	160 393	42.4	31.1
South and Central America	12 416	15 682	16 722	19 166	18 065	8.0	-5.7
Japan	**17 206**	**16 064**	**18 333**	**21 375**	**23 466**	**28.0**	**9.8**
Australia, Oceania & Other Territories	**5 744**	**6 561**	**7 609**	**8 979**	**11 662**	**53.3**	**29.9**
Others	14 576	17 451	18 765	19 291	25 005	33.3	29.6

Source: MOT.

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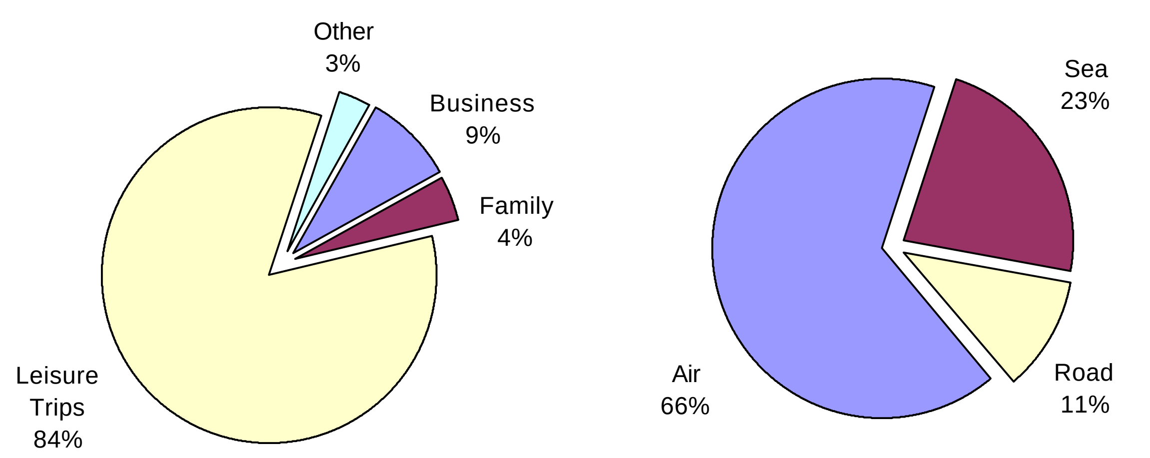
As a whole, the number of arrivals of foreign tourists increased in the early 90's. It was followed by a severe reversal in the trend from 1994 to 1996. It finally resumed a regular upward tendency after 1997. Yet, the disparities registered among the regions of origin of tourists do not always reflect the general trend.

As a matter of fact, the number of arrivals of foreign tourists coming from Europe, Africa and North America steeply decreased in 1991. The same happened regarding Nationals Residing abroad. This can be partly explained by the Gulf events. In 1995, the number of tourists coming from Europe and North America went through a slight decrease.

As for nationals residing abroad, the number of arrivals goes through ups and downs, although a strong upward trend has been noted since 1996.

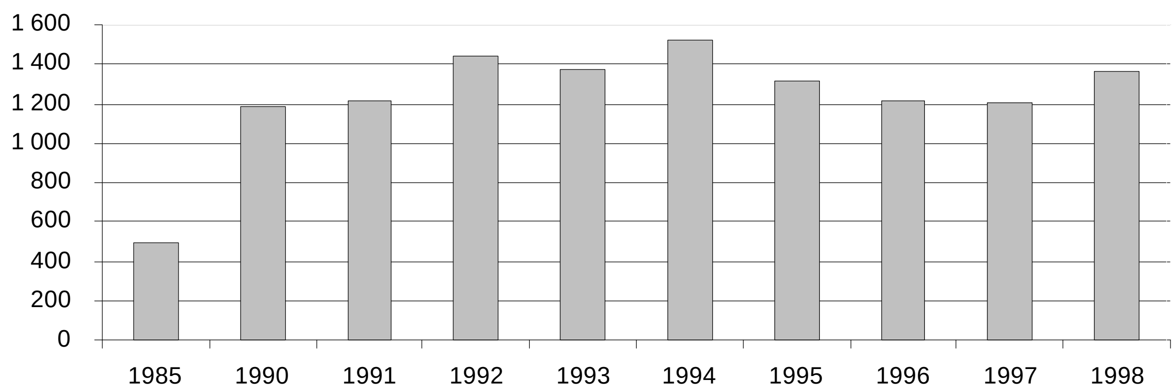
Distribution of inbound tourists according to:



Source: MOT

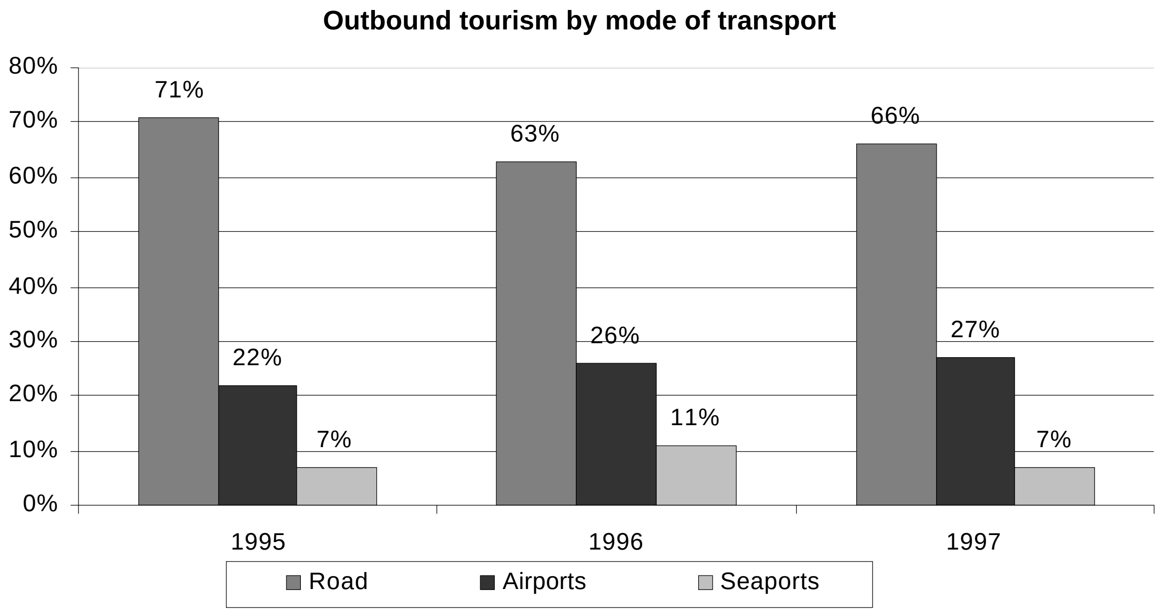
The graphs above show that 84% of the tourists coming from abroad come to Morocco for leisure purposes. Business trips rank second. 66% of tourists come by air, 23% use sea transportation and 11% come by road.

Outbound tourism trips (in thousands)



Source: MOT

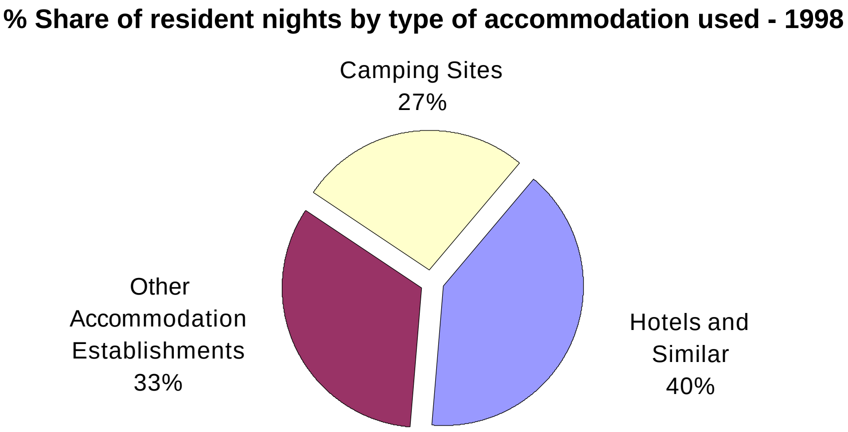
The graph on the previous page shows the number of outbound tourism trips. As a whole, it shows an upward trend, although some decreases can be observed in 1995, 1996 and 1997. A notable reversal has started in 1998 (+13%).



Source: MOT.

Outbound tourists have largely used land transport in the past few years. Air transportation ranks second, and sea transportation comes third.

Concerning domestic tourism, residents nights represent 33% of total nights spent all types of accommodation. Residents mainly stay in hotels and similar establishments (40% of total resident nights).



Source: MOT.

Part IV: Future Trends and Prospects

Now that Morocco is getting ready to enter the international economic scene, and also partly due to its socio cultural and economic relations with the European Union, the tourism sector is one of the major domains in the framework of a strategy of regional economic integration.

In this perspective, the prospects for 2004 point at 4.5 million foreign tourists and 6.65 million tourists as a whole. Tourism receipts should also double, and reach 29 milliard dirhams.

Over the same period, the reinforcement of hotel capacity and the improvement of the quality of the Moroccan tourism product will contribute to an increase in the number of nights spent in tourist accommodation, from 30 million nights in 1998 to 43 million nights in 2004.

Perspectives of tourism in Morocco (in thousands)

	1998	1999	2000	2001	2002	2003	2004
Total tourists	**3 242**	**3 942**	**4 430**	**4 980**	**5 495**	**6 050**	**6 650**
Foreign tourists	2 001	2 353	2 730	3 140	3 545	4 000	4 500
Nationals residing abroad	1 241	1 589	1 700	1 840	1 950	2 050	2 150
Travel item of the Balance of Payments							
Tourist receipts (MIO DH)	**16 754**	**18 500**	**20 500**	**22 500**	**24 500**	**26 600**	**29 000**

Source: MOT (Forecasts).

Total nights spent by type of accommodation (in thousands)

	1998	1999	2000	2001	2002	2003	2004
Total	**31 268**	**31 999**	**34 238**	**36 092**	**38 221**	**40 615**	**43 310**
Hotels and similar	14 790	15 979	17 275	18 583	20 105	21 755	23 575
Campsites	4 397	3 645	4 463	4 509	4 581	4 665	4 760
Other Types[1]	12 081	12 375	12 712	13 165	13 728	14 327	14 975

([1]) Including private accommodation

Source: MOT (Forecasts).

The prospects of the tourism sector point to a global growth in terms of tourist flows and receipts. As for the future accommodation capacity, it will allow the country to meet the potentially high demand expected. As a matter of fact, the country will implement the means aiming to consolidate the current encouraging trends. Such dynamics will also lead to an increase in employment.

Regarding national and regional development, some semi-public organisms have been assigned by the State the task to promote tourism. The creation of companies such as the SNABT and the SONABA, dedicated to land acquisition in their respective regions, has initiated the investments in the field of hotels and related businesses.

According to the Socio-economic Development Plan for the Tourism Sector 2000-2004, the 30,000 bed-places provided for should result in 204,000 new direct and indirect jobs, of which 141,000 will respond to international tourism demand.

One of the objectives of the plan is to apply a coherent and active tourism strategy, which will highlight a competitive and attractive product. The aim is thus to develop a high standard seaside and cultural tourism, a diversified tourism (desert, mountains, thematic products, etc.) that will meet the latest trends in international and national tourism demand. In order to achieve this, the main actions provided for will include:

(i) Reception and transport

(ii) Several reception measures have been implemented:

- general improvement in the condition of entry points, such as airports, railway stations, ports, surface borders
- simplification of checking-in procedures and border controls
- abolition of visa requirements regarding many countries
- mere presentation of the national identity card for tourists from some countries
- better facilities in tourist accommodation establishments
- quality tourist transport bus services

As for transport, Royal Air Maroc intends to increase its plane fleet and to keep up with the modern requirements of international tourism.

(iii) In order to further promote the tourist sector, the main actions will evolve around:

- the emphasis on the unique characteristics of Morocco compared to others.
- cuts in production and distribution costs.
- the implementation of a new reduced and truly encouraging fiscal framework.
- the valorisation of the products Morocco is specialised in.
- the reinforcement of promotional actions by products and regions.
- the increase in tourist accommodation capacity

Part I: General situation and main indicators

Development and Impact of Tourism

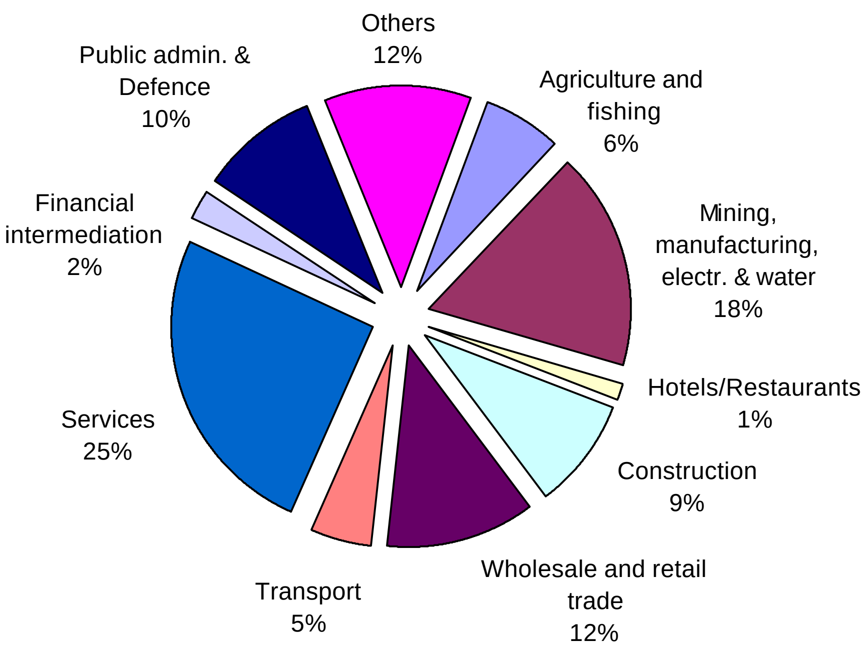
The Palestinian Central Bureau of Statistics (PCBS) has been established recently to statistically cover all aspects of the Palestinian Territory. However, there are many obstacles that prevent proper coverage of statistical programs due to incomplete control of many related aspects by the Palestinians. Tourism is not an exception and, in fact it is the most influenced program as a result of the absence of data from the borders which are totally under the control of Israel. Visitors to the Palestinian Territory normally come first through the Israeli border checkpoints and because there are no borders between Israel and the Palestinian Territory until now, it is not possible to collect data on the number of tourists coming to the Palestinian Territory. In an attempt to obtain some information, PCBS designed a questionnaire to be filled by visitors to the hotels. However, the response was not encouraging. Therefore, only limited data can be collected on arrivals and departures to and from the Palestinian Territory.

Tourism is extremely important to the economic and social development of the Palestinian Territory.

The available data covers only accommodation statistics (hotels and restaurants) and therefore the actual contribution of the whole tourism industry is missing.

The contribution of the hotels and restaurants in the GDP of the Palestinian Territory was 1.0%, 1.8%, 1.6% and 1.4% in the years 1994, 1995, 1996 and 1997 respectively.

Percentage contribution to GDP by Economic Activity – 1997



Source: PCBS.

Employment in the hotel and catering sector (in thousands).

	1994	1995	1996	1997	% 97/95
Total employment	**5.2**	**6.1**	**6.2**	**7.8**	**28.2**
Self employed	3.4	3.0	3.2	4.1	37.8
Employees	1.8	3.1	3.0	3.7	19.1
Total wages (Mio ECU)	**8.5**	**11.6**	**14.4**	**18.3**	**57.8**

Source: PCBS - Services Survey.

Extrapolation based on the creation of total employment in lodging and restaurant services indicates that the tourism employed 7 830 persons in the year 1997 compared to 6 189 person in 1996. During the period 1994 to 1997 the wages have increased, and more than doubled from ECU 8.5 million in 1994 to ECU 18.3 million in 1997.

Number of persons employed by sector of economic activity (in thousands)

	1995	1996	1997	1998	% share 98
Total	**352**	**366**	**396**	**427**	**100.0**
Agriculture and fishing	47	53	54	53	12.5
Mining, manufacturing, electr. & water	67	63	67	73	17.2
Construction	46	40	43	53	12.4
Wholesale and retail trade	66	63	72	77	18.1
Transport	19	20	22	24	5.6
Financial intermediation	3	4	4	4	0.9
Hotel & Catering	**6**	**6**	**8**	**7**	**1.7**
Other Services	59	65	69	73	17.2
Public administration & Defence	32	47	54	59	13.7
Other	7	4	3	3	0.7

Source: PCBS - Labour Force Survey.

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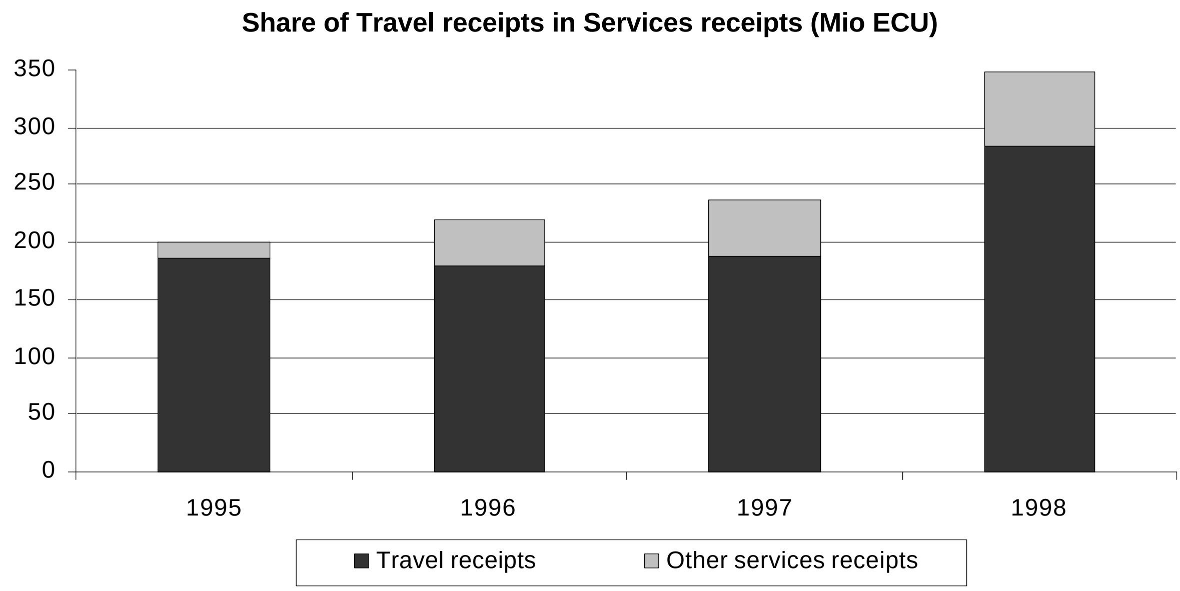
Source PCBS - Labour Force Survey.

In terms of foreign trade international travel receipts account for a very large share of services receipts, representing 92.8% in 1995 and 81.6% in 1998. In terms of current account receipts, travel receipts represented 14.1% in 1995 and 11.9% in 1998.



Source: PCBS.

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Balance of Payments (Mio ECU)

	1995	1996	1997	1998	% 98/95	% 98/97
Travel Item						
Receipts	**185.6**	**179.8**	**187.8**	**283.6**	**52.8**	**51.0**
Expenditures	119.2	131.3	171.4	217.3	82.4	26.8
Net account	66.4	48.5	16.4	66.3	-0.1	304.1
Services Account (including the Travel item)						
Receipts	**199.9**	**219.5**	**236.4**	**347.5**	**73.8**	**47.0**
Expenditures	318.0	368.2	481.4	564.8	77.6	17.3
Net account	-118.1	-148.7	-245.0	-217.3	84.0	-11.3
% Share of travel receipts	**92.8**	**81.9**	**79.5**	**81.6**	**..**	**..**
Current Account						
Receipts	**1312.0**	**1676.2**	**1911.9**	**2374.5**	**81.0**	**24.2**
Expenditures	2247.3	2806.5	3277.3	3480.3	54.9	6.2
Net account	-935.2	-1130.3	-1365.4	-1105.8	18.2	-19.0
% Share of travel receipts	**14.1**	**10.7**	**9.8**	**11.9**	**..**	**..**

Source: PCBS.

The travel item in the balance of payments recorded earnings of ECU 187.8 million during 1997 and ECU 283.6 million in 1998, increasing by over 50%. Moreover, travel expenditure increased from ECU 171.4 million in 1997 to ECU 217.3 million in 1998 (27%), indicating an increase in outbound tourism over the past years. The travel item has enjoyed a surplus since 1995.

Part II: Tourism Supply

Infrastructure and Accommodation Capacity

Providing accommodation to tourists is a major task of the tourism industry, the rise in the number of accommodation establishments and bed-places have kept in pace with growth in the tourism sector in Palestine.

Hotel establishments[1] capacity

	1995	1996	1997	1998	1999	% 99/98
Establishments	**60**	**72**	**85**	**92**	**91**	**-1.1**
Bedrooms	2 601	2 977	3 238	3 569	3 752	5.1
Bed-places	5 833	6 508	7 041	7 730	8 102	4.8

([1]) Includes hotels, inns, motels and hostels

Source: PCBS - Hotel Survey

Number of hotel establishments[1] and bed-places by region

	Number of hotels				Number of bed-places			
	1996	1997	1998	% 98/96	1996	1997	1998	% 98/96
Total	**72**	**85**	**92**	**27.8**	**6 508**	**7 041**	**7 730**	**18.8**
North	3	5	6	100.0	117	140	178	52.1
Middle	10	12	13	30.0	273	404	479	75.9
Jerusalem	39	44	48	23.1	4 475	4 464	4 857	8.5
South	13	16	16	23.1	1 274	1 589	1 653	29.8
Gaza Strip	7	8	9	28.6	370	443	559	51.2

([1]) Includes hotels, inns, motels and hostels

Source: PCBS - Hotel Survey

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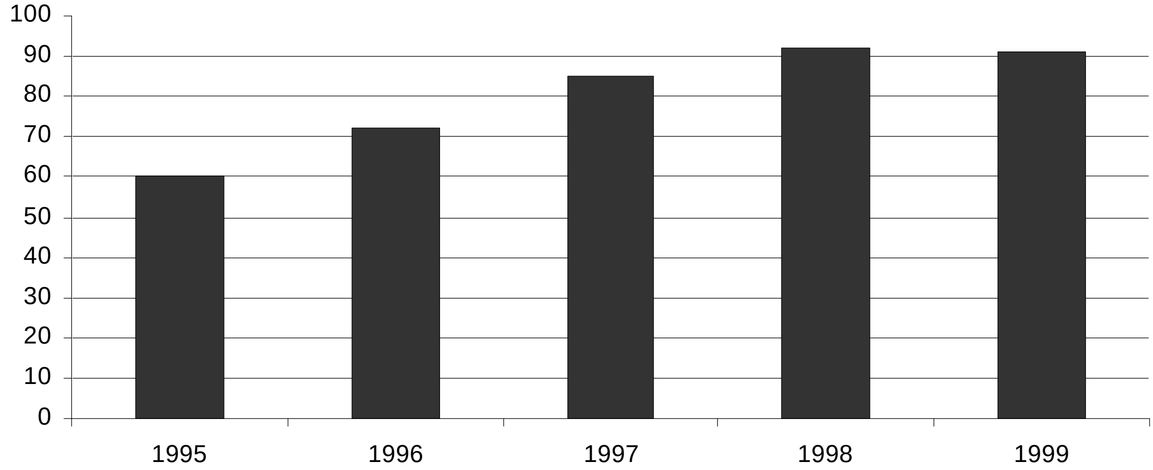
Number of hotel[1] establishments

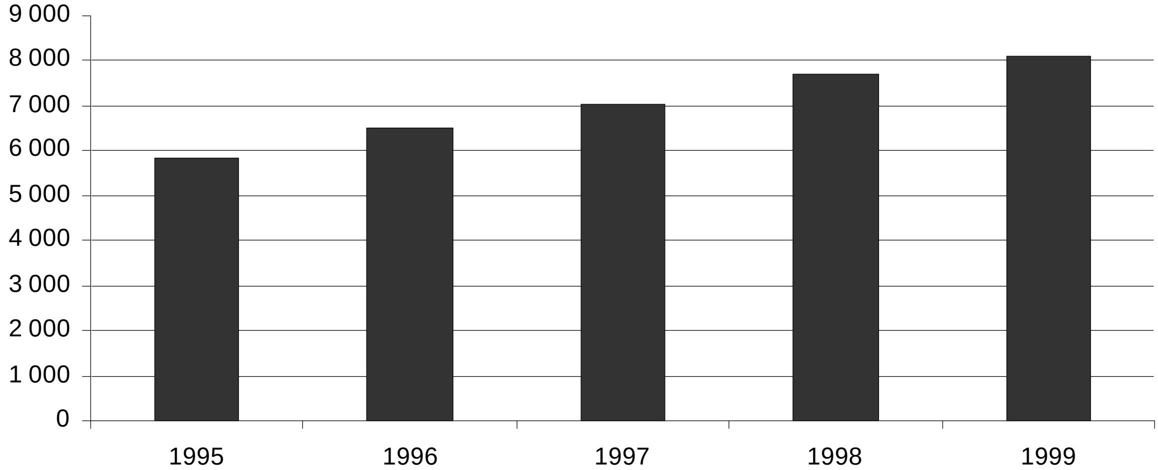


([1]) Includes hotels, inns, motels and hostels

Source: PCBS - Hotel Survey

Accommodation facilities and tourist infrastructure have improved considerably during the last years. The number of hotels increased by an average annual rate of 13%, from 72 in 1996 to 92 in 1998, bed-places also increased from 6 508 in 1996 to 7 730 in 1998.

Number of bed-places in hotels[1]



([1]) Includes hotels, inns, motels and hostels

Source: PCBS - Hotel Survey.

Part III: Tourism Demand

Occupancy of collective tourist accommodation establishments: inbound and domestic tourism

Palestine has hosting places for three monotheistic faiths and has been the destination of pilgrims from all over the world for over thousands years. It is richly endowed with a multitude of religious, historical, archaeological, cultural and natural attractions. Such factors make Palestine an important tourist target.

The table below concerns guest flows in hotels and relate to inbound and domestic tourism.

Nights spent in hotels by residents and non-residents[1] by region

Region		1996	1997	1998	% 98/96
Total	**Total**	**736 428**	**639 344**	**601 085**	**-18.4**
	Residents	28 195	27 375	36 342	28.9
	Non-residents	708 233	611 969	564 743	-20.3
North	**Total**	**8 534**	**8 372**	**13 277**	**55.6**
	Residents	2 906	2 723	5 563	91.4
	Non-residents	5 628	5 649	7 714	37.1
Middle	**Total**	**21 216**	**27 596**	**37 011**	**74.4**
	Residents	11 520	13 953	18 422	59.9
	Non-residents	9 696	13 643	18 589	91.7
Jerusalem	**Total**	**576 099**	**440 841**	**410 864**	**-28.7**
	Residents	168	11	93	-44.6
	Non-residents	575 931	440 830	410 771	-28.7
South	**Total**	**108 061**	**140 631**	**112 437**	**4.0**
	Residents	4 855	4 842	3 649	-24.8
	Non-residents	103 206	135 789	108 788	5.4
Gaza Strip	**Total**	**22 518**	**21 904**	**27 496**	**22.1**
	Residents	8 746	5 846	8 615	-1.5
	Non-residents	13 772	16 058	18 881	37.1

([1]) Non residents refers to nationality of the guest, not place of residence.

Source: PCBS - Hotel Survey.

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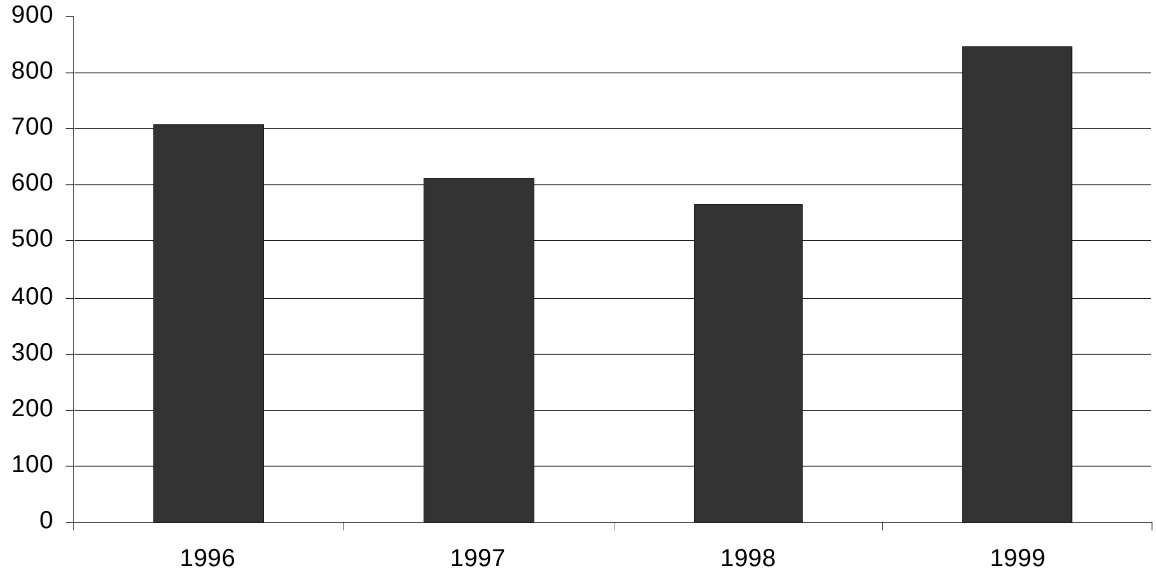
Nights spent in hotels by non-residents[1] (in thousands)

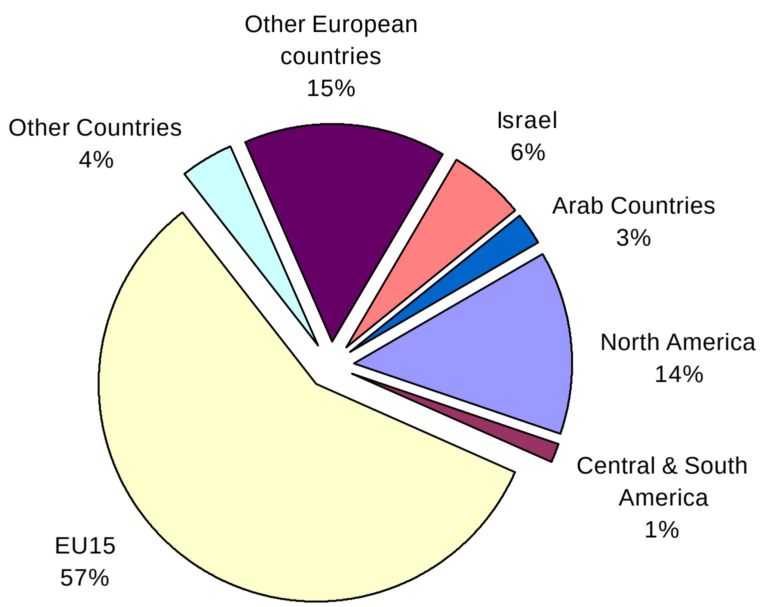


([1]) *Non residents refers to nationality of the guest, not place of residence.*

Source: PCBS - Hotel Survey.

The total number of guest nights during 1998 decreased by 18% compared to 1996, and by 6% compared to 1997, indicating a decrease in inbound tourism in general. In 1998 non-resident nights decreased by 7.7% compared to 1997 and by 20.3% compared to 1996. This may be attributed to obstacles in the peace process in the Middle East. Regarding Palestinian people, the number of nights spent by residents has risen from 28 195 in 1996 to 36 342 nights in 1998, increasing 29%.

% Share of nights spent by non-residents[1] in hotels by nationality – 1999



([1]) *Non residents refers to nationality of the guest, not place of residence.*

Source: PCBS - Hotel survey.

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Nights spent by non-residents[1] in hotels by nationality

	1996 [2]	1997	1998	1999	% 99/98
Total	**708 233**	**611 969**	**564 743**	**848 056**	**50.2**
Europe	478 827	435 458	391 422	616 384	57.5
EU15	411 000	356 062	310 007	489 591	57.9
Other Europe countries	67 827	79 396	81 415	126 793	55.7
Africa	:	2 645	1 597	4 147	159.7
North America	116 031	111 441	100 845	116 326	15.4
South and Central America	:	12 020	8 900	11 075	24.4
Asia	:	12 706	11 071	24 849	124.5
Arab countries	14 934	14 901	19 859	21 521	8.4
Israel	19 826	20 441	29 808	49 016	64.4
Australia, Oceania and Other Territories	:	2 357	1 241	4 738	281.8
% Share of total					
Europe	**67.6**	**71.2**	**69.3**	**72.7**	**. .**
EU15	**58.0**	**58.2**	**54.9**	**57.7**	**. .**
Other European countries	9.6	13.0	14.4	15.0	. .
Africa	. .	0.4	0.3	0.5	. .
North America	16.4	18.2	17.9	13.7	. .
South and Central America	2.0	1.6	1.3	..	. .
Asia	. .	2.1	2.0	2.9	. .
Arab countries	2.1	2.4	3.5	2.5	. .
Israel	2.8	3.3	5.3	5.8	. .
Australia, Oceania and Other Territories	. .	0.4	0.2	0.6	. .

([1]) Non residents refers to nationality of the guest, not place of residence

([2]) 1996 figure is based on findings of the 4th Quarter, Oct.-Dec. 1996

Source: PCBS - Hotel survey.

Nights spent by non residents in hotels decreased during the years 1996 - 1998 from 708 233 nights in 1996 to 564 743 nights in 1998, but picked up well in 1999 amounting to 848 056 nights, increasing by 20% compared to 1996. Nights spent by non-residents increased by 50.2% in 1999 compared to the previous year and by 38.6% compared to 1997.

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In 1999 nights spent by EU15 tourists increased by 57.9% compared to 1998 and by 37.5% compared to 1997. Nights spent by North American guests grew by 15.4% in 1999 compared to the previous year.

Most tourists to Palestine come from the European Union, who formed 58.2% in 1997 of nights spent by foreign tourists, but this percentage decreased to 54.8% in 1998.

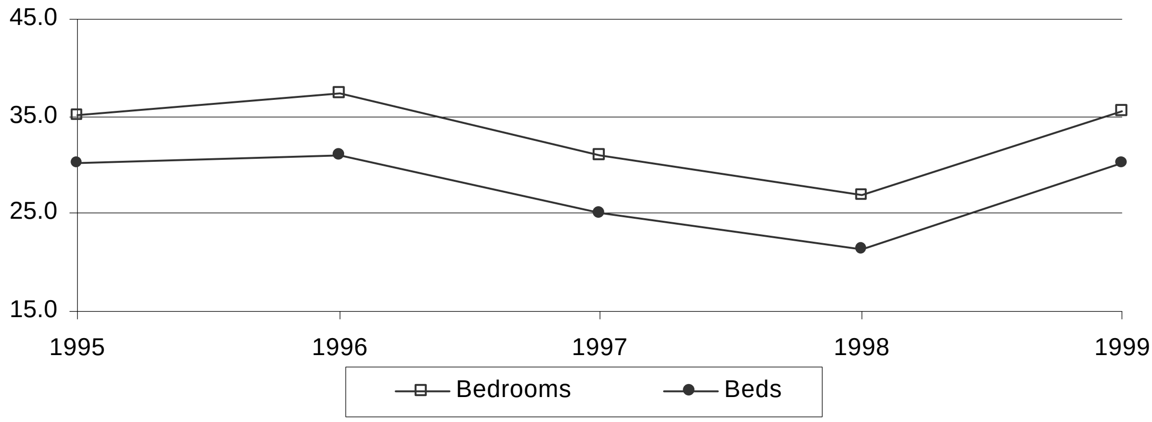
Tourists from the United States and Canada formed 18.2% in 1997 of total non-resident nights, which also decreased in 1998 to become 17.9%.

Net occupancy rates in hotels and similar establishments (%)

	1995	1996	1997	1998	1999
Bedrooms	**35.2**	**37.5**	**31.0**	**26.9**	**35.5**
Beds	30.3	31.0	25.0	21.3	30.3

Source: PCBS - Hotel survey.

Net occupancy rates in hotels and similar establishments (%)



Source: PCBS - Hotel survey.

SYRIA

Part I: General situation and main indicators

Development and Impact of Tourism

The contribution of tourism to the Syrian economy has been growing over the past decade. Because of data availability, tourism receipts will be used instead of the share of tourism in GDP. The graph below shows the trend in GDP and tourism receipts for the period 1985 -1998. It shows that the contribution of tourism in the creation of national revenue grew substantially between 1990 and 1995, and in 1998 represented 6.7% of Gross Domestic Product. In addition, tourism has been an important employment generator, employing 35 800 wage and salary earners directly in 1998, and far more in view of links to other sectors.

GDP and Balance of Payments (Mio ECU)

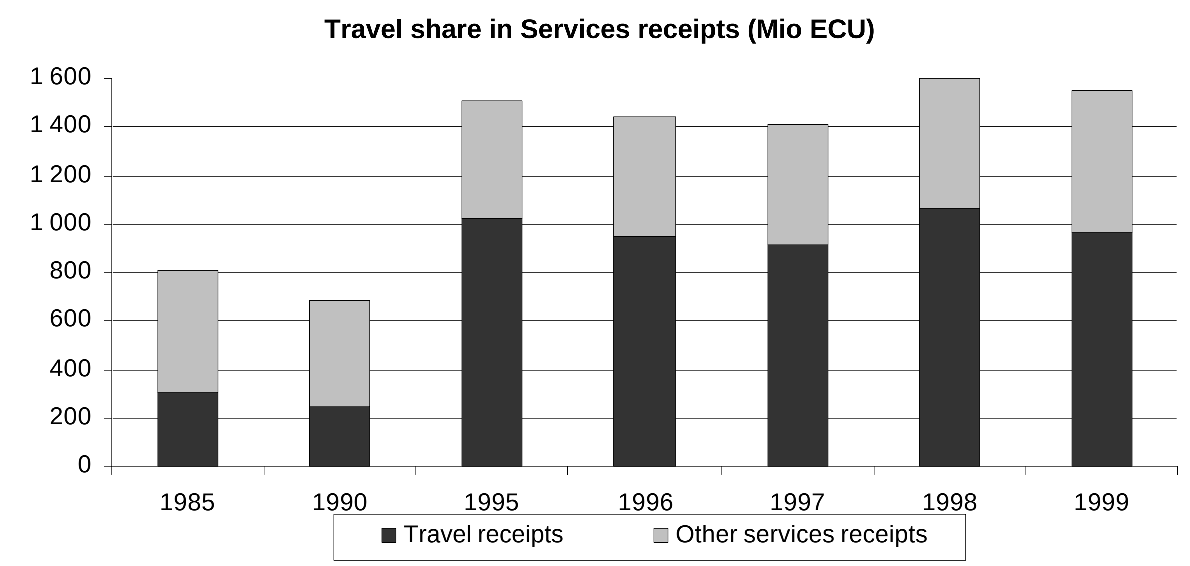
	1985	1990	1995	1996	1997	1998
GDP	**27 752**	**18 763**	**12 690**	**13 845**	**14 640**	**14 456**
Travel Receipts	305	251	1 023	950	913	1 061
% Share of travel receipts in relation to GDP	**1.1**	**1.3**	**8.1**	**6.9**	**6.2**	**7.3**

Source: Central Bureau of Statistics (CBS).

Employment in the lodging and catering sector

	1995	1996	1997	1998	%96/95	%98/97
Wage and salary earners	**33 400**	**34 800**	**35 000**	**35 800**	**4.2**	**2.3**

Source: CBS.



Source: CBS.

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Balance of Payments (Mio ECU)

	1985	1990	1995	1996	1997	1998	1999
Travel Item							
Receipts	**305**	**251**	**1 023**	**950**	**913**	**1 061**	**967**
Expenditures	259	196	381	404	481	517	592
Net account	46	56	642	546	432	544	375
Services Account (including travel item)							
Receipts	**806**	**686**	**1 513**	**1 444**	**1 414**	**1 601**	**1 549**
Expenditures	1 310	700	1 175	1 225	1 313	1 321	1 513
Net account	-505	-14	338	219	101	280	37
% Share of travel receipts	**37.9**	**36.6**	**67.6**	**65.8**	**64.5**	**66.3**	**62.4**
Current Account							
Receipts	**4 829**	**4 359**	**5 268**	**5 745**	**5 808**	**5 213**	**5 479**
Expenditures	5 956	2 975	4 988	5 521	5 310	5 160	5 726
Net account	-1 127	1 384	281	224	497	53	-248
% Share of travel receipts	**6.3**	**5.8**	**19.4**	**16.5**	**15.7**	**20.4**	**17.7**

Source: CBS.

The share of international travel receipts in relation to total services receipts has been growing over the past decade, from roughly 37% in 1990 to 62% in 1999. In 1995, it represented nearly 68% of total services receipts. Likewise, the share of travel receipts in total current account receipts has increased from approximately 6% in 1990 to 18% in 1999. In 1998, travel receipts represented 20% of total current account earnings.

In 1999, Syria welcomed 2.7 million visitors resulting in foreign exchange receipts of over ECU 976 million.

Part II Tourism Supply

Infrastructure and Accommodation Capacity

Over the 90's the number of hotels and similar establishments has fluctuated slightly, amounting to 450 in 1990, 454 in 1995, and rising to 474 in 1999. Compared to 1995, the number of establishments increased by 4.4% in 1999; 5 star hotels increased by 18.2% and 3 star hotels by 27.8%.

Number of hotels and similar establishments by quality category

								% change	
	1985	1990	1995	1996	1997	1998	1999	95/90	99/95
Total	**462**	**450**	**454**	**437**	**446**	**438**	**474**	**0.9**	**4.4**
Classified hotels	**389**	**390**	**405**	**380**	**383**	**381**	**391**	**3.8**	**-3.5**
5 star	5	11	11	11	13	13	13	0.0	18.2
4 star	10	21	33	27	25	28	26	57.1	-21.2
3 star	28	32	36	40	45	46	46	12.5	27.8
2 star	67	84	89	88	89	90	91	6.0	2.2
1 star	279	242	236	214	211	204	215	-2.5	-8.9
Unclassified hotels	**73**	**60**	**49**	**57**	**63**	**57**	**83**	**-18.3**	**69.4**

Source: CBS.

Classified hotels account for well over 80% of the total supply of hotels and similar establishments. Over the reference period, classified hotels lowest share was in 1999 (82.5%) and its highest in 1995 (89.2%). For classified hotels, there has been a progressive trend towards improving quality. The share of 1 star hotels which represented nearly 72% of all classified hotel establishments in 1985, represented only 55% in 1999.

% share of hotels and similar establishments by quality category

	1985	1990	1995	1996	1997	1998	1999
Classified hotels	**84.2**	**86.7**	**89.2**	**87.0**	**85.9**	**87.0**	**82.5**
Thereof:							
5 star	1.3	2.8	2.7	2.9	3.4	3.4	3.3
4 star	2.6	5.4	8.1	7.1	6.5	7.3	6.6
3 star	7.2	8.2	8.9	10.5	11.7	12.1	11.8
2 star	17.2	21.5	22.0	23.2	23.2	23.6	23.3
1 star	71.7	62.1	58.3	56.3	55.1	53.5	55.0
Unclassified hotels	**15.8**	**13.3**	**10.8**	**13.0**	**14.1**	**13.0**	**17.5**

Source: CBS.

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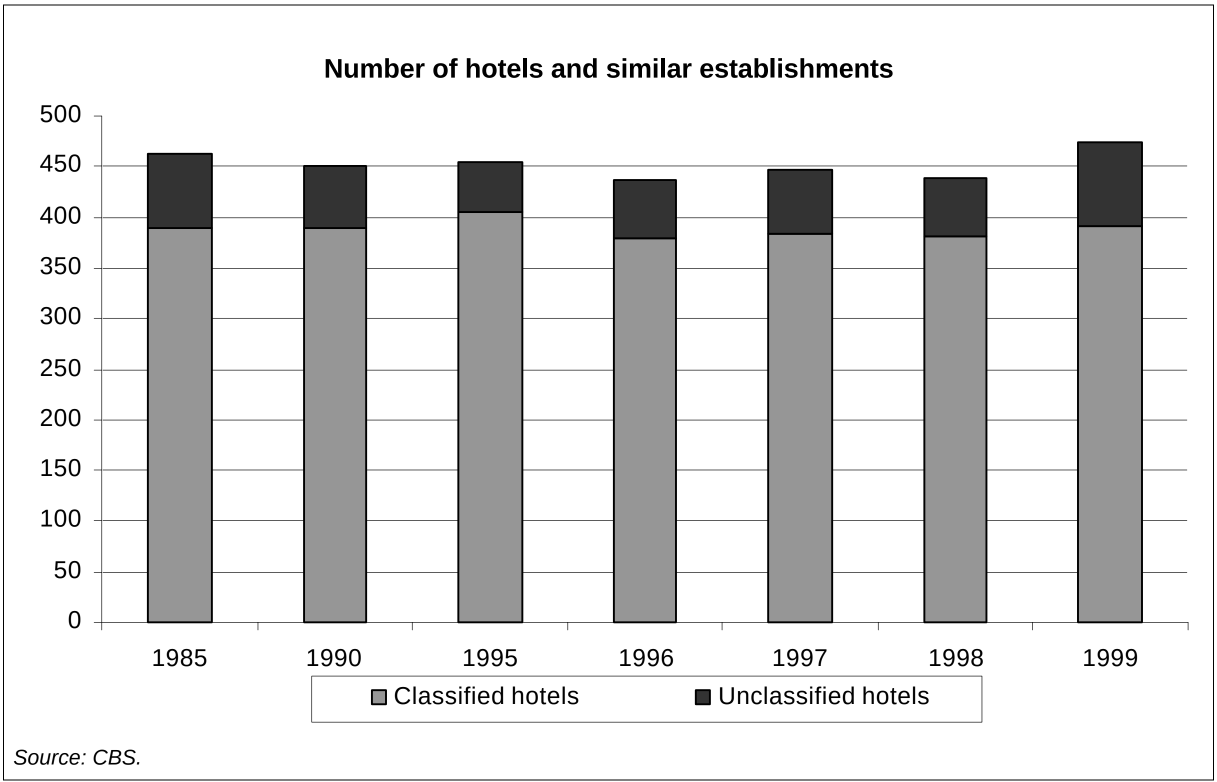
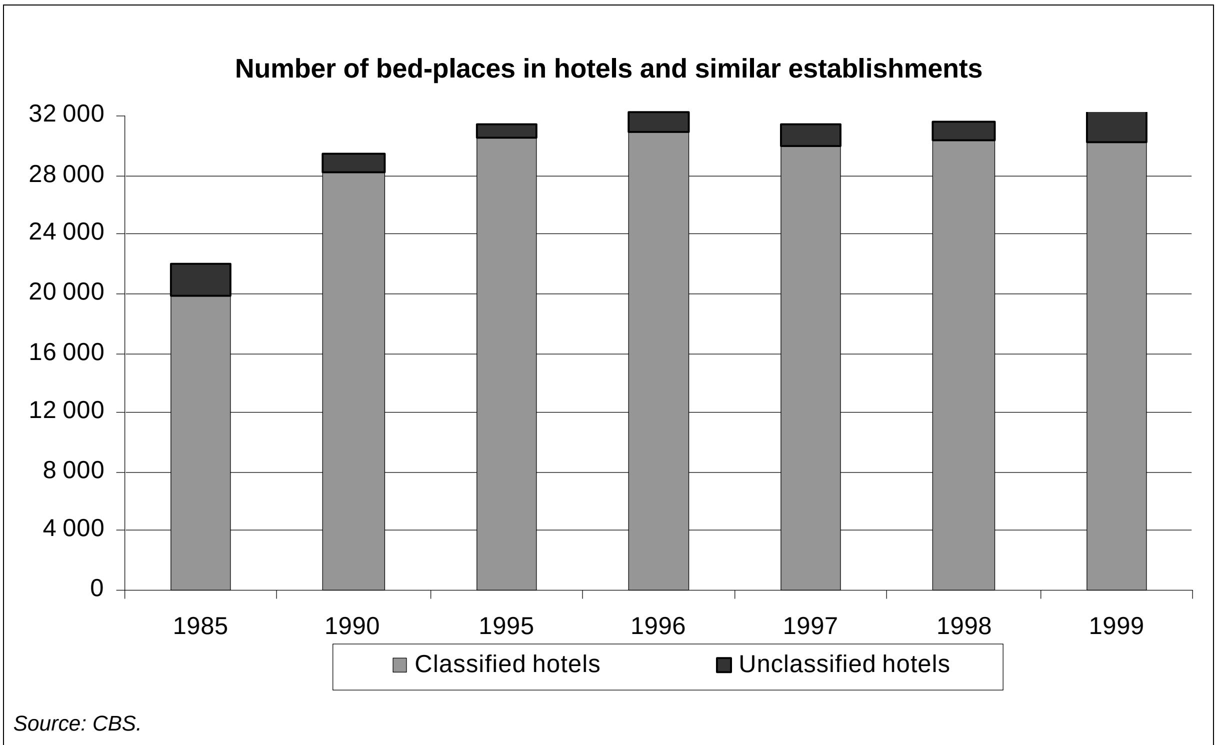


In terms bed-places though, classified hotels account for an average over 90% total capacity.



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Number of bed-places in hotels and similar establishments

	1985	1990	1995	1996	1997	1998	1999	% change 95/90	99/95
Total	**21 985**	**29 396**	**31 449**	**32 244**	**31 412**	**31 528**	**33 412**	**7.0**	**6.2**
Classified hotels	**19 914**	**28 272**	**30 522**	**30 900**	**29 970**	**30 390**	**30 214**	**8.0**	**-1.0**
5 star	2 678	8 421	7 934	7 862	7 974	8 748	8 535	-5.8	7.6
4 star	1 490	3 400	5 405	4 730	4 600	4 335	4 141	59.0	-23.4
3 star	2 981	3 164	3 474	4 184	4 438	4 571	4 541	9.8	30.7
2 star	3 888	4 512	4 826	5 766	4 842	4 903	4 946	7.0	2.5
1 star	8 877	8 775	8 883	8 358	8 116	7 833	8 051	1.2	-9.4
Unclassified hotels	**2 071**	**1 124**	**927**	**1 344**	**1 442**	**1 138**	**3 198**	**-17.5**	**245.0**

Source: CBS.

The number of bed-places in hotels and similar establishments has followed similar minor fluctuations over the '90s, but has shown a general trend to increase. In 1995 there were 31 449 bed-places compared to 29 396 bed-places in 1990 (+7%), and by 1999 there were 33 412 bed-places. Compared to 1995, the number of establishments increased by 6.2% in 1999; 5 star hotels increased by 7.6% and 3 star hotels by 30.7%.

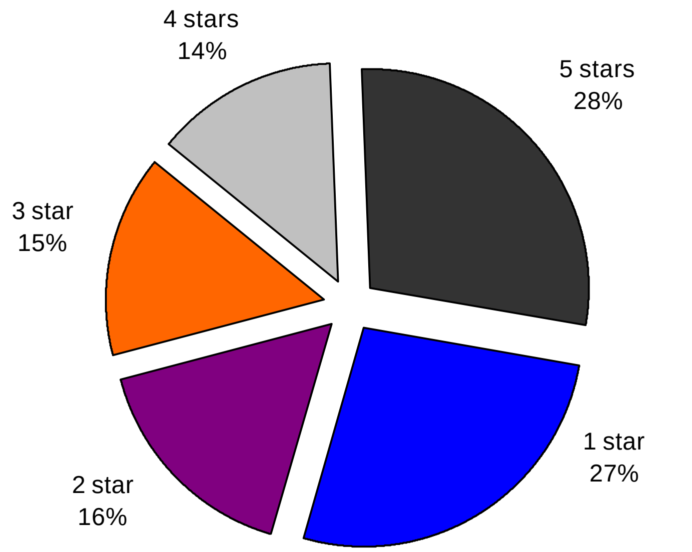
As already indicated, for classified hotels there has been a progressive trend towards improving quality of supply. The share of bed-places in 1 star hotels, which represented nearly 45% of bed-places in all classified hotel establishments in 1985, represented only 27% in 1999. 5 star hotels which represented only 13% in 1985, represented 28% in 1999. Likewise, bed-places in 4 star hotels increased their share from nearly 8% in 1985 to 14% in 1999.

% Share of bed-places in hotels and similar establishments by quality category

	1985	1990	1995	1996	1997	1998	1999
Classified hotels	**90.6**	**96.2**	**97.1**	**95.8**	**95.4**	**96.4**	**90.4**
Thereof:							
5 star	13.4	29.8	26.0	25.4	26.6	28.8	28.2
4 star	7.5	12.0	17.7	15.3	15.3	14.3	13.7
3 star	15.0	11.2	11.4	13.5	14.8	15.0	15.0
2 star	19.5	16.0	15.8	18.7	16.2	16.1	16.4
1 star	44.6	31.0	29.1	27.0	27.1	25.8	26.6
Unclassified hotels	**9.4**	**3.8**	**2.9**	**4.2**	**4.6**	**3.6**	**9.6**

Source: CBS.

Classified hotels: share of bed-places per category - 1999



Source: CBS.

The southern region has the highest number of establishments and bed-places capacity in 1999, offering 41% of total establishments and 44% of bed-places. The centre region was the second region with the highest accommodation capacity offering 24% of the total number of bed places, and 16% of total establishments.

Number of hotels and similar establishments and capacity by region

	1997		1998		1999		% share 1999	
	Est.	Bed places	Est.	Bed places	Est.	Bed places	Est.	Bed places
Total	**446**	**31 412**	**438**	**31 528**	**474**	**33 412**	**100.0**	**100.0**
South	198	14 897	196	15 019	195	14 806	41.1	44.3
Centre	85	8 009	78	7 784	78	8 020	16.5	24.0
Coast	48	2 858	47	2 812	84	4 751	17.7	14.2
North	89	4 316	90	4 481	90	4 463	19.0	13.4
East	26	1 332	27	1 432	27	1 372	5.7	4.1

Source: CBS.

Part III: Tourism Demand

Occupancy of collective tourist accommodation establishments: inbound and domestic tourism

Total nights spent in hotels and similar establishments amounted to 3.6 million in 1990, but in 1995 had fallen to 3.2 million, only to fall further in 1996 and 1997. By 1998 and 1999 the number of total nights spent in hotels and similar establishments had picked up again, but remained below the 1995 figure, and amounted to 2.9 million. Compared to 1995 the number of nights spent in 1999 dropped by 5%. Compared to 1998, the figure remained stable, increasing only marginally by 0.6%.

Nights spent in hotels and similar establishments (in thousands)

	1990	1995	1996	1997	1998	1999	% change 99/95
Total	**3 689**	**3 160**	**3 098**	**2 962**	**2 962**	**2 978**	**-5.3**
Residents	1 983	1 337	1 247	1 124	1 158	1 133	-15.3
Non residents	1 706	1 823	1 851	1 837	1 804	1 845	1.2
% share of non residents	**46.2**	**57.7**	**59.7**	**62.0**	**60.9**	**62.0**	**. .**

Source: CBS.

Source: CBS

This downward trend can mainly be attributed to decreases in the number of nights spent by residents, which fell by 32.6% in 1995 compared to 1990 and by 15.3% in 1999 compared to 1995. In 1999, resident nights amounted to 1.1 million, decreasing by 2.1% compared to 1998.

SYRIA

The number of nights spent by non-residents in hotels and similar establishments tourist accommodation over the past decade increased from 1.7 million in 1990 to 1.8 million in 1999 (+8.2%). Compared to 1995 nights spent by non-residents in 1999 increased by only 1.2%. In 1999 nights spent by non-residents accounted for 62% of total nights spent in hotels and similar establishments, compared to 46% in 1990.

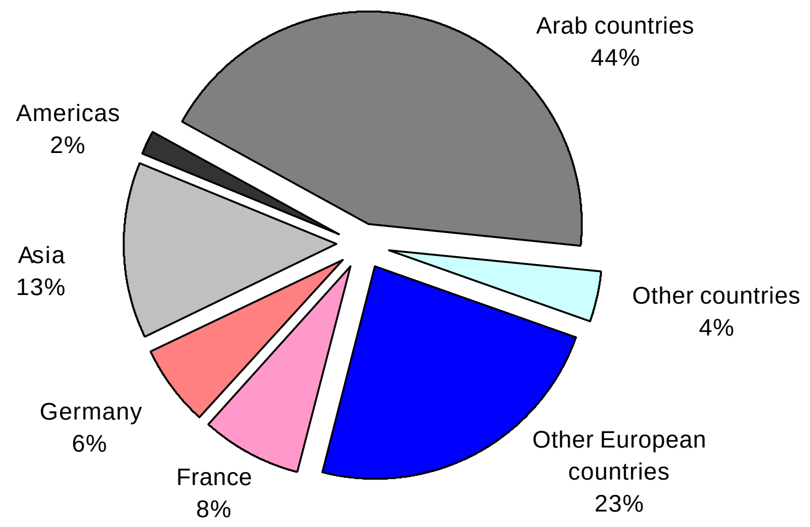
% Share of nights spent by non-residents by main generating zones

	1985	1990	1995	1996	1997	1998	1999
Arab countries	**39.1**	**36.6**	**42.9**	**41.7**	**41.3**	**44.7**	**43.6**
Asia	**41.4**	**44.6**	**12.8**	**15.9**	**18.7**	**14.6**	**13.3**
Europe	**11.9**	**16.2**	**38.4**	**36.6**	**34.5**	**34.8**	**37.2**
Thereof:							
France	16.3	11.1	15.5	15.4	16.5	19.1	20.7
Germany	19.5	12.5	12.7	13.6	13.1	14.3	16.5
Other European countries	64.2	76.3	71.8	71.0	70.5	66.6	62.8
Other countries	**7.6**	**2.6**	**5.9**	**5.9**	**5.5**	**5.8**	**5.8**

Source: CBS.

The share of nights spent by European tourists has increased since the beginning of the '90s, from 16% in 1990 to 37% in 1999. Tourists from Arab countries still represent the largest share, with 44% in 1999, compared to 39% in 1990.

% Share of non-resident nights by nationality - 1999



Source: CBS

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Nights spent by non-residents by nationality (in thousands)

	1985	1990	1995	1996	1997	1998	1999	% 99/98
Total	**1 895**	**1 706**	**1 823**	**1 851**	**1 837**	**1 804**	**1 845**	**2.3**
Europe	**225**	**276**	**700**	**677**	**634**	**628**	**687**	**9.4**
Belgium	1	4	15	12	17	18	21	16.6
Denmark	1	2	4	4	4	6	6	11.4
Germany	44	35	89	92	83	90	114	26.8
Greece	4	4	5	5	7	4	9	127.4
Spain	4	9	17	17	23	29	31	4.6
France	37	31	108	104	104	120	142	18.4
Italy	17	22	58	57	63	68	86	26.6
Netherlands	2	9	34	28	26	26	26	-0.6
Austria	10	11	18	15	15	12	16	32.2
Sweden	3	3	6	7	4	5	7	51.4
United Kingdom	20	10	33	47	34	38	33	-12.4
Norway	1	3	3	3	3	4	5	30.5
Switzerland	1	5	10	10	15	15	17	15.5
Poland	5	25	4	6	4	4	4	-16.8
Hungary	4	10	4	1	5	3	3	4.4
Czech Republic[1]	5	2	4	3	3	4	3	-24.7
Turkey	36	14	19	17	17	14	15	7.6
Other European countries	32	79	267	249	206	169	150	-11.3
Americas	**24**	**22**	**36**	**35**	**37**	**36**	**39**	**9.2**
North America	20	18	32	33	33	32	35	8.8
Arab countries	**741**	**625**	**782**	**772**	**758**	**807**	**805**	**-0.3**
Asia	**785**	**761**	**233**	**294**	**343**	**264**	**246**	**-6.9**
Japan	12	11	24	26	30	26	29	11.7
Australia	**2**	**-**	**7**	**7**	**11**	**11**	**12**	**11.3**
Not specified	119	22	65	66	54	59	56	-3.6

([1]) Including Slovakia.

Source: CBS.

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Tourism demand: Inbound and National Tourism

Arrivals of visitors at the borders[1] (in thousands)

	1985	1990	1995	1996	1997	1998	1999	% 99/98
Total	**985.5**	**1442.4**	**2252.8**	**2435.4**	**2331.6**	**2463.7**	**2681.5**	**8.8**
Europe	**187.1**	**231.5**	**339.4**	**332.0**	**342.8**	**342.6**	**369.5**	**7.8**
Belgium	1.5	1.6	3.3	2.7	3.7	4.6	5.5	20.2
Denmark	0.9	2.3	1.7	1.6	1.9	2.1	2.9	34.0
Germany	8.8	10.2	24.3	25.4	26.9	26.9	31.3	16.1
Greece	3.0	1.9	3.0	2.1	2.5	2.2	3.1	37.6
Spain	1.4	2.3	4.5	4.0	5.6	6.5	7.7	17.9
France	6.4	6.4	22.5	21.5	25.9	31.3	35.2	12.3
Italy	3.7	5.4	11.3	10.8	11.0	14.4	18.7	30.3
Netherlands	1.4	2.9	6.6	6.0	6.8	6.8	7.7	13.1
Austria	2.5	3.9	4.4	3.6	3.7	3.4	4.8	42.7
Sweden	1.7	3.1	4.2	4.7	5.0	5.6	7.4	32.8
United Kingdom	5.3	3.4	9.9	13.4	13.8	15.0	14.8	-1.6
Norway	0.5	0.9	1.3	0.8	1.2	1.2	1.9	54.9
Switzerland	1.6	1.8	2.6	2.4	3.6	3.4	3.6	5.7
Poland	2.0	6.3	1.4	0.7	1.4	1.5	2.1	34.1
Hungary	2.0	3.1	2.6	2.2	2.4	2.4	2.4	1.8
Czech Republic [2]	2.4	2.2	2.5	2.5	2.8	2.6	2.3	-10.1
Turkey	123.2	142.1	162.1	156.5	156.9	169.9	186.8	9.9
Other European countries	18.8	31.8	71.3	71.1	67.7	42.8	31.5	-26.3
Americas	**13.0**	**14.0**	**19.2**	**21.4**	**26.3**	**27.8**	**30.6**	**10.2**
North America	8.4	9.2	15.0	18.4	21.9	24.0	26.8	11.8
Arab countries	**611.9**	**974.5**	**1634.2**	**1817.6**	**1772.9**	**1870.6**	**1993.8**	**6.6**
Asia	**141.6**	**204.6**	**220.4**	**207.4**	**151.8**	**180.1**	**233.5**	**29.6**
Japan	1.9	2.4	4.5	5.0	7.7	5.6	7.3	30.8
Australia	**2.6**	**3.6**	**4.5**	**4.9**	**6.1**	**6.4**	**9.6**	**50.3**
Not specified	29.3	14.2	35.0	52.1	31.8	36.3	44.7	23.1

([1]) Excluding Syrians.

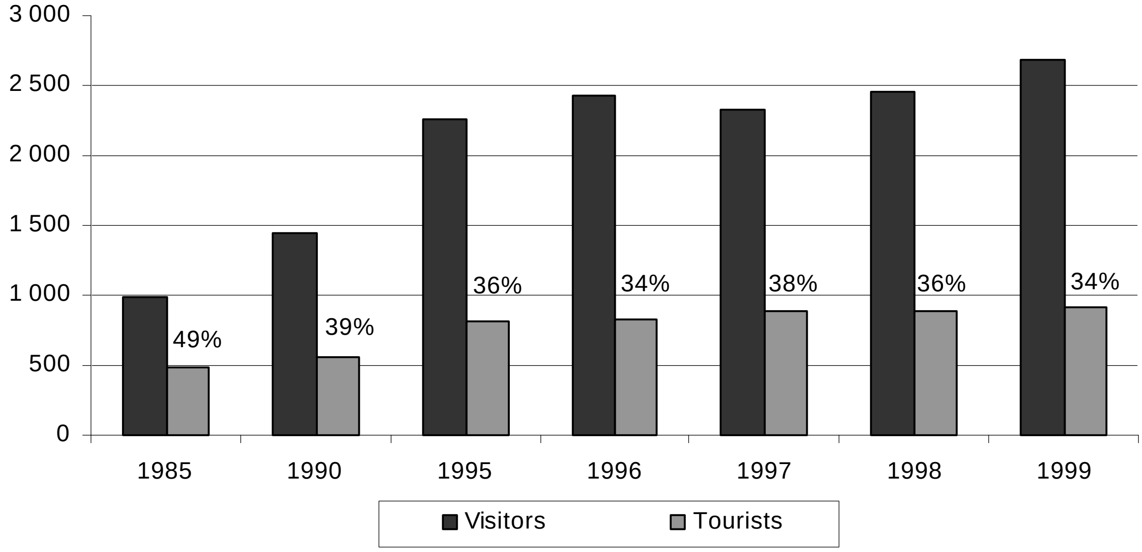
([2]) Including Slovakia

Source: CBS.

SYRIA

Total arrivals of visitors significantly increased over the period 1985 to 1999. In 1985 there were 985.5 thousand visitor arrivals at the borders, of which 486.6 thousand were tourists (overnight visitors). By 1990, there were 1.4 million visitors of which 561.8 thousand were tourists. During the first half of the '90s the number of visitor arrivals continued to grow and peaked in 1996 at 2.4 million. In 1997 the number dropped to 2.3 million (-4%), but remained higher than the figure for 1995. Despite the drop in numbers in total visitor arrivals in 1997, tourist arrivals that year had increased by 7% compared to 1996. In 1998 compared to the previous record year of 1996, arrivals of visitors increased by 1.2% and tourist arrivals by 7.2%. In 1999, Syria witnessed another record year with visitor arrivals amounting to nearly 2.7 million and tourist arrivals to 916.2 thousand increasing respectively by 9% and 3%.

Arrivals at the borders (in thousands) and % share of tourists



Source: CBS.

The majority of visitors come from Arab countries: 74% in 1999 compared to 62% in 1985. In 1999, arrivals of visitors from Europe accounted for 14% of the total, compared to 19% in 1985. Arrivals from Asian countries accounted for 9% in 1999 compared to 14% in 1985.

% Share of arrivals of visitors by main generating zones

	1985	1990	1995	1996	1997	1998	1999
Arab countries	**62.1**	**67.6**	**72.5**	**74.6**	**76.0**	**75.9**	**74.4**
Asia	14.4	14.2	9.8	8.5	6.5	7.3	8.7
Europe	**19.0**	**16.1**	**15.1**	**13.6**	**14.7**	**13.9**	**13.8**
Other countries	4.6	2.2	2.6	3.2	2.8	2.9	3.2

Source: CBS.

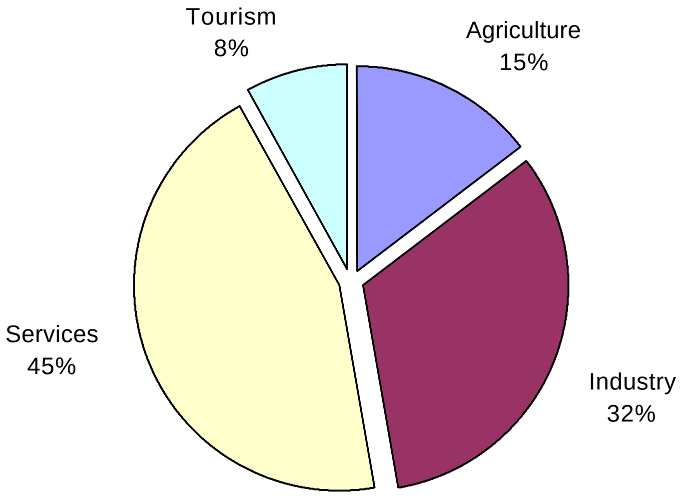
TUNISIA

Part I: General situation and main indicators

Development and Impact of Tourism

Tourism plays an important part in the Tunisian economy and it has been steadily increasing, especially these past 12 years, in which its growth rate has been sustained, both regarding investments and performances. Tourism represents 8% of the GDP. The number of bed-places available has increased from 4 000 in 1962 to 191 955 in 1999 distributed among 722 accommodation establishments, which have hosted over 6 million guests in 1999. Tourist receipts amounted to ECU 1 682 million in 1999. Nearly 10% of employment is directly or indirectly linked to tourism, which represents the second exporting sector after textile. Resulting effects of tourism can be observed in transport (air, land and sea), in arts and crafts, agriculture, industry, infrastructure, culture and environment. Results related to tourism were exceptional in 1999. The all time high results obtained concerning international arrivals (nearly 5 million foreign tourists), the number of nights spent (35 million) and international tourism receipts (14% increase with respect to 1998) are tangible proof.

GDP: Tourism and other economic sectors (% share) – 1999

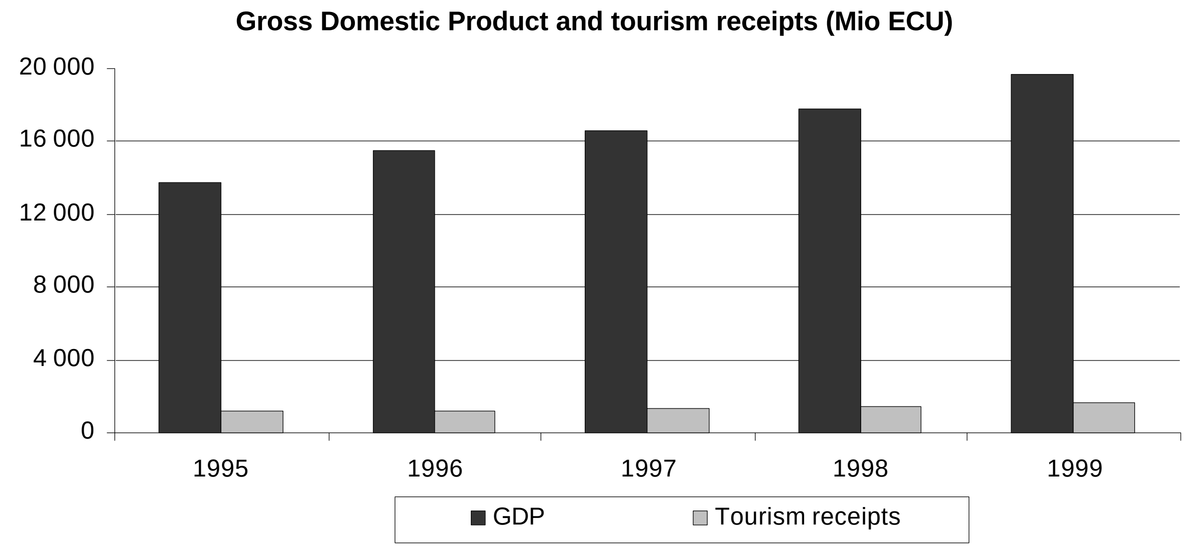


Source: National Statistical Institute (NSI).

Gross Domestic Product and tourism receipts (Mio ECU)

	1995	1996	1997	1998	1999	% Change 99/98
GDP	**13 722.6**	**15 480.1**	**16 603.9**	**17 846.9**	**19 663.6**	**10.2**
Tourism Receipts	1 164.8	1 255.0	1 355.2	1 476.9	1 682.3	13.9

Source: NSI.



Source: NSI.

Apart from direct employment, tourism generates indirect employment, which is not registered. But according to certain ratios established by the World Bank, each direct job will result in the creation of 3.5 indirect jobs. Considering that the Tunisian family is made up on average of 5 people, it could be said that over 1.5 million persons live from tourism related activities.

Employment generated by the tourism industry

	1990	1994	1996	1997	1998	1999
Total employment	**162 614**	**260 000**	**278 000**	**316 260**	**331 306**	**345 512**
Direct employment	46 614	60 000	68 000	71 260	73 846	76 782
Indirect employment	116 000	200 000	210 000	245 000	257 460	268 730

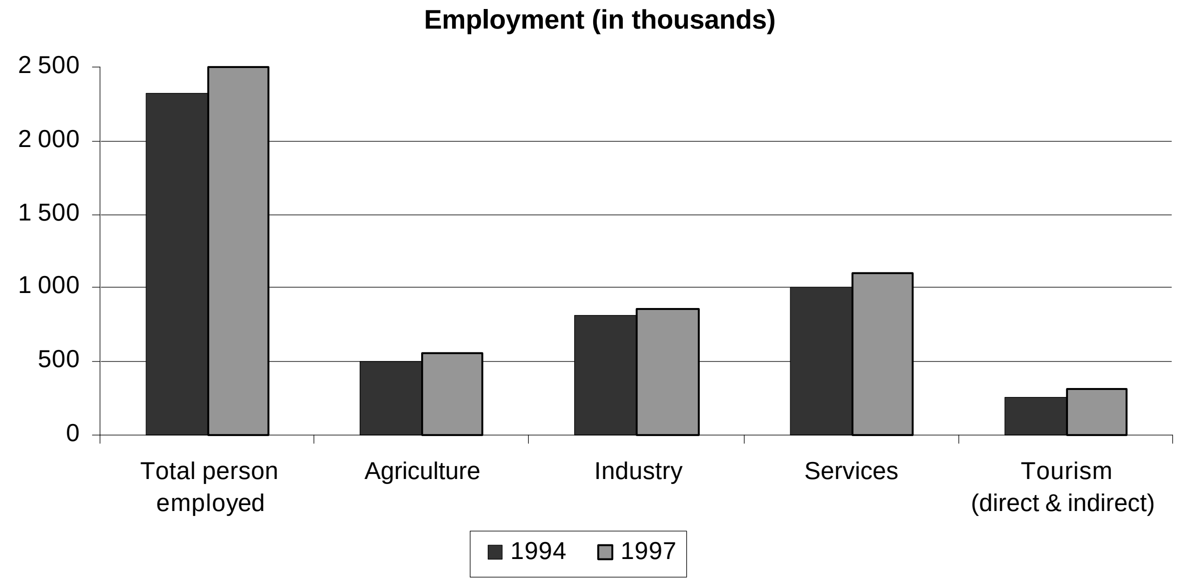
Source: Tunisian Tourism National Office (ONTT).

Overall situation of employment (in thousands)

	1994	1997	%Change 94/97
Occupied population	**2 320.6**	**2 503.6**	**7.9**
Agriculture	508.2	550.8	8.4
Industry	809.9	853.7	5.4
Services	1 002.4	1 099.0	9.6
Tourism (direct & indirect)	**260.0**	**316.3**	**21.6**

Source: NSI and ONTT.

TUNISIA



Source: NSI and ONTT

Balance of Payments (Mio ECU)

	1990	1995	1996	1997	1998	1999	% 99/98
	Travel Item						
Receipts	**1 192.7**	**1 164.8**	**1 255.0**	**1 355.2**	**1 476.9**	**1 682.3**	**13.9**
Expenditures	181.0	191.0	198.0	205.8	209.1	226.3	8.2
Net account	1 011.6	973.8	1 056.9	1 149.4	1 267.7	1 456.0	14.9
	Services Account (including travel item)						
Receipts	**1 910.0**	**1 910.3**	**2 079.9**	**2 296.7**	**2 456.5**	**2 756.6**	**12.2**
Expenditures	1 152.3	1 040.5	995.1	1 037.5	1 119.0	1 178.5	5.3
Net account	757.7	869.8	1 084.8	1 259.2	1 337.5	1 578.0	18.0
% share of travel	**62.4**	**61.0**	**60.3**	**59.0**	**60.1**	**61.0**	**..**
	Current Account						
Receipts	**6 478.4**	**6 757.6**	**7 169.2**	**7 970.4**	**8 396.4**	**9 204.1**	**9.6**
Expenditures	7 028.9	7 389.2	7 619.2	8 490.7	8 997.7	9 611.1	6.8
Net account	- 550.4	- 631.6	- 450.0	- 520.3	- 601.4	- 407.0	-32.3
% share of travel	**18.4**	**17.2**	**17.5**	**17.0**	**17.6**	**18.3**	**..**

Source: NSI.

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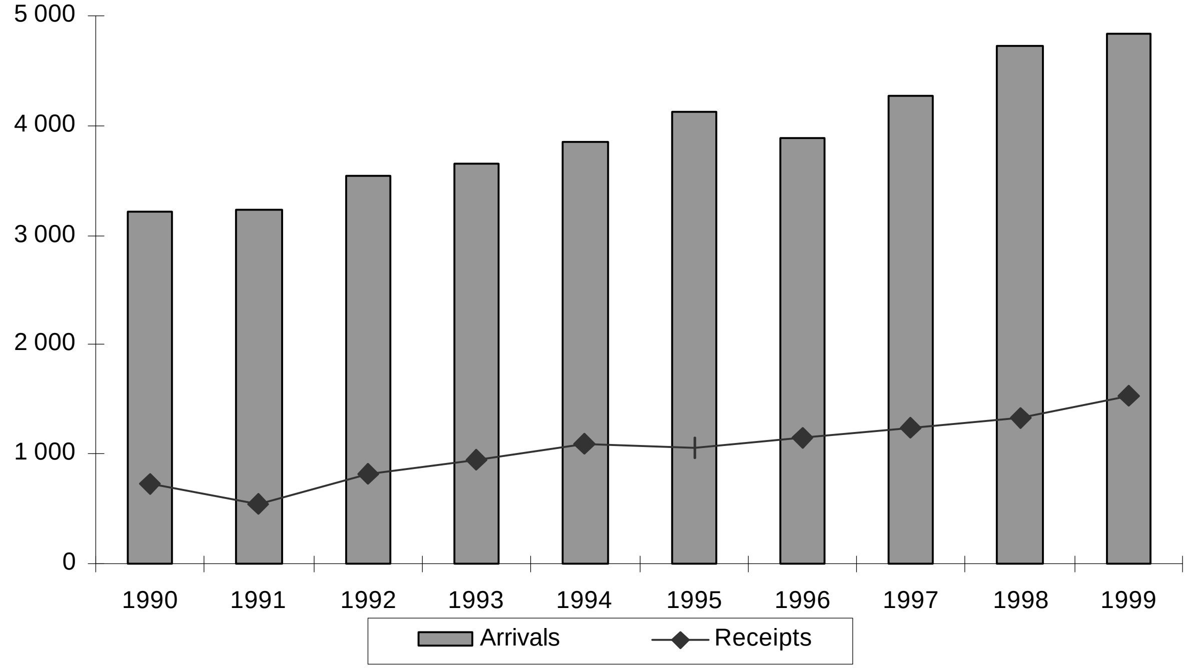
Arrivals at the borders of foreign visitors (in thousands) and tourism receipts (Mio ECU)



Source: NSI and ONTT

Part II: Tourism Supply

Infrastructure and Accommodation Capacity

Tourism supply has expanded greatly these past 12 years, especially owing to a spectacular increase of the volume of combined investments, which reached ECU 2 547 million in 1999 (3 230 million dinars, increase of 373% with respect to 1986). Professional training and a wider range of products following the development of Saharan, sports (gulf, sailing), cultural, business and domestic tourism have contributed to providing a significant boost to tourism supply. The development of the accommodation capacity, which in 1999 amounted to 191 955 bed-places distributed among 722 establishments has helped increase the number of nights spent by 14% to over 35 million nights in 1999. The average occupancy rate in hotel accommodation in Tunisia is 56.5%, over the Mediterranean average, which lies around 52%.

Tourist accommodation establishments and beds

	1995	1996	1997	1998	1999
Establishments	**612**	**641**	**662**	**692**	**722**
Beds	161 498	169 945	178 176	184 616	191 955

Source: ONTT.

Tourist accommodation establishments by region

	1997		1998		1999	
	Establish.	% Share	Establish.	% Share	Establish.	% Share
Total	**662**	**100.0**	**692**	**100.0**	**722**	**100.0**
Tunis-Zaghouan	102	15.4	102	14.7	105	14.5
Nabeul-Hammamet	127	19.2	132	19.1	141	19.5
Sousse-Kairouan	104	15.7	110	15.9	117	16.2
Monastir-Mahdia-Sfax	99	15.0	101	14.6	102	14.1
Jerba-Zarzis-Gabés	121	18.3	133	19.2	135	18.7
Gafsa-Tozeur	72	10.9	73	10.5	77	10.7
Bizerte-Béja	11	1.7	13	1.9	16	2.2
Tabarka-Ain Draham	26	3.9	28	4.0	29	4.0

Source: ONTT.

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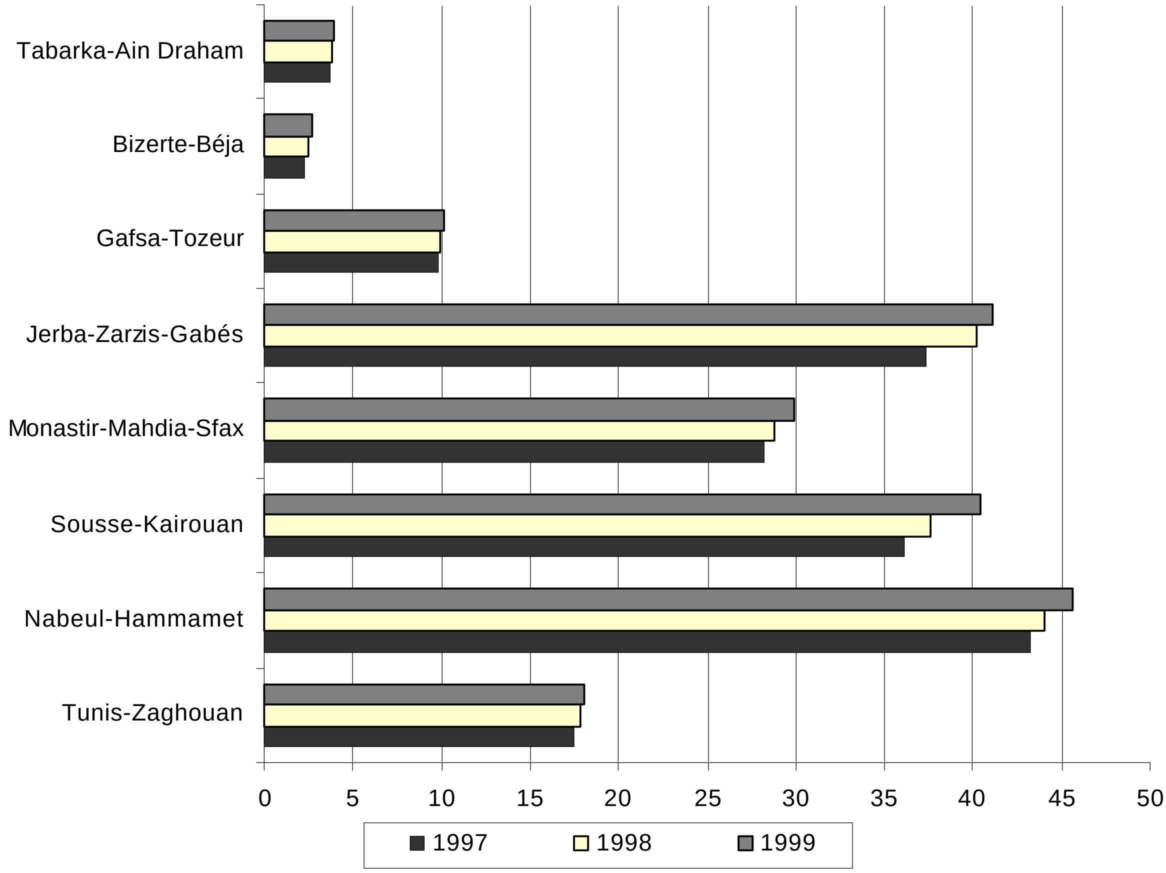
Tourist accommodation: number of beds by region

	1997		1998		1999	
	Beds	% Share	Beds	% Share	Beds	% Share
Total	**178 176**	**100.0**	**184 616**	**100.0**	**191 955**	**100.0**
Tunis-Zaghouan	17 540	9.8	17 795	9.6	18 065	9.4
Nabeul-Hammamet	43 219	24.3	43 964	23.8	45 628	23.8
Sousse-Kairouan	36 102	20.3	37 548	20.3	40 361	21.0
Monastir-Mahdia-Sfax	28 252	15.9	28 808	15.6	29 928	15.6
Jerba-Zarzis-Gabés	37 352	21.0	40 229	21.8	41 109	21.4
Gafsa-Tozeur	9 786	5.5	9 931	5.4	10 207	5.3
Bizerte-Béja	2 205	1.2	2 449	1.3	2 747	1.4
Tabarka-Ain Draham	3 720	2.1	3 892	2.1	3 910	2.0

Source: ONTT.

Number of beds in tourist accommodation by region – 1997/1999 (in thousands)



Source: ONTT.

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Number of tourist accommodation establishments by category

	1996	1997	1998	1999	% 99/98
Total	**641**	**662**	**692**	**722**	**4.3**
Classified hotels	**431**	**456**	**486**	**511**	**5.1**
% Share of total	**67.2**	**68.9**	**70.2**	**70.8**	**. .**
5 stars	28	34	36	41	13.9
4 stars	77	90	99	105	6.1
3 stars	191	192	204	214	4.9
2 stars	102	105	106	109	2.8
1 stars	33	35	41	42	2.4
Unclassified hotels	149	157	156	156	0.0
% Share of total	**23.2**	**23.7**	**22.5**	**21.6**	**. .**
Holiday Villages	21	18	18	17	-5.6
% Share of total	**3.3**	**2.7**	**2.6**	**2.4**	**. .**
Boarding houses	40	31	32	38	18.8
% Share of total	**6.2**	**4.7**	**4.6**	**5.3**	**. .**

Source: ONTT.

Number of beds in tourist accommodation by category

	1996	1997	1998	1999	% 99/98
Total	**169 945**	**178 176**	**184 616**	**191 955**	**4.0**
Classified hotels	**145 658**	**153 755**	**160 048**	**168 063**	**5.0**
% Share of total	**85.7**	**86.3**	**86.7**	**87.6**	**. .**
5 stars	11 919	15 347	16 298	18 203	11.7
4 stars	34 695	40 562	44 152	47 056	6.6
3 stars	71 559	70 270	73 028	77 017	5.5
2 stars	24 960	24 933	23 572	22 743	-3.5
1 stars	2 525	2 643	2 998	3 044	1.5
Unclassified hotels	**11 663**	**12 379**	**12 500**	**12 316**	**-1.5**
% Share of total	**6.9**	**6.9**	**6.8**	**6.4**	**. .**
Holiday Villages	11 470	11 182	11 182	10 486	-6.2
% Share of total	**6.7**	**6.3**	**6.1**	**5.5**	**. .**
Boarding houses	1 154	860	886	1 090	23.0
% Share of total	**0.7**	**0.5**	**0.5**	**0.6**	**. .**

Source: ONTT.

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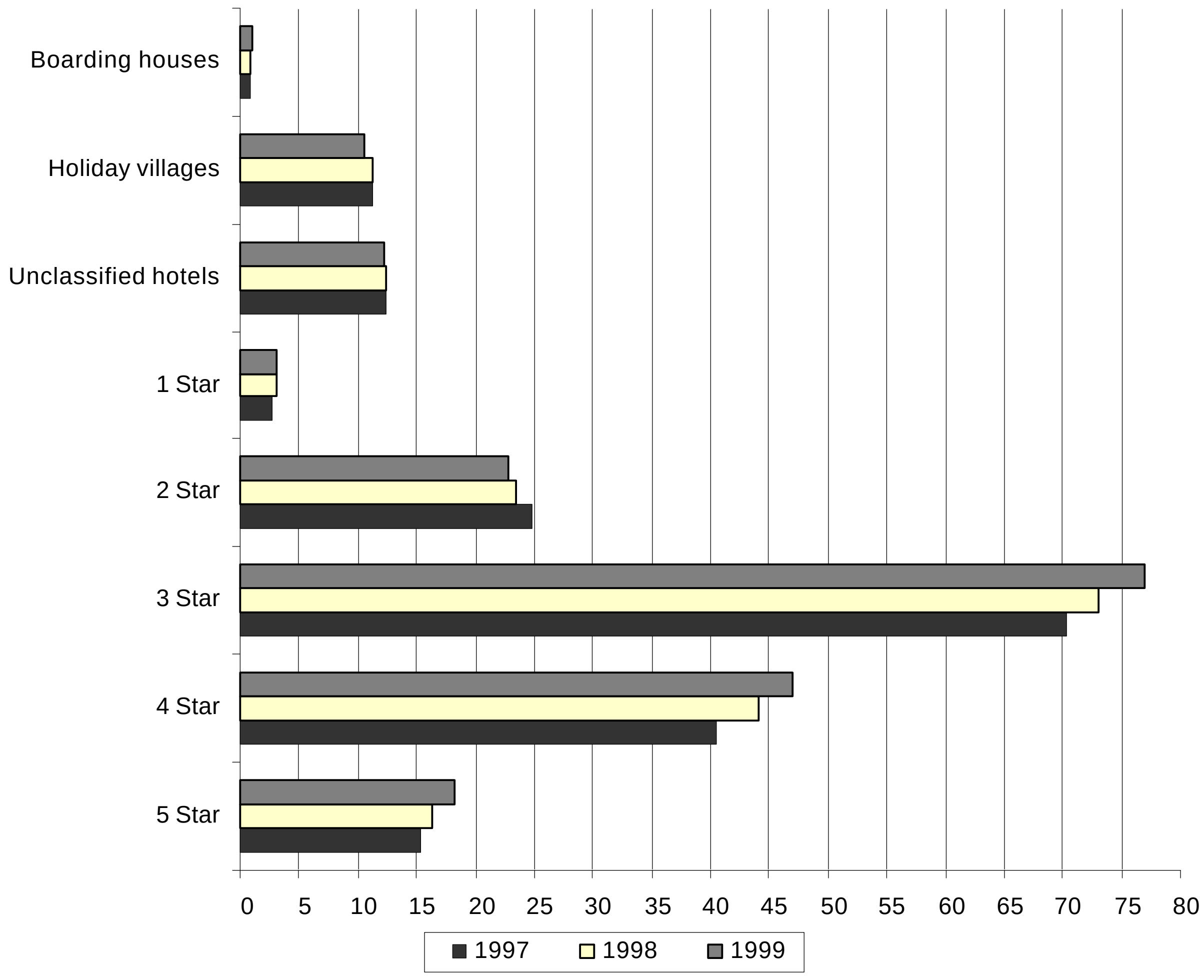
The distribution of the accommodation capacity by category shows a clear improvement in the standard of Tunisian hotels: the share of 4 and 5 star establishments has gone up from 32.7% in 1998 to 34% in 1999.

Distributions of beds in tourist accommodation by category – 1997/1999 (in thousands)



Source: ONTT.

Part III: Tourism Demand

Occupancy of collective tourist accommodation establishments: inbound and domestic tourism

The opening up of East European countries to market economy and a determined marketing strategy oriented toward North-American markets have brought a new and very promising type of tourism to Tunisia.

Total nights spent in tourist accommodation establishments by region

	1997		1998		1999		% Change 99/98
	Nights	% Share	Nights	% Share	Nights	% Share	
Total	**29 795 812**	**100.0**	**30 981 586**	**100.0**	**35 320 086**	**100.0**	**14.0**
Tunis-Zaghouan	2 292 628	7.7	2 428 362	7.8	2 267 784	6.4	-6.6
Nabeul-Hammamet	7 017 582	23.6	6 998 934	22.6	8 136 710	23.0	16.3
Sousse-Kairouan	7 052 594	23.7	7 119 004	23.0	8 332 960	23.6	17.1
Monastir-Mahdia-Sfax	5 070 382	17.0	5 254 292	17.0	5 983 078	16.9	13.9
Jerba-Zarzis-Gabés	6 750 315	22.7	7 483 069	24.2	8 630 922	24.4	15.3
Gafsa-Tozeur	1 011 199	3.4	1 069 483	3.5	1 213 560	3.4	13.5
Bizerte-Béja	198 478	0.7	211 433	0.7	239 657	0.7	13.3
Tabarka-Ain Draham	402 634	1.4	417 009	1.3	515 415	1.5	23.6

Source: ONTT.

Total nights spent by category of accommodation

	1996	1997	1998	1999	% Change 99/98
Total	**26 124 864**	**29 795 812**	**30 981 586**	**35 320 086**	**14.0**
Classified Hotels	23 974 528	27 476 670	28 385 488	32 690 206	15.2
5 stars	1 848 951	2 493 142	3 044 103	3 694 734	21.4
4 stars	6 864 243	8 123 930	9 043 938	10 746 715	18.8
3 stars	11 950 252	13 510 339	13 020 406	14 934 472	14.7
2 stars	3 047 069	3 083 716	3 019 694	3 040 515	0.7
1 stars	264 013	265 543	257 347	273 770	6.4
Unclassified hotels	**1 348 480**	**1 262 069**	**1 155 504**	**1 144 721**	**-0.9**
Holiday villages	801 856	1 057 073	1 440 594	1 485 159	3.1

Source: ONTT.

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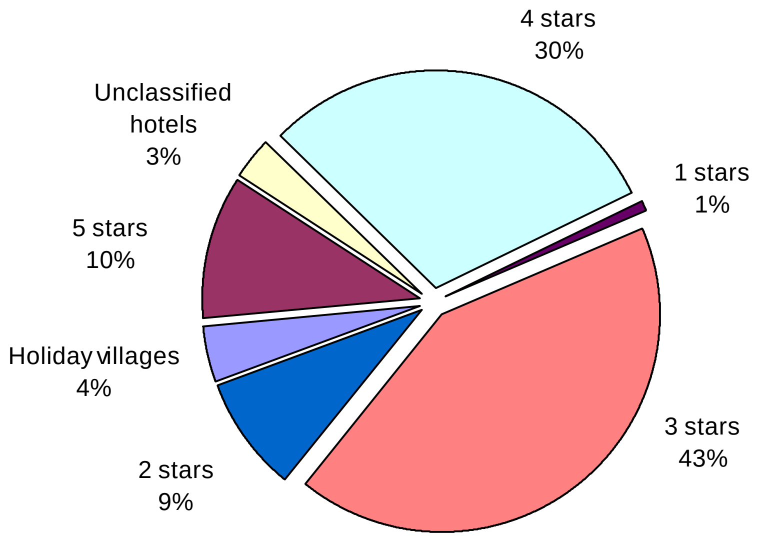
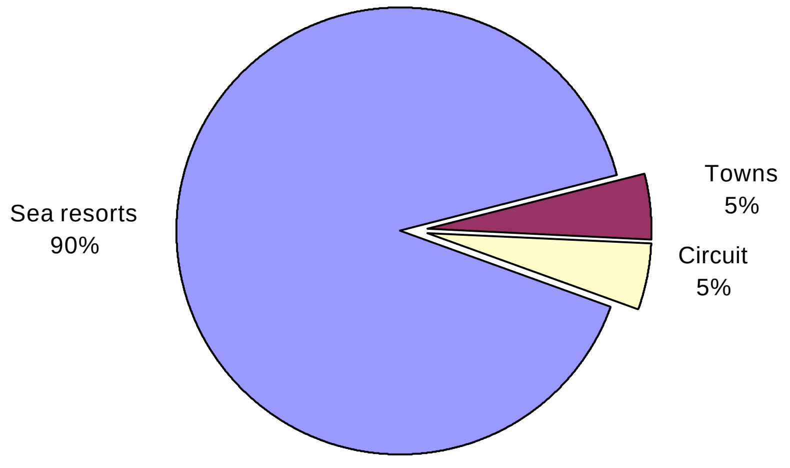
TUNISIA

Total nights spent by category of accommodation - 1999



Source: ONTT.

% Share of total nights spent by destination - 1999



Source: ONTT.

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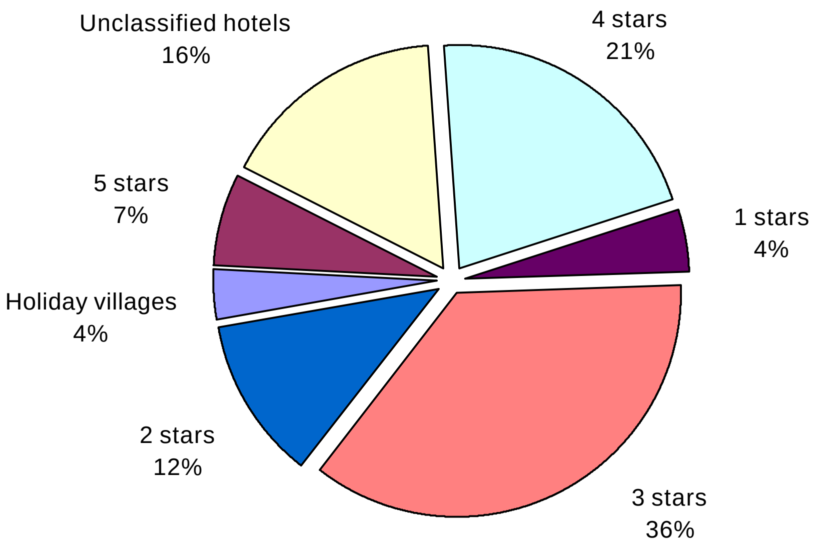
TUNISIA

Nights spent by residents by category of accommodation

	1997		1998		1999		% Change 99/98
	Nights	% Share	Nights	% Share	Nights	% Share	
Total	**2 111 573**	**100.0**	**2 194 084**	**100.0**	**2 169 356**	**100.0**	**-1.1**
Classified Hotels	**1 664 593**	**78.8**	**1 734 713**	**79.1**	**1 733 560**	**79.9**	**-0.1**
5 stars	129 774	6.1	130 534	5.9	141 934	6.5	8.7
4 stars	378 296	17.9	458 930	20.9	461 106	21.3	0.5
3 stars	808 155	38.3	818 247	37.3	780 363	36.0	-4.6
2 stars	266 307	12.6	250 516	11.4	254 761	11.7	1.7
1 stars	82 061	3.9	76 486	3.5	95 396	4.4	24.7
Unclassified hotels	**375 800**	**17.8**	**376 193**	**17.1**	**356 613**	**16.4**	**-5.2**
Holiday Villages	71 180	3.4	83 178	3.8	79 183	3.7	-4.8

Source: ONTT.

Nights spent by residents by category of tourist accommodation - 1999



Source: ONTT.

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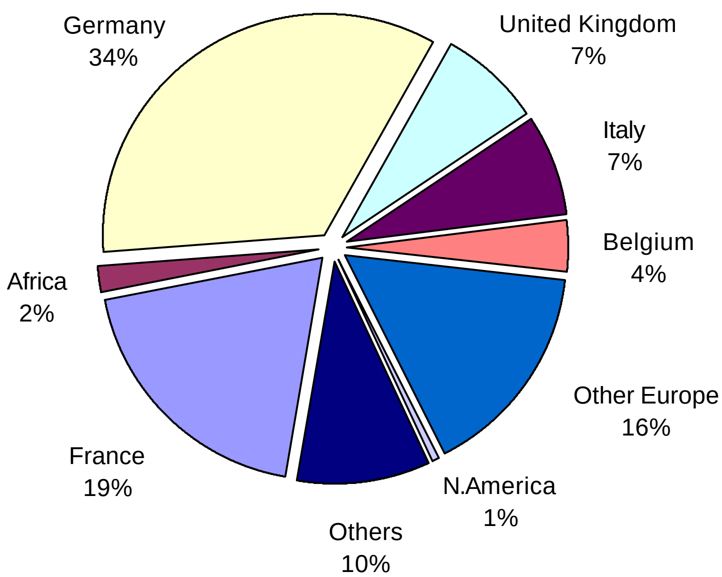
TUNISIA

Nights spent by non-residents by category of accommodation

	1997		1998		1999		% Change 99/98
	Nights	% Share	Nights	% Share	Nights	% Share	
Total	**27 684 239**	**100.0**	**28 787 502**	**100.0**	**33 150 730**	**100.0**	**15.2**
Classified Hotels	**25 812 077**	**93.2**	**26 650 775**	**92.6**	**30 956 646**	**93.4**	**16.2**
5 stars	2 363 368	8.5	2 913 569	10.1	3 552 800	10.7	21.9
4 stars	7 745 634	28.0	8 585 008	29.8	10 285 609	31.0	19.8
3 stars	12 702 184	45.9	12 202 159	42.4	14 154 109	42.7	16.0
2 stars	2 817 409	10.2	2 769 178	9.6	2 785 754	8.4	0.6
1 stars	183 482	0.7	180 861	0.6	178 374	0.5	-1.4
Unclassified hotels	**886 269**	**3.2**	**779 311**	**2.7**	**788 108**	**2.4**	**1.1**
Holiday Villages	985 893	3.6	1 357 416	4.7	1 405 976	4.3	3.6

Source: ONTT.

Nights spent by non-residents by nationality - 1999



Source: ONTT.

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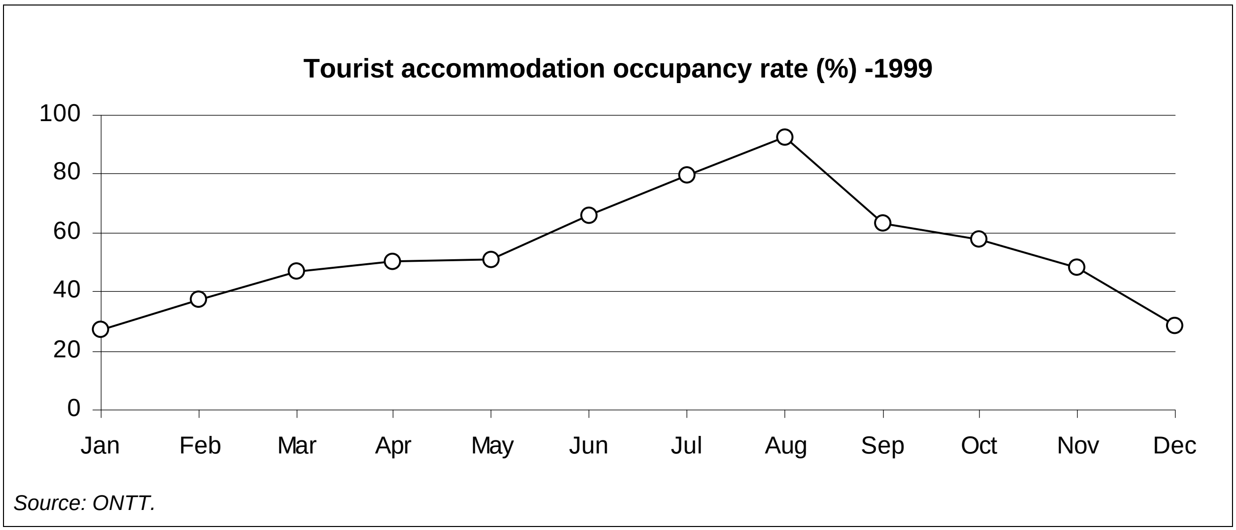
TUNISIA

Total nights spent in tourist accommodation establishments by nationality

	1997	1998	1999	% Change 99/98
Total	**29 795 812**	**30 981 586**	**35 320 086**	**14.0**
Residents	2 111 573	2 194 084	2 169 356	-1.1
Non-residents	27 684 239	28 787 502	33 150 730	15.2
Europe	**26 236 067**	**27 281 801**	**31 719 249**	**16.3**
Belgium	984 213	1 047 402	1 253 099	19.6
Germany	10 372 738	10 366 531	12 092 699	16.7
Greece	46 666	46 668	64 413	38.0
Spain	416 989	504 142	640 671	27.1
France	4 796 444	5 353 048	6 767 897	26.4
Ireland	25 169	80 226	81 715	1.9
Italy	2 301 531	2 354 086	2 620 586	11.3
Luxembourg	84 815	90 535	103 494	14.3
Netherlands	574 977	590 028	579 418	-1.8
Austria	898 194	886 069	1 186 971	34.0
Portugal	71 380	74 138	71 818	-3.1
United Kingdom	2 246 266	2 480 819	2 637 481	6.3
Scandinavia	703 152	445 902	541 411	21.4
Switzerland	819 403	845 377	1 025 070	21.3
Yugoslavia	127 616	98 456	53 195	-46.0
Russia	371 438	266 228	202 601	-23.9
Turkey	29 688	32 013	31 881	-0.4
Czech republic	579 044	537 911	636 609	18.3
Slovakia	65 323	67 461	100 302	48.7
Bulgaria	6 318	8 373	8 988	7.3
Hungary	116 434	93 759	111 352	18.8
Poland	491 754	885 961	752 349	-15.1
Malta	21 957	19 599	25 878	32.0
Romania	9 452	12 158	14 263	17.3
Other European countries	75 106	94 911	115 088	21.3
North America	**142 150**	**178 907**	**179 501**	**0.3**
United States	53 136	68 819	49 081	-28.7
Canada	89 014	110 088	130 420	18.5
Maghreb	**836 263**	**848 066**	**702 991**	**-17.1**
Middle East	**131 560**	**127 238**	**117 407**	**-7.7**
Africa	**49 150**	**48 718**	**48 398**	**-0.7**
Japan	**28 991**	**39 491**	**53 941**	**36.6**
Others	260 058	263 281	329 243	25.1

Source: ONTT.



The average yearly occupancy rate amounted to 56.5% in 1999, 4 points up with respect to 1998. It is worth noting that the highest occupancy rate is registered in the Monastir-Sfax region (63.7%) ahead of Jerba-Zarzis, Sousse-Kairouan and Nabeul-Hammamet (24%, 24%, and 23%). On a monthly basis, such rate varies depending on whether it is the high or low season, and it reaches its highest level during the months of July, August and September. The graph above gives a clear picture of the trend.

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TUNISIA

Tourism demand: Inbound and National Tourism

Arrivals of visitors at the borders by nationality

	1995	1996	1997	1998	1999	% Change 99/98
Total [1]	**4 119 847**	**4 344 498**	**4 749 630**	**5 217 832**	**5 915 357**	**13.4**
Nationals residing abroad	**:**	**459 905**	**486 523**	**500 127**	**1 083 699**	**116.7**
Europe	**2 357 242**	**2 522 893**	**2 845 952**	**3 011 383**	**3 460 857**	**14.9**
EU15	2 127 162	2 237 625	2 491 678	2 648 626	3 081 450	16.3
Belgium	74 198	87 442	102 659	114 922	132 361	15.2
Denmark	25 961	33 860	31 960	23 331	20 623	-11.6
Germany	837 116	808 478	858 302	883 944	1 036 262	17.2
Greece	10 875	10 523	10 390	10 212	12 042	17.9
Spain	33 289	43 350	54 422	68 105	86 857	27.5
France	465 103	541 878	619 891	709 023	893 664	26.0
Ireland	13 275	10 340	15 432	24 938	23 097	-7.4
Italy	245 933	270 110	314 042	328 256	354 616	8.0
Luxembourg	4 401	4 562	5 065	9 877	5 942	-39.8
Netherlands	70 507	71 798	67 347	68 116	69 147	1.5
Austria	65 036	90 314	114 363	106 174	138 261	30.2
Portugal	13 601	12 934	12 220	12 116	12 993	7.2
Finland	12 755	20 968	14 762	12 669	17 509	38.2
Sweden	15 545	25 000	22 813	13 145	16 199	23.2
United Kingdom	239 567	206 068	248 010	263 798	261 877	-0.7
Norway	5 402	8 524	10 873	7 056	10 368	46.9
Switzerland	74 539	75 478	86 609	84 247	110 202	30.8
Turkey	16 172	17 774	19 870	16 830	12 201	-27.5
Poland	19 772	34 617	52 649	87 332	77 135	-11.7
Czech republic	32 749	42 598	54 551	50 913	59 733	17.3
Slovakia	6 970	9 149	13 633	14 259	18 693	31.1
Hungary	19 687	18 603	16 979	17 172	23 281	35.6
Other European countries	54 789	78 525	99 110	84 948	67 794	-20.2
North America	**24 817**	**26 945**	**26 689**	**27 831**	**27 050**	**-2.8**
Maghreb	**1 640 410**	**1 232 905**	**1 281 298**	**1 569 549**	**1 262 688**	**-19.6**
Middle East	**41 891**	**44 864**	**48 871**	**45 458**	**32 338**	**-28.9**
Africa	**12 815**	**12 651**	**16 527**	**15 246**	**11 373**	**-25.4**
Japan	**3 738**	**4 706**	**5 506**	**8 354**	**9 314**	**11.5**
Other	38 934	39 629	38 264	39 884	28 038	-29.7

([1]) 1995 figure: excluding Nationals residing abroad.

Source: ONTT.

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TUNISIA

Europeans mainly come on leisure and business trips by air, whereas Maghreb nationals, who have shorter distances to travel, use land transport and Tunisians also use sea transport, especially those who have migrated to Europe and come back during the holidays and to visit relatives.

Travel flows of Tunisians

	1997	1998	1999	% Change 99/98
Arrivals [1]	**1 341 971**	**987 848**	**1 406 885**	**42.4**
Departures [2]	1 380 689	1 525 772	1 479 680	-3.0

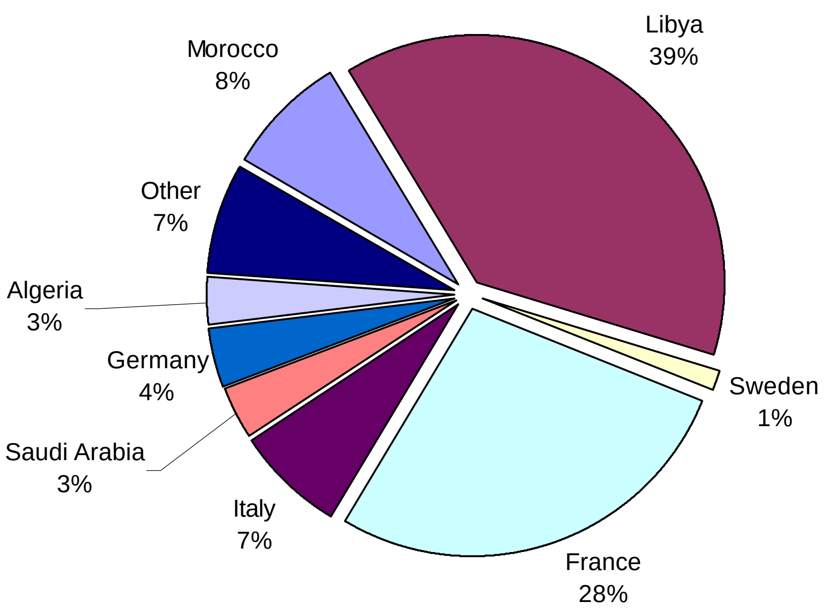
([1])Resident and non resident Tunisians.
([2]) Resident Tunisians.

Source: ONTT.

Domestic tourism is about to become a structured and important sector with more than 2 million nights spent in hotels and other types of accommodation. The increasing importance of domestic tourism allows the local market to rank fifth, after the German, French, Italian and UK markets in terms of nights spent in tourist accommodation.

But Tunisians also travel abroad. The main destinations include Libya, France and Morocco.

Main destinations of Tunisians travelling abroad



Source: ONTT.

PART IV: Future Perspectives

Tourism plays an important part in the Tunisian economy, and thus, special attention will be given to it in the forthcoming years, especially within the next development plan. Investments of about 271.8 million dinars per year are planned for 2000 and 2001, along with infrastructure investments amounting to 43.5 million US dollars. The aim is to increase tourism supply, among others by creating 7 000 bed-places this year and another 7 000 in 2001, by developing new tourist areas, in the South, in the Kerkenna islands, in the North in Tabarka, and by opening up towards new American, European and Asian markets.

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TURKEY

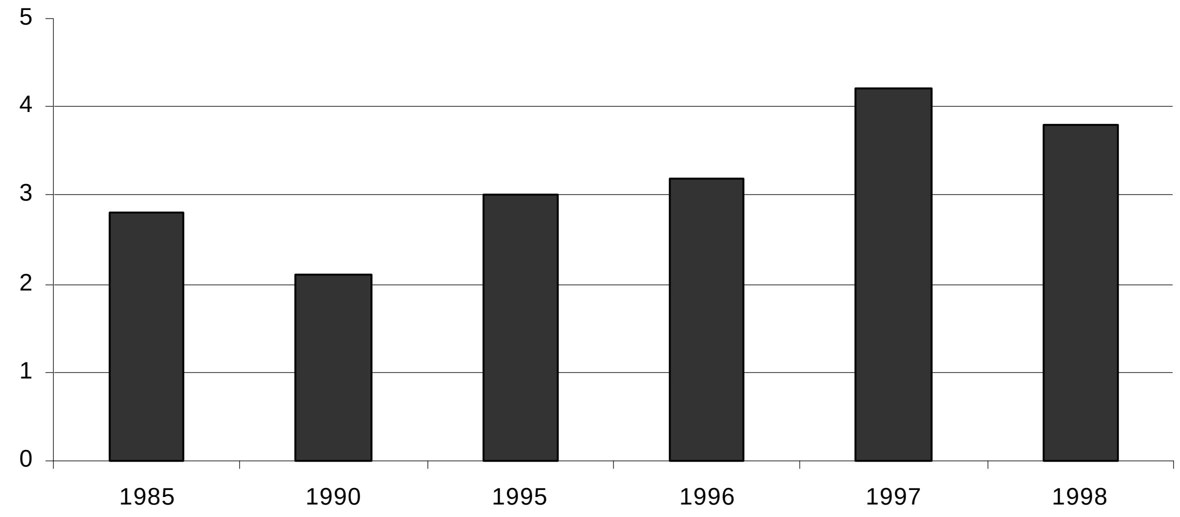
Part I: General situation and main indicators

Development and Impact of Tourism

Turkey has enjoyed a steady progress over the last decade. Since 1984 tourism has become one of the most important sectors of the Turkish economy contributing a great deal to foreign exchange reserves and national product, as a result of Tourism Encouragement Law which has came into force in 1982.

The share of tourism in Gross National Product has continued to increase at a satisfactory rate since 1980’s reaching to a figure of 3.8% in 1998 while it was 2.1% in 1990 and 2.8% in 1985.

% Share of tourism in Gross National Product



Source: Ministry of Tourism (MOT).

Although there are no concrete figures for the employment in the tourism sector in Turkey, referring to the figures of the 1993 Manpower Survey, it is possible to give estimates for the number of personnel working in establishments licensed by the Ministry of Tourism (MOT).

Estimates of the total number of personnel in MOT licensed establishments

	1993	1994	1995	1996	1997	1998
Total	**87 792**	**103 654**	**116 987**	**132 207**	**149 582**	**169 455**
Accommodation Establishments	63 876	76 720	86 750	98 270	111 480	126 690
Restaurants	6 358	7 174	8 060	9 057	10 180	11 439
Travel Agencies	16 400	18 380	20 610	23 100	25 900	29 030
Yachts	1 158	1 380	1 567	1 780	2 022	2 296

Source: MOT - 1993 Manpower survey.

According to these estimates the total number of employees was 169 455 (total refers to accommodation establishments, restaurants, travel agencies and yacht crew) in 1998. The Turkish Investors Association estimate that approximately 1.3 million persons are directly and indirectly working in the tourism sector.

Balance of Payments (Mio ECU)

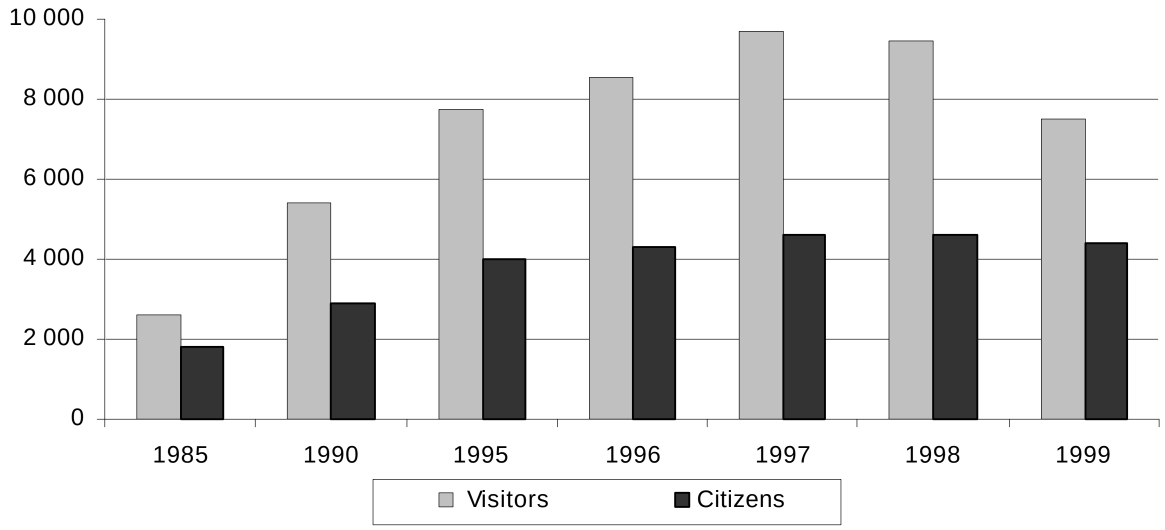
	1990	1995	1996	1997	1998	1999	% 99/98
	Travel Item						
Receipts	**2 532.5**	**3 789.7**	**4 449.7**	**6 174.4**	**6 401.8**	**4 881.9**	**-23.7**
Expenditures	408.3	697.2	996.3	1 513.2	1 564.5	1 380.2	-11.8
Net account	2 124.2	3 092.5	3 453.4	4 661.2	4 837.3	3 501.7	-27.6
	Services Account (including the travel item)						
Receipts	**6 294.8**	**11 166.6**	**10 278.4**	**17 083.2**	**20 802.1**	**15 385.9**	**-26.0**
Expenditures	2 411.6	3 840.9	5 060.8	7 501.5	8 604.1	7 776.5	-9.6
Net account	3 883.2	7 325.6	5 217.6	9 581.7	12 198.0	7 609.5	-37.6
% share of travel	**40.2**	**33.9**	**43.3**	**36.1**	**30.8**	**31.7**	**. .**
	Current Account						
Receipts	**20797.4**	**32 541.8**	**40 575.7**	**51 837.7**	**55 971.4**	**49 962.5**	**-10.7**
Expenditures	22 858.7	34 330.0	42 495.0	54 163.9	54 201.7	51 242.3	-5.5
Net account	-2 061.4	-1 788.2	-1 919.3	-2 326.2	1 769.7	-1 279.8	-172.3
% share of travel	**12.2**	**11.6**	**11.0**	**11.9**	**11.4**	**9.8**	**. .**

Source: Central Bank of Turkey (CBT) & State Institute of Statistics (SIS)

For the first time since 1984 until 1997, except during the Gulf Crises, a drop was seen in the rate of increase in visitor arrivals and in international tourism receipts. Economic crises witnessed in the Asian countries and recent financial crises in Russia while leading to significant changes in the world economy also effected the international and Turkish tourism market. After a very fruitful year in 1997 the number of foreign visitors decreased from 9.7 million to 9.2 million in 1998 (-2.9%), nevertheless, tourism receipts increased by 3.7% and amounted to ECU 6 402 million. In 1999 the Turkish tourism sector was very seriously affected by the Marmara earthquake.

TURKEY

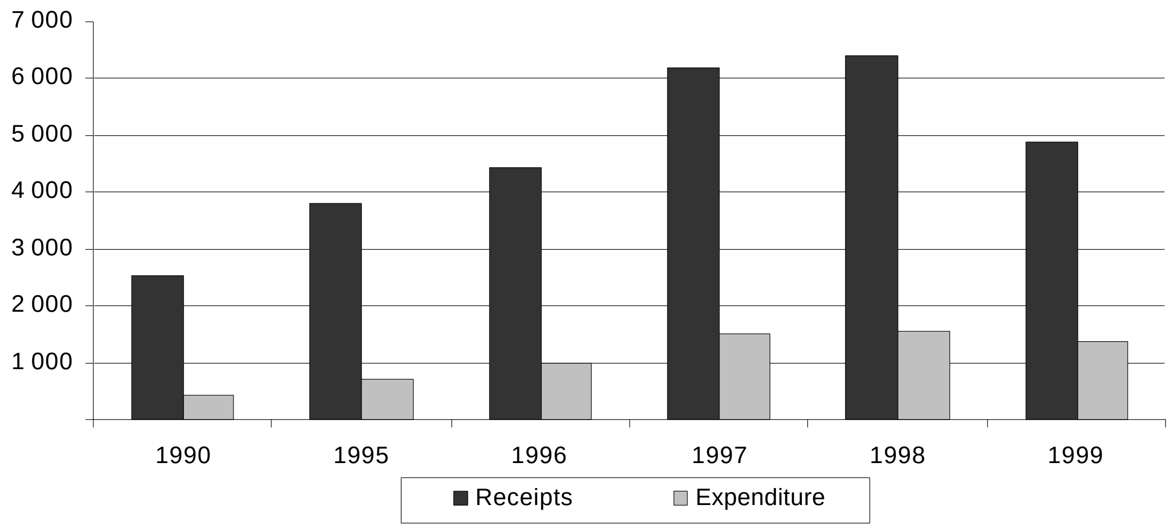
Foreign visitors arriving in Turkey and citizens travelling abroad (in thousands)



Source: MOT.

In 1999 the number of foreign visitors fell by 20.5% to 7.4 million. For the same year international receipts tourism receipts dropped by roughly the same percentage (-23.7%) to ECU 4 882 million.

International travel receipts and expenditure (Mio ECU)



Source: CBT & SIS

The share of tourism receipts in international services earnings was 40.2% in 1990, peaked at 43.3% in 1996 and dropped into 31.7% in 1999. The share of tourism receipts in current account receipts also decreased to 9.8% in 1998 while it was 11.0% in 1996.

Part II: Tourism Supply

Infrastructure and Accommodation Capacity

Looking at the supply side, after the Tourism Encouragement Law came into force in 1982, tourism became the most popular sector for investments.

Number of accommodation establishments licensed by the Ministry of Tourism

Type of establishment	1985	1990	1995	1996	1997	1998	1999
Total	**689**	**1 260**	**1 793**	**1 866**	**1 933**	**1 954**	**1 874**
Hotels and similar establishments	**660**	**1 229**	**1 769**	**1 843**	**1 914**	**1 935**	**1 862**
Hotels	**559**	**1 020**	**1 507**	**1 573**	**1 639**	**1 666**	**1 611**
5 Stars	12	41	82	92	98	99	101
4 Stars	17	58	131	156	172	176	176
3 Stars	52	198	399	411	429	448	441
2 Stars	159	370	550	579	602	606	582
1 Star	216	256	220	204	195	189	171
Motels	93	46	38	37	36	34	30
Apart hotels	-	15	24	27	32	36	36
Special licensed hotels	10	36	60	62	70	72	68
Golf hotels	-	-	-	1	1	2	2
Training hotels	-	-	2	2	2	2	2
Tourism complexes	-	-	1	2	2	2	2
Similar establishments	**101**	**209**	**262**	**270**	**275**	**269**	**251**
Boarding houses	72	157	185	185	187	182	163
Holiday villages	15	39	70	79	81	80	81
Inns	14	13	7	6	7	7	7
Specialised establishments	**1**	**1**	**2**	**2**	**2**	**2**	**-**
Health establishments [1]	1	1	1	1	1	1	-
Passenger transport [2]	-	-	1	1	1	1	-
Tourist campsites	**28**	**30**	**22**	**21**	**17**	**17**	**12**

([1]) Although they are health establishments 16 thermal hotels (1 177 beds) are licensed under the hotels since they are providing hotels services as 5 or 4 star hotels.

([2]) Caravans.

Source: MOT.

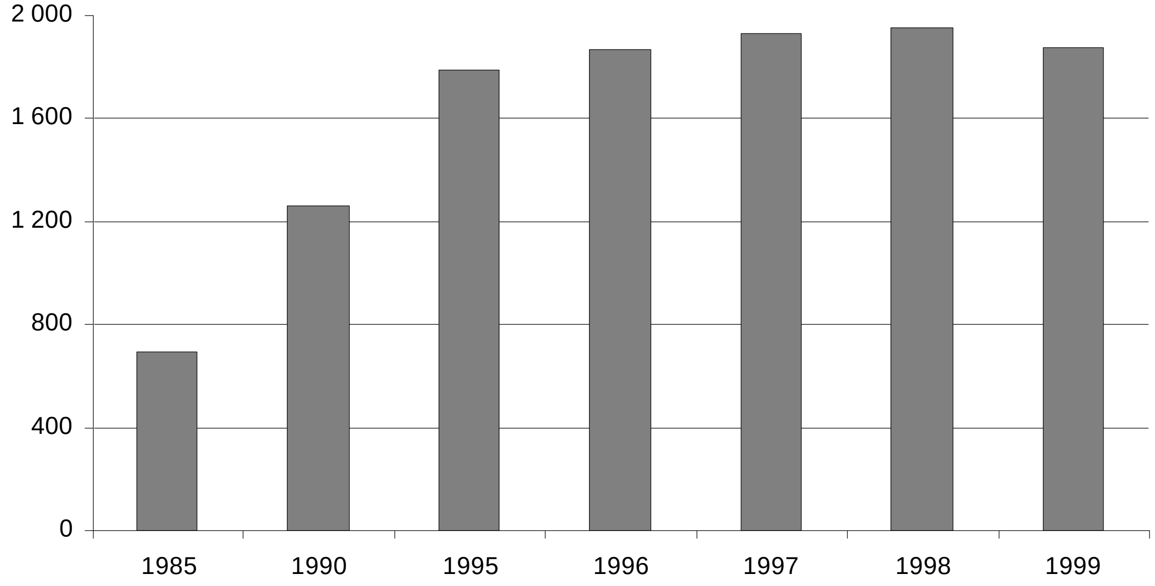
TURKEY

Evolution of accommodation establishments licensed by the Ministry of Tourism (% change)

Type of establishment	90/85	95/90	96/95	97/96	98/97	99/98
Total	**82.9**	**42.3**	**4.1**	**3.6**	**1.1**	**-4.1**
Hotels and similar establishments	**86.2**	**43.9**	**4.2**	**3.9**	**1.1**	**-3.8**
Hotels	**82.5**	**47.7**	**4.4**	**4.2**	**1.6**	**-3.3**
Similar establishments	106.9	25.4	3.1	1.9	-2.2	-6.7
Tourist campsites	**7.1**	**-26.7**	**-4.5**	**-19.0**	**0.0**	**-29.4**

Source: MOT.

Number of accommodation establishments licensed by the Ministry of Tourism



Source: MOT.

Structure of accommodation establishments licensed by the Ministry of Tourism (% share)

% Share of total	1985	1990	1995	1996	1997	1998	1999
Hotels and similar establishments	**95.8**	**97.5**	**98.7**	**98.8**	**99.0**	**99.0**	**99.4**
Hotels	81.1	81.0	84.0	84.3	84.8	85.3	86.0
Similar establishments	14.7	16.6	14.6	14.5	14.2	13.8	13.4
Tourist campsites	**4.1**	**2.4**	**1.2**	**1.1**	**0.9**	**0.9**	**0.6**
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MOT.

TURKEY

Bed capacity of accommodation establishments licensed by the Ministry of Tourism

Type of establishment	1985	1990	1995	1996	1997	1998	1999
Total	**85 995**	**173 245**	**286 463**	**301 524**	**313 298**	**314 215**	**311 480**
Hotels and similar establishments	**75 098**	**164 998**	**280 241**	**295 743**	**308 096**	**309 013**	**308 099**
Hotels	**61 104**	**132 705**	**229 328**	**240 082**	**250 668**	**252 739**	**251 723**
5 Stars	5 265	22 264	48 615	54 014	57 344	58 051	59 055
4 Stars	4 807	17 977	37 049	44 078	48 091	48 216	48 463
3 Stars	8 536	32 320	66 618	68 125	70 021	72 261	73 100
2 Stars	17 332	35 314	47 379	49 703	51 088	50 175	48 727
1 Star	15 042	17 941	14 679	13 050	12 297	11 885	10 625
Motel	8 493	3 204	8 599	2 484	2 515	2 330	2 015
Apart hotel	-	1 086	1 926	2 270	2 632	2 964	2 988
Special licensed hotels	1 629	2 599	4 066	4 411	4 725	4 834	4 727
Golf hotels	-	-	-	990	990	1 058	1 058
Training hotels	-	-	163	163	163	163	163
Tourism complexes	-	-	234	794	802	802	802
Similar establishments	**13 994**	**32 293**	**50 913**	**55 661**	**57 428**	**56 274**	**56 376**
Boarding houses	2 417	5 101	6 175	6 137	6 233	6 070	5 549
Holiday villages	8 855	24 823	43 464	48 283	49 889	48 898	49 521
Inns	2 722	2 369	1 274	1 241	1 306	1 306	1 306
Specialised establishments	**264**	**40**	**112**	**112**	**112**	**112**	**-**
Health establishments [1]	264	40	40	40	40	40	-
Passenger transport [2]	-	-	72	72	72	72	-
Tourist campsites	**10 633**	**8 207**	**6 110**	**5 669**	**5 090**	**5 090**	**3 381**

([1]) Although they are health establishments 16 thermal hotels (1 177 beds) are licensed under the hotels since they are providing hotel Services as 5 or 4 star hotels.

([2]) Caravans.

Source: MOT.

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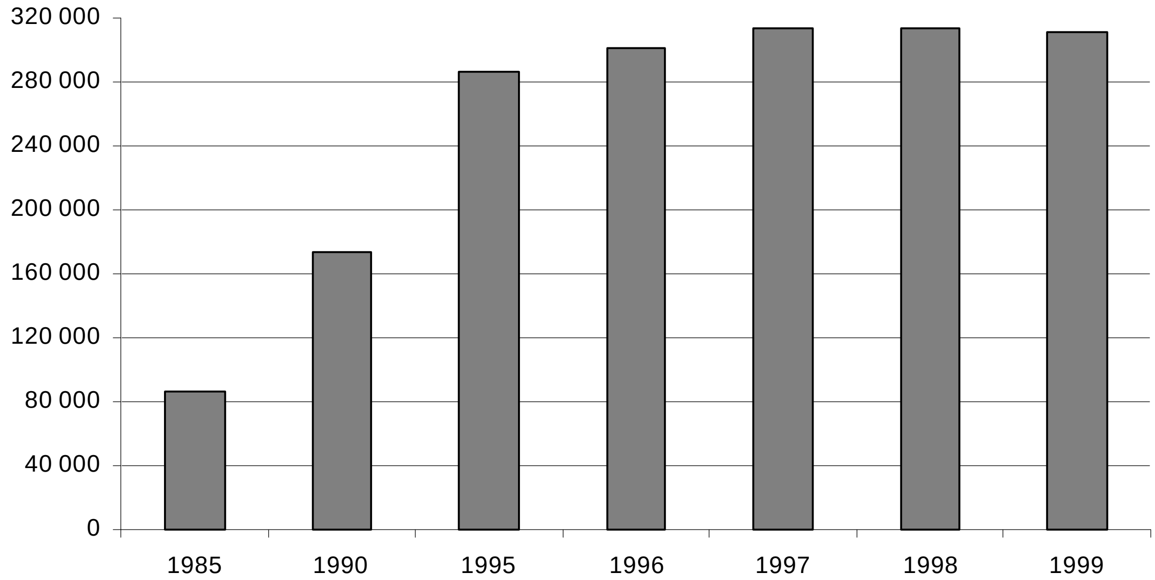
TURKEY

Evolution of bed capacity in accommodation establishments licensed by the Ministry of Tourism

Type of establishments	% 90/85	% 95/90	% 96/95	% 97/96	% 98/97	% 99/98
Total	**101.5**	**65.4**	**5.3**	**3.9**	**0.3**	**-0.9**
Hotel and similar establishments	**119.7**	**69.8**	**5.5**	**4.2**	**0.3**	**-0.3**
Hotel	**117.2**	**72.8**	**4.7**	**4.4**	**0.8**	**-0.4**
Similar establishments	30.8	57.7	9.3	3.2	-2.0	0.2
Tourist campsites	**-22.8**	**-25.6**	**-7.2**	**-10.2**	**0.0**	**-33.6**

Source: MOT.

Number of beds in accommodation establishments licensed by the Ministry of Tourism



Source: MOT.

The bed capacity registered by the Ministry of Tourism (MOT) increased by 101.5% from 1985 to 1990 and amounted to 314 215 bed-places in 1998. On the other hand, bed capacity of municipality registered qualified establishments increased by 248.3% in the ten year period, accounting for 272 477 bed-places in 1997.

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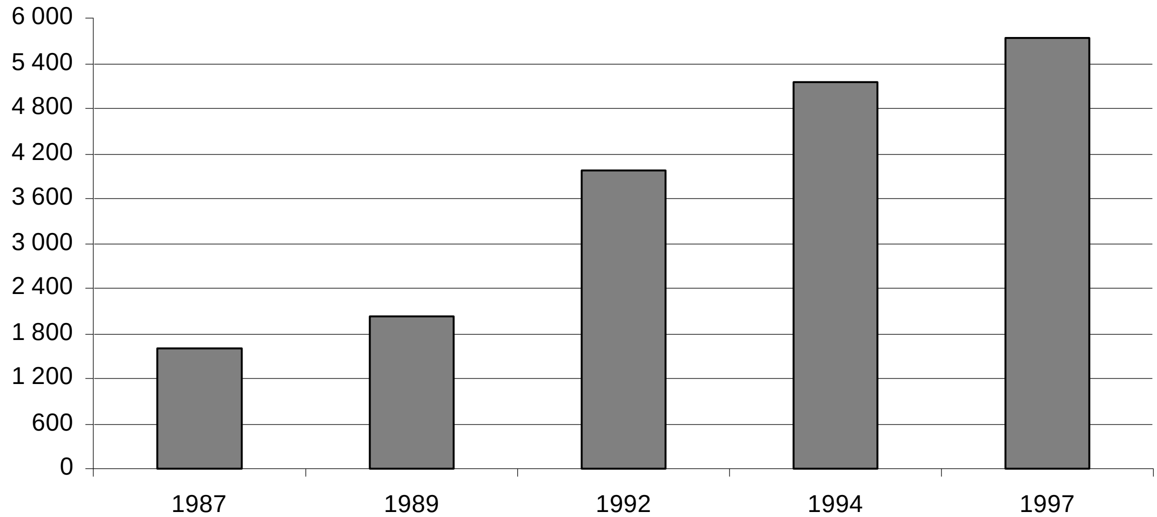
Number of accommodation establishments licensed by municipalities[1]

Type of establishments	1987	1989	1992	1994	1997	% Change 97/94
Total	**1 598**	**2 029**	**3 961**	**5 136**	**5 734**	**11.6**
Hotel and similar establishment	**1 558**	**1 984**	**3 899**	**5 045**	**5 617**	**11.3**
Hotels	**1 197**	**1 512**	**2 843**	**3 674**	**3 966**	**7.9**
Hotel	930	1 266	2 248	2 927	3 297	12.6
Motel	267	246	595	747	669	-10.4
Similar establishments	**361**	**472**	**1 056**	**1 371**	**1 651**	**20.4**
Boarding houses	354	462	1 045	1 353	1 633	20.7
Holiday villages	7	10	11	18	18	0.0
Thermal resorts	**2**	**4**	**12**	**25**	**30**	**20.0**
Camping sites	**38**	**41**	**50**	**66**	**87**	**31.8**

([1]) Result of the inventories carried out by the Ministry of Tourism on the tourist establishments all over Turkey that were certified by the local authorities. These establishments have been classified as "qualified" and "unqualified" taking into account facilties offered, such as restaurants, swimming pools, beaches, and discotheques. The figures given above are "qualified establishments".

Source: MOT.

Number of accommodation establishments licensed by municipalities



Source: MOT.

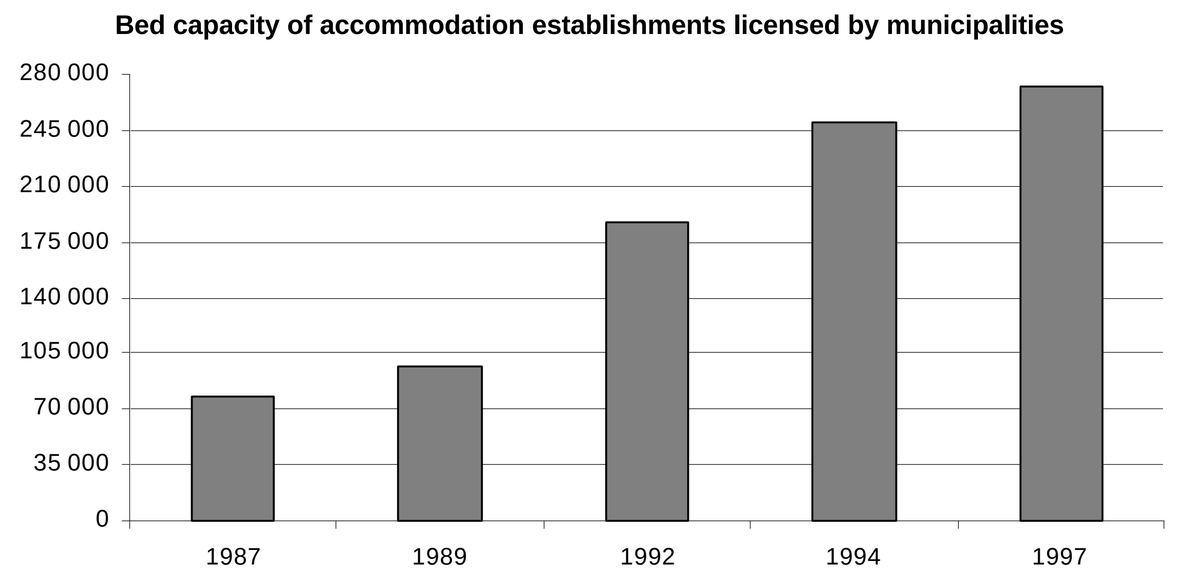
TURKEY

Bed capacity of accommodation establishments licensed by municipalities[1]

Type of establishments	1987	1989	1992	1994	1997	% Change 97/94
Total	**78 222**	**96 736**	**187 239**	**249 439**	**272 477**	**9.2**
Hotel and similar establishment	**75 323**	**91 843**	**180 618**	**238 927**	**260 752**	**9.1**
Hotels	**65 635**	**78 073**	**153 235**	**201 191**	**215 164**	**6.9**
Hotel	51 479	65 864	124 723	164 269	181 534	10.5
Motel	14 156	12 209	28 512	36 922	33 630	-8.9
Similar establishments	**9 688**	**13 770**	**27 383**	**37 736**	**45 588**	**20.8**
Boarding houses	9 346	12 337	26 195	35 413	43 377	22.5
Holiday villages	342	1 433	1 188	2 323	2 211	-4.8
Thermal resorts	**902**	**558**	**2 365**	**4 373**	**4 496**	**2.8**
Camping sites	**1 997**	**4 335**	**4 256**	**6 139**	**7 229**	**17.8**

([1]) Result of the inventories carried out by the Ministry of Tourism on the touristic establishments all over Turkey that were certified by the local authorities. These establishments have been classified as "qualified" and "unqualified" taking into account facilities offered, such as restaurants, swimming pools, beachs, discotheques. The figures given above are "qualified establishments".

Source: MOT.



Source: MOT.

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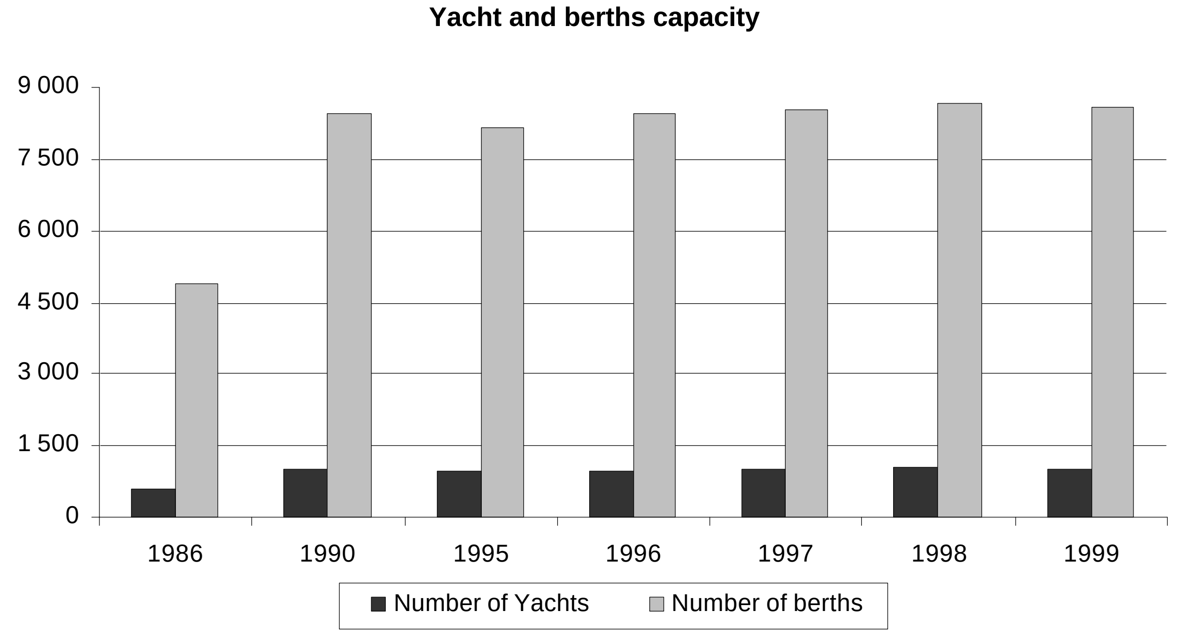
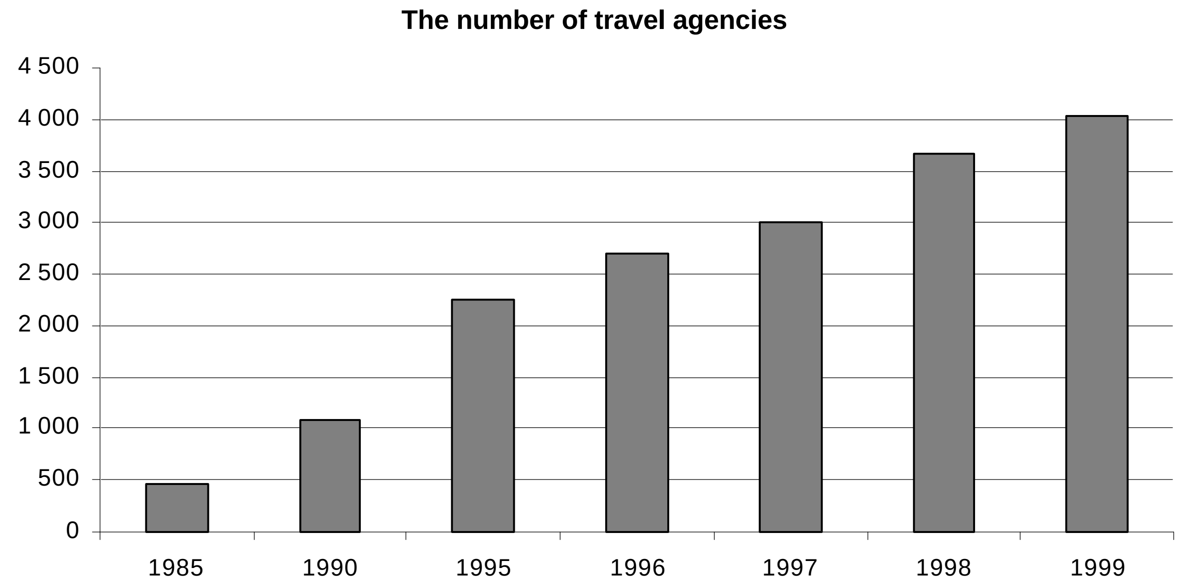
The number of yacht companies increased from 57 (604 yachts with 4 917 berths) in 1986 to 108 (1 032 yachts with 8 657 berths) in 1998.



Source: MOT.

The number of travel agencies also increased from 466 in 1985 to 3 667 in 1998.



Source: MOT

Part III: Tourism Demand

Occupancy of collective tourist accommodation establishments: inbound and domestic tourism

Number of nights spent in the Ministry of Tourism and Municipality[1] licensed establishments (in thousands)

	1995	1996	1997	1998	1999	%99/95	%99/98
	Total						
Total	**57 808**	**67 723**	**80 314**	**71 553**	**53 150**	**-8.1**	**-25.7**
Foreigners	26 262	36 055	46 774	37 618	20 457	-22.1	-45.6
Citizens	31 546	31 668	33 540	33 935	32 693	3.6	-3.7
	Establishments licensed by the Ministry of Tourism						
Total	**28 155**	**37 038**	**51 108**	**45 946**	**32 297**	**14.7**	**-29.7**
Foreigners	18 477	25 548	36 167	30 433	15 514	-16.0	-49.0
Citizens	9 678	11 490	14 941	15 513	16 783	73.4	8.2
	Establishments licensed by the municipality						
Total	**29 653**	**30 685**	**29 206**	**25 607**	**20 853**	**-29.7**	**-18.6**
Foreigners	7 785	10 507	10 607	7 185	4 943	-36.5	-31.2
Citizens	21 868	20 178	18 599	18 422	15 910	-27.2	-13.6

([1]) Result of the inventories carried out by the Ministry of Tourism on the tourisc establishments all over Turkey that were certified by the local authorities. These establishments have been classified as "qualified" and "unqualified" taking into consideration of their services such as restaurants, swimming pools, beachs, and discotheques. The figures given above are "qualified establishments" which have been taken under survey by sampling for the information on nights spent.

Source: MOT (Surveys on MOT licensed and municipality licensed establishments).

According to the “Foreign Visitors Survey”, total nights spent by foreign visitors were evaluated at 89.5 million in 1997, while it was 18.8 million in 1987. The share of European countries was 85.3% of the total overnights while EU countries share was 65.7%.

Out of above mentioned number of nights spent by foreign visitors, 40.4% was realised in the MOT licensed accommodation and 11.9% was in municipality registered establishments, which amounts to 52.3% of total nights spent in all types of accommodation establishments in 1997.Nevertheless, when evaluating these figures one should keep in mind that the establishments surveyed, especially for those who own the municipality licence, may refrain from reflecting the exact number of arrivals and nights spent.

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Nights spent by foreign visitors in all types of accommodation by nationality (in thousands)

	1990	1994	1995	1996	1997
Total	**39 429**	**48 451**	**61 441**	**65 599**	**89 446**
Europe	**30 930**	**38 888**	**51 805**	**53 941**	**76 278**
EU15	**25 322**	**27 178**	**39 167**	**40 970**	**58 809**
Belgium	611	646	937	966	1 737
Denmark	390	737	910	1 229	1 336
Germany	10 631	10 563	18 837	19 397	27 801
Greece	784	976	1 104	744	2 002
Spain	375	155	107	201	344
France	3 135	1 601	1 996	1 803	3 430
Ireland	:	:	:	298	479
Italy	983	612	689	1 004	1 368
Luxembourg	:	:	:	15	2
Austria	1 482	1 474	1 815	2 121	3 272
Netherlands	1 978	2 239	2 252	2 357	3 093
Portugal	:	:	:	38	61
Finland	677	842	919	1 241	1 665
Sweden	1 012	894	1 029	1 306	2 034
United Kingdom	3 265	6 440	8 573	8 250	10 184
EFTA	**1 124**	**814**	**1 082**	**1 313**	**2 335**
Iceland	:	:	:	45	13
Norway	360	429	546	773	1 338
Switzerland	764	385	536	496	984
Other European countries	**4 483**	**10 896**	**11 557**	**11 658**	**15 134**
Poland	678	184	173	237	465
Czech republic [1]	:	155	339	72	552
Hungary	:	155	93	173	185
Africa	**828**	**614**	**724**	**931**	**1 224**
North America	**1 100**	**1 316**	**1 170**	**1 603**	**3 476**
United States	913	1 154	1 005	1 335	3 181
Canada	187	161	165	268	295
South and Central America	**181**	**179**	**168**	**215**	**181**
Asia	**5 410**	**6 233**	**6 242**	**8 266**	**7 174**
Japan	286	323	287	335	529
Australia and Oceania territories	587	374	438	643	1 114
Not specified	981	1 222	1 332	643	1 114

([1]): Slovakia + Czech Republic

Source: MOT - Surveys on Demand Profile of Foreign Visitors.

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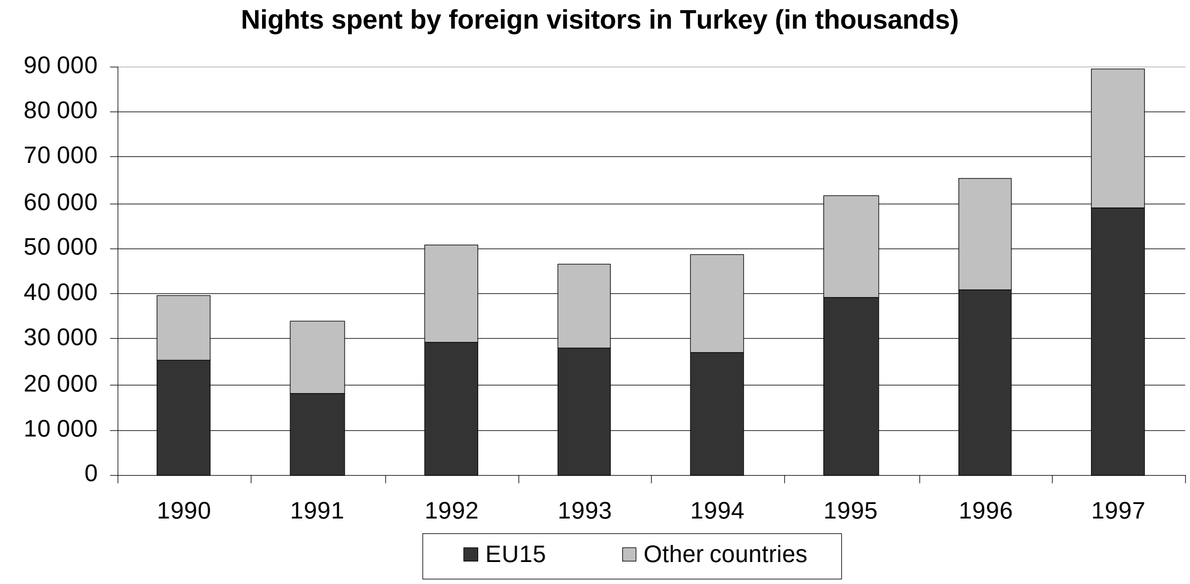
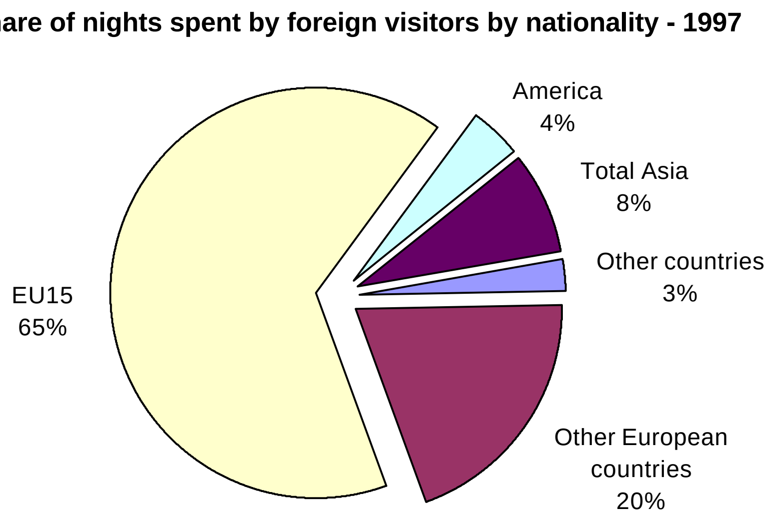


Source: MOT - Surveys on Demand Profile of Foreign Visitors.

The average length of foreign stays in the country changed from 7.5 to 10.4 nights from 1987 to 1997, however, the average length of stay remained around 9 days in between. With regards to surveyed accommodation establishments, the average length of stay for foreign visitors in the MOT licensed establishments was 4.0 nights in 1998 and 3.1 nights in municipality licensed establishments.



Source: MOT - Surveys on Demand Profile of Foreign Visitors.

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Tourism demand: Inbound and National Tourism

In 1985 the share of visitors from European countries was 62.5%. Since 1990, the share of visitors from European countries has always represented more than three-quarters of the total visitor arrivals, ranging from 78% to 85%. Arrivals from EU15 countries represent roughly half of total arrivals, but its share has varied over the years from 31.8% in 1991 to 54.6% in 1998. In 1991 and the subsequent years with the separation of Russian Federation Turkey was faced with a big flow of visitors from those states. In 1999 arrivals of visitors from the former USSR represented 14% of total arrivals. Indeed, the number of arrivals from East European countries has increased over the past decade and its market share has risen from 21% in 1985 to 30% in 1999.

As far as outbound tourism is concerned, the number of citizens travelling abroad reached 4.6 million in 1998 and 4.8 million in 1999, while it was 2.9 million in 1990, and tourism expenditures went up to ECU 1 565 million in 1998 from ECU 408 million in 1990.

International tourism receipts and expenditure and average expenditure per person

		1990	1995	1996	1997	1998	1999
Foreign visitors	**Tourism receipts (Mio ECU)**	**2 533**	**3 790**	**4 450**	**6 174**	**6 402**	**4 882**
	Number of visitors (million)	5.4	7.7	8.5	9.7	9.4	7.5
	Average expenditure (ECU)	469.0	492.2	517.4	636.5	681.0	650.9
Citizens going abroad	**Tourism expenditure (Mio ECU)**	**408**	**697**	**996**	**1 513**	**1 565**	**1 380**
	Number of citizens (million)	2.9	4.0	4.3	4.6	4.6	4.8
	Average expenditure (ECU)	140.8	174.3	231.7	329.0	340.1	313.7
Tourism Balance (Mio ECU)		**2 124**	**3 092**	**3 453**	**4 661**	**4 837**	**3 502**

Source: MOT, CBT & General Directorate of Security

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Distribution of foreign visitors arriving in Turkey by nationality

	1985	1990	1995	1996	1997	1998	1999
Total	**2 614 924**	**5 389 308**	**7 726 886**	**8 614 085**	**9 689 004**	**9 752 697**	**7 487 285**
Europe	**1 635 339**	**4 346 119**	**6 023 266**	**6 926 880**	**7 933 681**	**7 962 228**	**5 837 122**
EU15	**1 041 709**	**2 734 640**	**3 794 034**	**4 544 967**	**5 256 493**	**5 322 282**	**3 506 169**
Belgium	20 138	56 258	107 484	113 505	155 421	191 173	149 622
Denmark	8 665	34 507	104 697	147 531	148 334	104 852	83 459
Germany	299 509	973 914	1 656 387	2 141 778	2 338 529	2 233 740	1 388 787
Greece	213 222	227 709	154 224	147 305	170 445	168 525	146 871
Spain	18 853	62 220	28 787	47 617	61 809	74 681	35 453
France	149 950	310 809	251 609	251 976	333 781	436 932	270 280
Ireland	:	:	24 771	24 431	34 557	39 942	37 995
Italy	74 803	156 342	108 231	160 118	207 887	259 483	79 029
Luxembourg	:	:	1 521	1 762	1 857	4 308	1 105
Netherlands	31 217	150 337	203 029	216 672	263 367	328 002	214 163
Austria	76 705	196 561	181 709	235 540	307 528	235 120	129 465
Portugal	:	:	6 535	9 728	10 891	14 853	7 678
Finland	13 032	104 321	102 428	124 627	107 579	78 043	39 946
Sweden	10 938	110 204	127 901	163 944	199 171	156 116	107 427
United Kingdom	124 677	351 458	734 721	758 433	915 337	996 512	814 889
EFTA	**42 599**	**116 257**	**118 853**	**162 286**	**205 134**	**154 029**	**101 407**
Iceland	:	:	3 676	4 574	4 720	7 014	5 994
Norway	6 327	39 889	52 364	86 751	112 134	70 144	56 685
Switzerland	36 272	76 368	62 813	70 961	88 280	76 871	38 728
Other European Countries	**551 031**	**1 495 222**	**2 110 379**	**2 219 627**	**2 472 054**	**2 485 917**	**2 229 546**
Poland	88 339	206 682	33 951	37 542	50 895	80 826	66 209
Czech Rep.	5 764	66 224	37 985	40 929	60 649	47 142	40 691
Hungary	37 486	172 357	16 194	15 428	22 799	26 275	25 032
Africa	**101 778**	**89 924**	**135 816**	**119 718**	**129 119**	**126 506**	**128 402**
North America	**218 458**	**242 966**	**332 562**	**370 729**	**414 760**	**497 887**	**443 873**
United States	196 261	205 831	290 225	326 214	364 764	439 885	395 006
Canada	21 530	34 575	38 551	40 132	46 387	53 647	44 958
South and Central America	**22 434**	**30 470**	**43 759**	**49 360**	**54 747**	**57 499**	**39 948**
Asia	**608 508**	**626 180**	**1 129 851**	**1 076 407**	**1 075 807**	**1 020 907**	**972 375**
Japan	16 811	35 358	66 005	68 012	83 828	81 857	67 987
Australia, Oceania & Other Territories	**27 268**	**49 984**	**52 909**	**57 884**	**65 005**	**74 339**	**56 642**
Australia	22 602	37 045	43 287	46 796	52 986	60 657	46 075
New Zealand	4 629	12 937	9 158	10 151	11 462	13 080	10 247
Not Specified	1 139	3 665	8 723	13 107	15 885	13 331	8 923

Source: General Directorate of Security & MOT.

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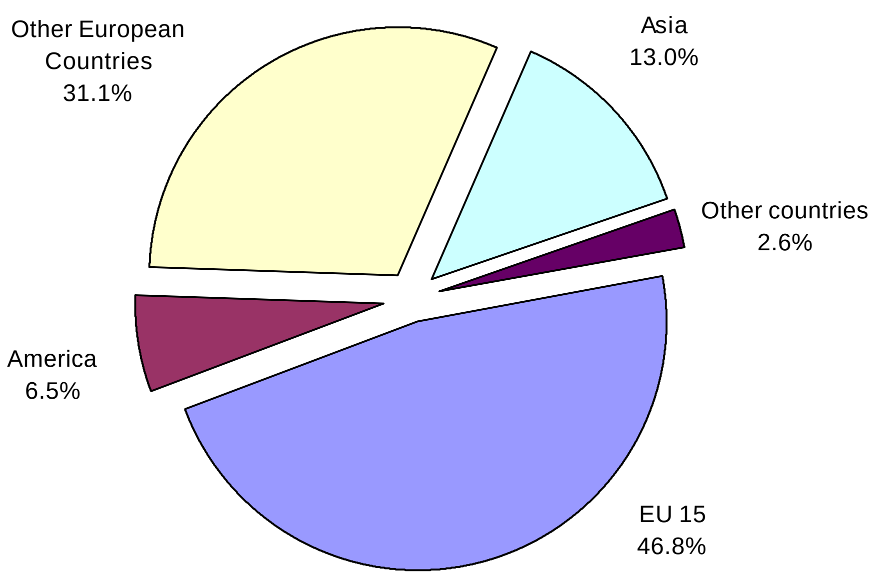
Evolution of foreign visitors arriving in Turkey by nationality (% change)

	90/85	95/90	96/95	97/96	98/97	99/98
Total	**106.1**	**43.4**	**11.5**	**12.5**	**0.7**	**-23.2**
Europe	165.8	38.6	15.0	14.5	0.4	-26.7
EU15	**162.5**	**38.7**	**19.8**	**15.7**	**1.3**	**-34.1**
EFTA	172.9	2.2	36.5	26.4	-24.9	-34.2
Other European Countries	171.3	41.1	5.2	11.4	0.6	-10.3
Africa	-11.6	51.0	-11.9	7.9	-2.0	1.5
North America	11.2	36.9	11.5	11.9	20.0	-10.8
South and Central America	35.8	43.6	12.8	10.9	5.0	-30.5
Asia	2.9	80.4	-4.7	-0.1	-5.1	-4.8
Australia, Oceania and Other Territories	83.3	5.9	9.4	12.3	14.4	-23.8

Source: General Directorate of Security.

% Share of foreign visitor arrivals by nationality – 1999



Source: General Directorate of Security & MOT.

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In 1985, arrivals at the border by road represented 44.8% of total arrivals, but since then its share has dropped considerably from 35.8% in 1990 to 18.7% in 1998. Over the past decade air transport has clearly become the main mode of transport used to travel to Turkey. In 1985 arrivals of foreign visitors by air transport accounted for 33.2% of total arrivals, in 1990 it had increased its market share to 47.5% and by 1998 its represented 68.7%.

Arrivals of foreign visitors by means of transport

	1985	1990	1995	1996	1997	1998
Total	**2 614 924**	**5 389 308**	**7 726 886**	**8 614 085**	**9 689 004**	**9 752 697**
Air	868 363	2 558 767	5 164 040	6 239 925	7 019 729	6 698 882
Road	1 170 333	1 928 250	1 626 221	1 360 328	1 576 038	1 828 520
Train	53 549	144 843	52 125	91 929	140 072	114 215
Sea	522 679	757 448	884 500	921 903	953 165	1 111 080

Source: General Directorate of Security

With regards to the the main purpose of travel, 55% of the foreign visitors came for holiday purposes in 1998; culturel, business, visits to friends and shopping follow.

Arrivals of foreign visitors by purpose of visit (%)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Holiday	**56.9**	**74.1**	**67.0**	**62.6**	**76.5**	**79.6**	**60.2**	**83.0**	**85.3**	**51.1**	**56.1**	**54.9**
Shopping	5.1	3.4	4.2	3.5	-	-	10.7	-	-	4.4	5.9	4.1
Culture	24.1	7.1	8.7	6.1	-	-	9.4	-	-	12.4	10.5	9.8
Business	**6.0**	**6.0**	**8.0**	**5.6**	**16.4**	**9.7**	**6.4**	**7.0**	**6.9**	**9.6**	**5.5**	**8.9**
Visits to friends	3.1	2.4	2.2	2.7	5.7	8.3	3.9	9.0	7.1	4.5	6.3	5.1
Missions	-	0.4	0.7	0.6	-	-	2.0	-	-	0.4	0.4	0.3
Active Sports	0.8	0.7	0.8	0.9	-	-	1.6	-	-	0.8	0.9	1.1
Transit	-	1.2	1.1	1.8	-	-	1.5	-	-	1.0	0.8	0.7
Religion	0.9	0.3	0.3	0.3	-	-	0.7	-	-	0.5	0.5	0.3
Study/Education	-	0.4	0.8	0.4	0.9	0.8	0.5	1.0	0.7	0.6	0.5	0.8
Health/Spa	0.3	0.3	0.3	0.2	-	-	0.2	-.	-	0.4	0.4	0.5
Meetings	-	0.7	1.5	0.7	-	-	1.2	-	-	1.3	1.5	1.6
Other	2.8	3.0	4.4	14.6	0.5	1.6	1.7	-	-	13.0	10.7	11.9
Total	100	100	100	100	100	100	100	100	100	100	100	100

Source: MOT - Surveys on Demand Profile of Foreign Visitors.

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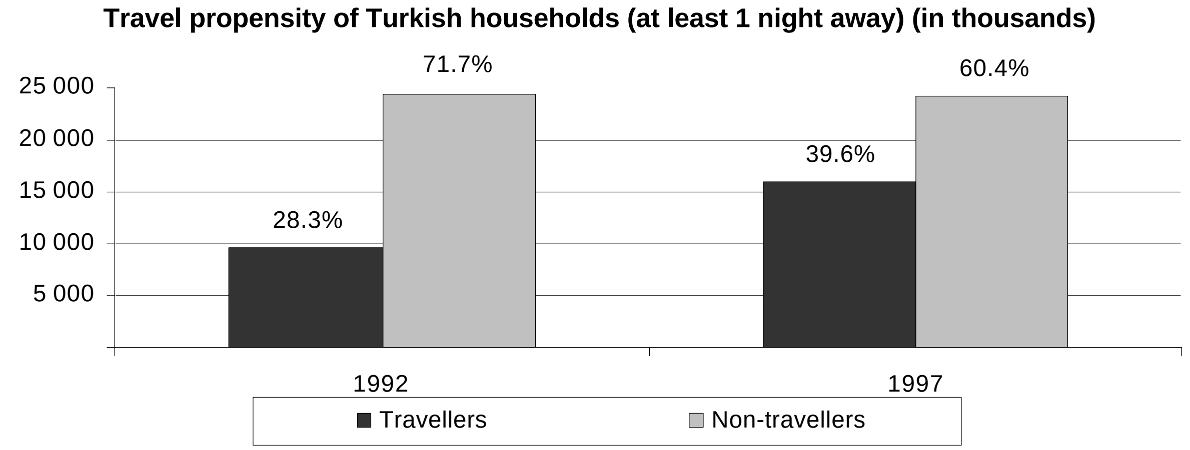


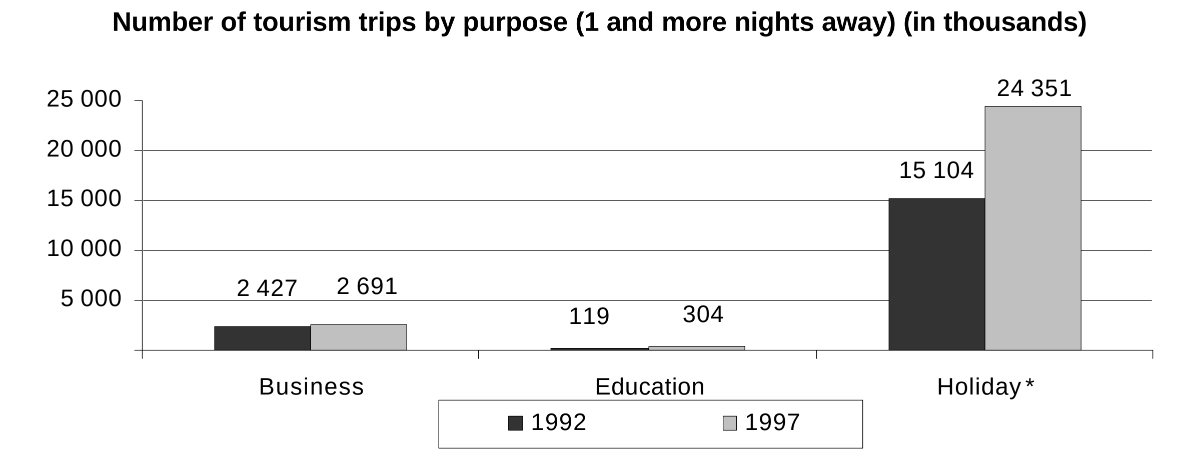
Source: MOT - Household Tourism Surveys.

As for national tourism, the number of tourism trips (for 4+ nights) was 15.8 million out of which 15.3 million were domestic trips and 94.3 % of the total trips were for holiday purposes, 4.8 % for business, and 0.9 % education purposes in 1997. Compared to the 1992 figures total tourism trips increased by 74.3% in 1997; domestic tourism increased by 76.6% and outbound tourism by 27.8%.

Number of tourism trips (domestic and outbound)

	1992	1997	% Change 97/92
At least 1 night away	**17 548 730**	**27 345 196**	**55.8**
Four nights and more	9 076 554	15 821 057	74.3

Source: MOT - Household Tourism Surveys.



(*) Cultural, visiting relatives, sports, religion and health trips are included.

Source: MOT - Household Tourism Surveys.

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Number of tourism trips (four nights and more)

	Purpose	1992 Trips	1992 % Share	1997 Trips	1997 % Share	% Change 97/92
General	**Total**	**9 076 554**	**100.0**	**15 821 057**	**100.0**	**74.3**
	Holiday	8 352 634	92.0	14 913 184	94.3	78.5
	Business	605 257	6.7	764 194	4.8	26.3
	Education	118 663	1.3	143 679	0.9	21.1
Domestic	**Total**	**8 655 505**	**100.0**	**15 282 904**	**100.0**	**76.6**
	Holiday	8 112 981	93.7	14 552 105	95.2	79.4
	Business	512 322	5.9	625 730	4.1	22.1
	Education	30 202	0.3	105 069	0.7	247.9
Outbound	**Total**	**421 049**	**100.0**	**538 153**	**100.0**	**27.8**
	Holiday	239 653	56.9	361 079	67.1	50.7
	Business	92 935	22.1	138 464	25.7	49.0
	Education	88 461	21.0	38 610	7.2	-56.4

Source: MOT - Household Tourism Surveys.

In the number of overnights for holiday trips (4+ nights) within the country recorded from 1992 to 1997 increased by 389% and for outbound tourism it increased by 313% within the same period. The average length of stay within the country was 17 nights in 1992 and 19 nights in 1997. In 1997, 75% of the citizens spent their holidays either in their second home, at a friend’s home, in rented accommodation or in the public sector holiday establishments. For the same year, the average length of stay for outbound tourism (holiday trips for 4+ nights) was 22 nights, and 61% of the citizens declared that they stayed in tourist accommodation establishments. Visiting families who are working in abroad accounts for the high number of stays.

Number of nights spent on holiday trips (4 Nights and more)

		1992	1997	% Change
Nights spent	**Domestic**	**168 753 562**	**825 032 155**	**388.9**
	Outbound	5 922 198	24 457 718	313.0

Source: MOT - Household Tourism Surveys.

PART IV: Future Perspectives

The Ministry of Tourism has created many scenarios according to the major criteria of tourism demand and supply. When the trends of 1998 are taken into the consideration, it is forecasted that the number of foreign visitors will reach up to 12.7 million in the year 2005, with an average expenditure of US$ 863 per foreign visitor, amounting to US$ 10.9 billion in international tourism receipts.

ANNEXES

ABBREVIATIONS

Aggregates and country codes

Aggregates and countries	Country codes	Explanations
Euro-Mediterranean region	**Euro-Med total**	Constituted of the 27 countries involved in the Barcelona process (EU15 and 12 Mediterranean countries partners)
Mediterranean countries	**MED-Total**	Constituted of the 12 Mediterranean countries: DZ, MA, TN, EG, JO,LB, SY, IL, PAL, CY, MT, TR.
Algeria	**DZ**	
Morocco	**MA**	
Tunisia	**TN**	
Egypt	**EG**	
Jordan	**JO**	
Lebanon	**LB**	
Syria	**SY**	
Israel	**IL**	
Palestinian Territories	**PAL**	
Cyprus	**CY**	
Malta	**MT**	
Turkey	**TR**	
European Union	**EU15**	Constituted of B, DK, EL, E, F, I, L, NL, A, P, FIN, S, UK.
Belgium	**B**	
Denmark	**DK**	
Greece	**EL**	
Spain	**E**	
France	**F**	
Italy	**I**	
Luxembourg	**L**	
The Netherlands	**NL**	
Austria	**A**	
Portugal	**P**	
Finland	**FIN**	
Sweden	**S**	
United Kingdom	**UK**	
Iceland	**IS**	
Norway	**N**	
Liechtenstein	**LI**	
European Economic Area	**EEA**	Constituted of EU15, IS, N, LI
Switzerland	**CH**	
European Free Trade Association	**EFTA**	Constituted of IS, LIE, N, CH

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ABBREVIATIONS

Units of measurement

Measure	
ECU	**European Currency Unit**
000's	Thousands
Mio	Million
%	Percentage

Sources

Country	Abbreviation	
Algeria	**NOS** **MOTAC**	National Office of Statistics Ministry of Tourism and Arts and Crafts
Morocco	**DS** **MOT**	Department of Statistics Ministry of Tourism
Tunisia	**NSI** **ONTT**	National Statistical Institute National Tunisian Tourism Office
Egypt	**MOT** **CBE**	Ministry of Tourism Central Bank of Egypt
Jordan	**DOS** **MOTA** **CB**	Department of Statistics Ministry of Tourism and Antiquities Central Bank of Jordan
Lebanon	**MOT** **MOF**	Ministry of Tourism Ministry of Finance
Syria	**CBS**	Central Bureau of Statistics
Israel	**CBS** **MOT**	Central Bureau of Statistics Ministry of Tourism
Palestinian Territories	**PCBS**	Palestinian Central Bureau of Statistics
Cyprus	**CYSTAT**	Statistical Service of Cyprus
Malta	**COS** **NTO**	Central Office of Statistics National Tourist Organisation
Turkey	**SIS** **MOT** **CB**	State Institute of Statistics Ministry of Tourism Central Bank
Countries of the European Union	**Eurostat**	Statistical Office of the European Communities. Data extracted from New Cronos in October 2000

TECHNICAL NOTES

The availability and comparability of data vary from country to country. Due to differences in data collection methods and methodological approaches used by the 12 non EU Mediterranean countries data are not fully harmonised.

For the countries of the European Union the tourism statistics used in this publication are part of those collected at European level in accordance with the Council Directive 95/57/EC of 23 November 1995. This Directive provides for comparable and harmonised statistics.

The geographical groupings refer generally to that used by the World Tourism Organisation.

Monetary figures are presented in ECU calculated according to the respective average annual exchange rates. In most cases the conversion into ECU has been made using the US$ exchange rate. In the case of Egypt for monetary figures presented according to the fiscal year (1 July to 30 June), the corresponding monthly annual exchange rates have been used to calculate the average annual exchange rate for that period.

Balance of Payments data are in line with the definitions in the Balance of Payments Manual by the International Monetary Fund. The **"Balance of Payments"** is defined as the record of a country's international transactions with the rest of the world (or, in other words, transactions of its residents with non-residents). Data in this publication mainly focus on transactions concerning "Travel". ***"Travel"*** *covers goods and services acquired from an economy by non-resident travellers during their stay on the territory of that economy and for their own use*. It excludes receipts and expenditures for international passenger transport.

The terminology specific to tourism used in this publication is fully in line with the definitions developed by the World Tourism Organisation and Eurostat’s Community Methodology on Tourism Statistics (ISBN 92-828-1921-38).

Terms and definitions:

TOURISM is the activities of persons travelling to and staying in places *outside their usual environment* for not more than one consecutive year for leisure, business and other purposes.

DOMESTIC TOURISM[1] comprises the activities of residents of a given area travelling only within that area, but outside their usual environment;

INBOUND TOURISM as comprises the activities of non-residents travelling in a given area that is outside their usual environment;

OUTBOUND TOURISM comprises the activities of residents of a given area travelling to and staying in places outside that area (and outside their usual environment).

NATIONAL TOURISM comprises "domestic tourism" and "outbound tourism".

VISITORS: persons travelling to a place other than that of his/her usual environment for less than twelve consecutive months and whose main purpose of travel is other than the exercise of an activity remunerated from within the place visited.

TOURISTS: overnight visitors

INTERNATIONAL TOURISTS: international visitors who stay at least one night in collective or private accommodation in the country visited.

[1] The term "**Domestic**" in the tourism context differs from its use in the System of National Accounts. In the national accounts context it refers to activities and expenditures of both residents and non- residents travelling within the given area, which in tourism terms is domestic and inbound tourism.

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TECHNICAL NOTES

TOURIST ACCOMMODATION is any facility that regularly or occasionally provides overnight accommodation for visitors.

COLLECTIVE TOURIST ACCOMMODATION ESTABLISHMENTS: Establishments which provide overnight lodging for the traveller in a room or some other unit. The number of places it provides must be greater than a specified minimum amount for groups of person exceeding a single family unit and all the places in the establishments must come under a common commercial-type management, even if it is non-profit making.

HOTELS AND SIMILAR ESTABLISHMENTS are collective accommodation establishments typified as being arranged in rooms, in numbers exceeding a specified minimum, and as providing certain services including room services and daily bed-making and cleaning of the sanitary facilities.

HOTELS: comprise hotels, apartment hotels, motels, roadside inns, beach hotels, residential clubs and similar establishments providing hotel services including more than daily bed-making and cleaning of the room and sanitary facilities.

SIMILAR ESTABLISHMENTS: comprise rooming and boarding houses, tourist residence and similar accommodation arranged in rooms and providing limited hotel services including daily bed-making and cleaning of the room and sanitary facilities. This group also includes guesthouses, Bed & Breakfast and farmhouse accommodation.

OTHER COLLECTIVE ESTABLISHMENTS AND SPECIALISED ESTABLISHMENTS: are any establishment, intended for tourists, which may be non-profit making, coming under a common management, providing minimum common services (not including daily bed-making) and not necessarily being arranged in rooms but perhaps in dwelling-type units, campsites or collective dormitories and often engaging in some activity besides the provision of accommodation, such as health care, social welfare or transport.

HOLIDAY DWELLINGS: include collective facilities under common management, such as clusters of houses or bungalows arranged as dwelling-type accommodation and providing limited hotel services (not including daily bed-making and cleaning).

TOURIST CAMPSITES: consists of collective facilities in enclosed areas for tents, caravans, trailers and mobile homes. All come under common management and provide some tourist services (shop, information, and recreational activities).

OTHER COLLECTIVE ESTABLISHMENTS N.E.C.: comprise youth hostels, tourist dormitories, group accommodation, holiday homes for the elderly, holiday accommodation for employees and workers' hotels, halls of residence for students and school dormitories, and other similar facilities that come under common management, have a social interest and are often subsidised.

PRIVATE TOURIST ACCOMMODATION: private tourist accommodation provides, for rent or without charge a limited number of places. Each accommodation unit (room, dwelling) is independent and is occupied by tourists, usually by week or weekend, fortnight or month, or by its owners as a second home or holiday home.

ESTABLISHMENTS: the local unit is an enterprise or part thereof situated in a geographically identified place. At or from this place economic activity is carried out for which - save for certain exceptions - one or more persons work (even if only part-time) for one and the same enterprise.

BEDROOMS: A bedroom is the unit formed by one room or groups of rooms constituting an indivisible rental whole in an accommodation establishment or dwelling.

BED-PLACES: The number of bed-places in an establishment or dwelling is determined by the number of persons who can stay overnight in the beds set up in the establishment (dwelling), ignoring any extra beds that may be set up by customer request. The term bed-place applies to a single bed, double bed being counted as two bed-places. The unit serves to measure the capacity of any type of accommodation. A bed-place is also a place on a pitch or in a boat on a mooring to accommodate one person. One camping pitch should equal four bed-places if the actual number of bed-places is not known.

NIGHTS SPENT BY RESIDENTS AND NON-RESIDENTS: a night spent (or overnight stay) is each night that a guest actually spends (sleeps or stays) or is registered (his/her physical presence there being unnecessary) in a collective accommodation establishment or in private tourism accommodation.

NET USE OF BEDPLACES: the net occupancy rate of bed-places in one month is obtained by dividing total overnight stays by the product of the bed-places on offer and the number of days when the bed-places are actually available for use (net of seasonal closures and other temporary closures for decoration, by police order, etc.) for the same group of establishments, multiplying the quotient by 100 to express the result as a percentage.

GROSS USE OF BEDPLACES: the gross occupancy rate of bed-places in one month is obtained by dividing total overnight stays by the product of the bed-places and the number of days in the corresponding month (sometimes termed bed-nights) for the same group of establishments, multiplying the quotient by 100 to express the result as a percentage.

AVERAGE SIZE OF ACCOMMODATION ESTABLISHMENTS: this is calculated by dividing the number of accommodation establishment (e.g. hotels, hotels and similar establishments) by the corresponding number of bed-places. When making cross-country comparisons this indicator can be subject to bias because of the statistical coverage applied in the individual countries. Establishments are usually considered in statistics only if they reach a minimum number of bed-places, and these thresholds can vary from country to country. Thus the exclusion of small establishments inflates the average of each country and the use of different thresholds affects the comparison among the countries.

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EXCHANGE RATES

ECU exchange rates, annual average [1]

1 ECU =

		1980	1985	1990	1991	1992	1993
Algeria	DZD	5.346547	3.838333	11.409933	22.887285	28.350504	27.342850
Cyprus	CYP	0.487316	0.465484	0.581892	0.573350	0.583675	0.582941
Egypt	EGP	0.974631	0.534162	1.973816	3.952920	4.309692	3.934560
Israel	NIS	0.013923	0.900444	2.572329	2.825285	3.193326	3.313930
Jordan	JOD	0.417699	0.297604	0.840464	0.842629	0.882708	0.807990
Lebanon	LBP	4.789615	12.529905	885.148459	1 150.225487	2 213.260500	2 039.132560
Malta	MTL	0.487316	0.358651	0.403632	0.399820	0.412953	0.447021
Morocco	MAD	5.485780	7.676665	10.493063	10.793084	11.090966	10.904352
Syria	SYP	5.471857	2.998936	14.300619	34.696480	36.346800	35.130000
Tunisia	TND	0.556932	0.633363	1.120618	1.140027	1.142328	1.171000
Turkey	TRL	105.872773	398.316674	3 329.060000	5 153.290000	8 930.950000	12 879.30000

		1994	1995	1996	1997	1998	1999
Algeria	DZD	41.704571	62.339757	69.518813	65.445448	65.852827	70.948975
Cyprus	CYP	0.583931	0.591619	0.591904	0.582628	0.577418	0.578840
Egypt	EGP	4.032473	4.434154	4.304453	3.844396	3.800495	3.623652
Israel	NIS	3.580455	3.937110	4.050503	3.912438	4.260142	4.412329
Jordan	JOD	0.832664	0.915607	0.901523	0.805168	0.795974	0.756704
Lebanon	LBP	1 998.47687	2 120.82049	1 995.33594	1 745.79788	1 699.71818	1 607.02572
Malta	MTL	0.448852	0.461431	0.458156	0.437495	0.434983	0.425799
Morocco	MAD	10.943584	11.170405	11.072220	10.807401	10.762464	10.444644
Syria	SYP	39.492064	44.995544	49.901175	50.918396	55.045519	52.010064
Tunisia	TND	1.201415	1.242610	1.231658	1.258784	1.278043	1.268278
Turkey	TRL	35 535.300	59 912.100	103 214.000	170 992.000	293 736.000	447 230.000

Source: Eurostat.

([1]) conversion on the basis of annual average national exchange rates with US$, except for CY, MT, TUR as of 1990.

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EXCHANGE RATES

US$ exchange rates, annual average

1 US$ =

		1980	1985	1990	1991	1992	1993
Algeria	DZD	3.84	5.03	8.96	18.47	21.84	23.35
Cyprus	CYP	0.35	0.61	0.46	0.46	0.45	0.50
Egypt	EGP	0.70	0.70	1.55	3.19	3.32	3.36
Israel	NIS	0.01	1.18	2.02	2.28	2.46	2.83
Jordan	JOD	0.30	0.39	0.66	0.68	0.68	0.69
Lebanon	LBP	3.44	16.42	695.09	928.23	1 705.00	1 741.36
Malta	MTL	0.35	0.47	0.32	0.32	0.32	0.38
Morocco	MAD	3.94	10.06	8.24	8.71	8.54	9.31
Syria	SYP	3.93	3.93	11.23	28	28	30
Tunisia	TND	0.40	0.83	0.88	0.92	0.88	1.00
Turkey	TRL	76.04	521.98	2 608.64	4 171.82	6 872.42	10 984.60

		1994	1995	1996	1997	1998	1999
Algeria	DZD	35.06	47.66	54.75	57.71	58.74	66.57
Cyprus	CYP	0.49	0.45	0.47	0.51	0.52	0.54
Egypt	EGP	3.39	3.39	3.39	3.39	3.39	3.40
Israel	NIS	3.01	3.01	3.19	3.45	3.80	4.14
Jordan	JOD	0.70	0.70	0.71	0.71	0.71	0.71
Lebanon	LBP	1 680.07	1 621.41	1 571.44	1 539.45	1 516.13	1 507.84
Malta	MTL	0.38	0.35	0.36	0.39	0.39	0.40
Morocco	MAD	9.20	8.54	8.72	9.53	9.60	9.80
Syria	SYP	33.2	34.4	39.3	44.9	49.1	48.8
Tunisia	TND	1.01	0.95	0.97	1.11	1.14	1.19
Turkey	TRL	29 608.70	45 845.10	81 404.90	151 865.00	260 724.00	418 783.00

Source: Eurostat.