

Loan to Improve Facilities of Tourism Infrastructure

ODA Loan to "Tourism Sector Development Project" in the Hashemite Kingdom of Jordan

1. Japan Bank for International Cooperation (JBIC; Governor: Hiroshi Yasuda) today signed agreement for an ODA loan totaling up to ¥7,199 million to finance the "Tourism Sector Development Project" in the Hashemite Kingdom of Jordan. The loan agreement was signed by Governor Hiroshi Yasuda and Deputy Prime Minister and Minister of Planning Dr. Rima Khalaf Hunaidi of Jordan at the Head Office of JBIC in Tokyo.
2. The project consists of six sub-projects: the Amman Downtown Tourist Zone, National Museum, the Dead Sea Parkway, the Dead Sea Panoramic Complex, Karak Tourism Development, and Historic Old Salt Development. The borrower of this project is the government of the Hashemite Kingdom of Jordan, and the executing agency is the Ministry of Tourism and Antiquities.
3. The revenue from foreign tourists is crucial to help rectify the trade account deficit of Jordan. Jordan has abundant cultural legacies and is blessed with grand natural scenery such as the Dead Sea. The number of the tourists to Jordan has been increasing due to the relaxation of tensions in the region.
4. The project is to improve the tourism infrastructure in Jordan, making tourism resources more amiable and attractive to tourists, thereby strengthening their capacity to earn necessary foreign currency.

(See Appendix for detailed description)

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The agreement was signed by Governor Hiroshi Yasuda and Deputy Prime Minister and Minister of Planning Dr. Rima Khalaf Hunaidi of Jordan at the Head Office of JBIC in Tokyo on December 2, 1999. This is the 16th ODA loan to Jordan, and the cumulative ODA loan amount totals 18,994.7 billion yen.

1. Loan Amount and Conditions

Project Name	Amount (Mil. yen)	Interest Rate (%)		Repayment Period / Grace Period (Years)		Tying Status	
		Goods & Services	Consulting Services	Goods & Services	Consulting Services	Goods & Services	Consulting Services
Tourism Sector Development Project	7,199	2.2	0.75*	25/7	40/10	General Untied	Bilateral Tied

*Special environmental project

2. Project Description

Tourism Sector Development Project

(1) The Hashemite Kingdom of Jordan

Jordan borders on Israel, Iraq, Syria, and Saudi Arabia, the major powers of the region. Domestically, more than 60 % of the population is Palestinian. Therefore, there has been pressing regional and domestic policy requirements for Jordan.

King Hussein bin Talal, who ruled Jordan for 46 years, successfully gained domestic support by making progress in democratization. Jordan made peace with Israel in 1994, and has been actively participating in the Middle East Peace Process. Although King Hussein bin Talal past away in February 1999, the new King Abdullah has pledged the continuity of his predecessor's domestic and foreign policies.

Jordan lacks natural resources except for phosphate ore and potassium. It also produces cement. Furthermore, arable land is extremely limited (less than 6% of its territory). Most of the necessities are imported from abroad, and the trade account is chronically in the red. That structural trade deficit is partially alleviated by (1) remittances from Jordanian workers abroad, (2) economic aid from foreign donors, and (3) revenue from foreign tourists.

(2) Background and Necessity of the Project

The revenue from foreign tourists is crucial to help overcome the trade account deficit of Jordan, making the tourism promotion a pressing need. Jordan has abundant cultural legacies from the eras of the Roman Empire, the Crusades, and the Ottoman Empire, and is blessed with grand natural scenery such as the Dead Sea. In recent years, the number of the foreign tourists to Jordan has been increasing due to relaxation of tension in the region.

(3) Purpose and Description of the Project

The project aims to improve the tourism infrastructure in Jordan, making tourism resources more amiable and attractive to tourists, thereby strengthening their capacity to earn necessary foreign currency. The project consists of six sub-projects: the Amman Downtown Tourist Zone, National Museum, the Dead Sea Parkway, the Dead Sea Panoramic Complex, Karak Tourism Development, and Historic Old Salt Development.

The executing agency is the Ministry of Tourism and Antiquities (Address: P.O. Box555 Amman 11118 Jordan, TEL: 90-312-212-4728, FAX: 90-312-212-3847).