5 DEMAND PROJECTION FOR 2016

5.1 OVERALL PROSPECT OF TUNISIA'S TOURISM

5.1.1 Global Trend of World Tourism Market

With the increase in disposable income as well as the technological advances, world tourism has been growing robustly,[1] with the total international tourist arrivals across the world increased at an average rate of 5.3% per year in 1985-98, nearly doubling during this period from 327 million arrivals in 1985 to 637 million in 1998. This growth was considerably faster than the world economy that grew at an average rate of 3.3% per year in the same period.

Although the recent growth has slowed down somewhat (e.g., 3.9% per year in 1995-98) largely due to a sluggish growth in the East Asia and Pacific,[2] European outbound tourists increased at an average rate of 4.6% per year in 1995-98, only slightly down from that in 1985-98 (4.9% per year). The rate of growth of American outbound tourists (North and Latin Americans combined), the second largest contributor to the world tourism after Europeans, averaged 3.7% per year in 1995-98 and 3.8% per year in 1985-98. As the world economy grows further and Asian countries resume their robust economic growth, it is reasonably expected that the world tourism would continue to grow steadily during the first decade of the 21st century.

According to the forecast by the World Tourism Organization (WTO), the worldwide international tourist arrivals are projected to reach 1 billion by 2010 and 1.6 billion by 2020 as shown in Figure 5.1.1. These figures represent sustained average annual rates of growth of 4.2-4.4%, well above the maximum probable expansion of 3% per year in the world economy. While East Asia and Pacific is expected to be a major contributor to this growth (Figure 5.1.2 and Table 5.1.1), European tourists that will continue to be the most important market segment for Tunisia are also projected to increase at a steady pace. This seems plausible at least for the years ahead in view of the positive prospect of the European economy[3] as well as the long-term growth potential of Eastern Europe including the former Soviet Union countries.

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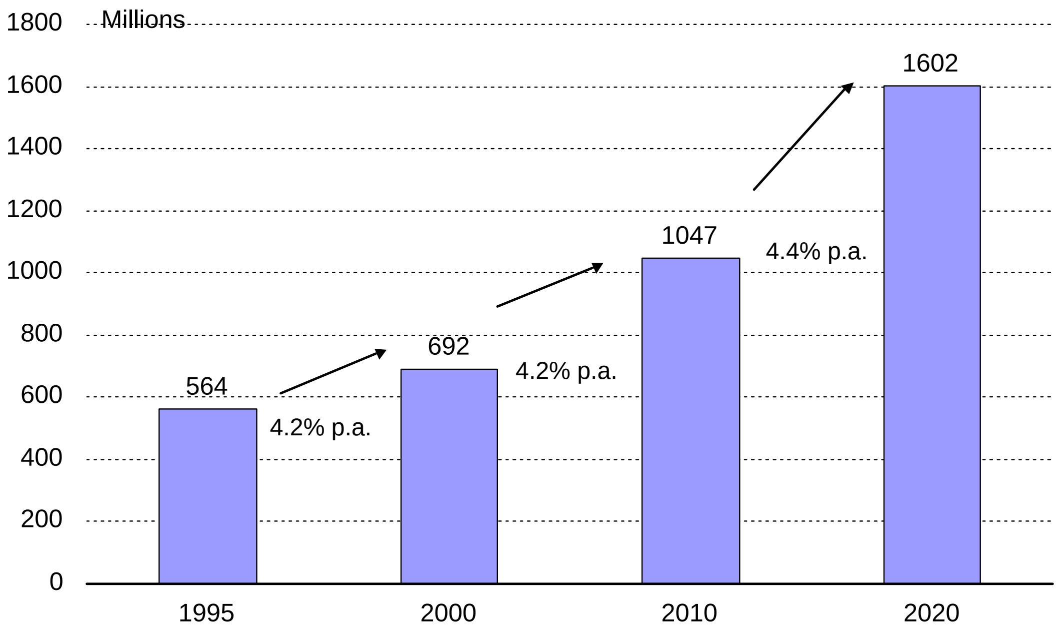
[1] Tourists statistics cited are based on WTO, Tourism Highlights 2000, First Edition, March 2000.

[2] The outbound tourists from the East Asia and Pacific that accounts for about 15% of the entire market increased at an average rate of 2.2% per year in 1995-98 as opposed to 8.3% per year in 1985-98. Apparently, this sluggish growth is largely due to the long-persisted recession of the Japanese economy during the 1990s and the financial and economic crisis experienced by the Southeast Asian countries in the past few years.

[3] A recent IMF forecast on GDP growth of the European Union (EU) indicates an increase of 3.2% in 2000 and 3%, up from the average growth rate of 2.3% per year in 1995-99 (Source: IMF, World Economic Outlook Database, April 2000). The forecasts for EU by OECD are slightly higher, with 3.4% growth in 2000 and 3.1% in 2001 (Source: OECD, Economic Outlook No. 67, June 2000).

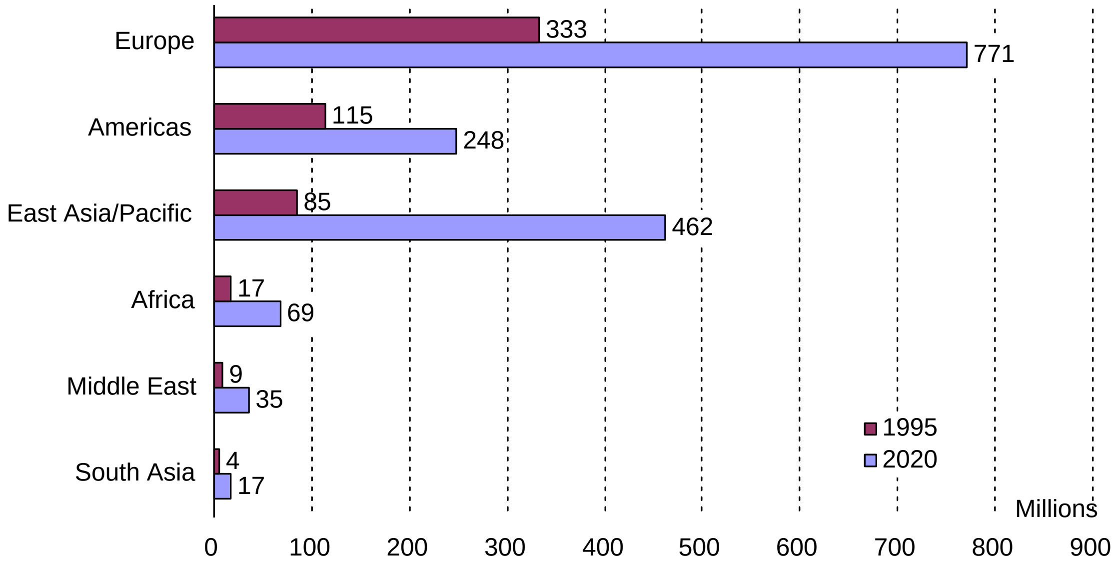
Figure 5.1.1 WTO Forecast of International Tourist Arrivals



Note: The figures in 2000, 2010 and 2020 are forecasts while the 1995 figure is actual. The percentages under the arrows are annual average growth rates.

Source: WTO, Tourism 2020 Vision: Executive Summary, 1997

Figure 5.1.2 Outbound International Tourist Forecast by Generating Region



Source: WTO, Tourism 2020 Vision: Executive Summary, 1997

Table 5.1.1 Annual Average Growth Rate Forecast for Outbound Tourists to 2020

Europe	Americas	East Asia/ Pacific	Africa	Middle East	South Asia	World Total
3.4	3.1	7.0	5.7	5.6	5.5	4.3

Unit: percent per year

Source: WTO, Tourism 2020 Vision: Executive Summary, 1997

5.1.2 Overall Trend and Prospect of Tunisia's Tourism

The Tunisia's tourism sector has performed well during the 1990s in terms of attracting foreign visitors, particularly from European countries. Table 5.1.2 shows the growth of foreign visitor arrivals in Tunisia by region, compared with the growth of outbound international tourists by generating region. The use of 1998 data (rather than 1999 data) is due to the availability of outbound tourist statistics.

As shown, European visitors to Tunisia increased much more rapidly than the total outbound tourists from Europe. The growth of total foreign visitors to Tunisia, however, was significantly lower (though still robust) than that of Europeans, primarily due to a sluggish growth of visitors from Maghreb countries. The growth trend for other countries, though they are still a small fraction, has not been particularly strong.

Table 5.1.2 Recent Growth of Outbound Tourists vs Foreign Visitor Arrivals in Tunisia

Region	Average Annual Growth Rates (% per year)	
	1990-1998	1995-1998
Outbound tourists by region		
Europe	4.1	4.6
Americas	2.7	3.7
East Asia/Pacific	6.2	2.2
Africa	3.7	5.1
Middle East	4.9	6.6
South Asia	6.5	4.4
World total	4.2	3.9
Foreign visitor arrivals in Tunisia		
Europe	7.1	8.5
Maghreb	1.6	-1.5
North America	10.4	3.9
Others	4.2	3.8
Total	5.0	4.6

Source: WTO, Tourism Highlights 2000: First Edition, March 2000; and ONTT, Le Tourisme Tunisien en Chiffres

Whether Tunisia can continue to achieve a solid growth of foreign visitor arrivals depends largely on the country's effort in tourism development that should be partly based on the strength of its economy. The prospect of the Tunisian economy is positive; it is projected to achieve a solid growth in the medium term, expected to provide an overall economic capacity and financial resources that could potentially meet and even accelerate the growth of foreign tourists if an adequate amount of those resources is effectively devoted to the badly needed quality improvement. A recent IMF forecast shows 6.1-6.7% per year as the average rate of the country's GDP growth from 2001 to 2006.[4] In addition, the trade liberalization being implemented based on the Association Agreement with the European Union in 1995 would expectedly increase the number of European visitors, potentially inducing a greater number of foreigners willing to visit

[4] Source: IMF, Tunisia: Preliminary conclusions of the IMF 2000 Article IV mission, October 2000.

Tunisia for tourism.

However, it should be noted that the market environment surrounding Tunisia will most probably be getting tougher. Worldwide competition in beach tourism is so intense that there is a potential danger that Tunisia's share (as well as other Mediterranean countries) could erode considerably unless appropriate efforts would be made. A WTO forecast indicates an average growth rate of 2.8% per year for international tourist arrivals in the Mediterranean region in 1995-2020,[5] as opposed to the overall growth rate of 4.3% per year for the world tourism. Although this forecast is for the entire Mediterranean region this should be taken as alarming to Tunisia as well, particularly because European beach tourists are increasingly choosing to travel to resorts outside the Mediterranean region.[6]

[5] Source: WTO, Tourism 2020 Vision: Executive Summary, 1997. This forecast is for the 21 countries of the Mediterranean coastlines including those in Europe, North Africa (including Tunisia), and Middle East.

[6] In response to this trend of European beach tourists, a WTO publication recommends to Europe's Mediterranean destinations that they should increasingly orient their product and market development to long haul inbound tourists (especially from Japan and the newly industrializing countries of Asia, and North and South America), and that the mature European tourism destinations will need to continuously strive to seek product and market differentiation to avoid the spread of a "tired" or "stale" image in generating markets. (Source: WTO, Tourism 2020 Vision: Executive Summary, 1997.)

5.1.3 Recent Trend and Prospect by Market Segment

Broadly, the future performance of the Tunisian tourism depend largely on the size and growth of the source markets, and the extent to which Tunisia can increase its market share in each of these markets. Thus it is useful to look at the recent trend on these as reference to demand projections.

Table 5.1.3 shows the shares of Tunisia in total outbound international tourists by source market (in 1998), the recent growth of foreign visitor arrivals in Tunisia by market, and the recent growth of total outbound international tourists by market. Although these share data may not represent Tunisia's position with sufficient accuracy primarily because outbound tourists from source countries should include a number of travelers not relevant to Tunisia and the proportion of these travelers in total outbound tourists may vary considerably across source countries,[7] these data still tend to provide useful information for undertaking projections. Note that the Maghreb countries that would require special treatment as there have been almost no promotional and market development efforts undertaken for these countries due to several reasons including a political one.

Table 5.1.3 Tunisia's Shares and Recent Growth Trend for Foreign Visitor Arrivals by Source Country

Country / region	Calculation of Tunisia's shares in 1998			Average Annual Growth Rates			
	Total outbound travelers (,000)	Visitor arrivals in Tunisia (,000)	Tunisia's share (%)	Foreign visitor arrivals in Tunisia			Total outbound travelers
				1990-99	1994-99	1995-98	1995-98
Western Europe		2,740		7.3%	7.0%	7.5%	
Germany	78,932	884	1.1%	8.9%	4.0%	1.8%	1.9%
France	23,628	709	3.0%	7.7%	13.0%	15.1%	8.1%
Italy	18,588	328	1.8%	7.2%	9.1%	10.1%	5.1%
UK	52,726	264	0.5%	3.5%	-0.4%	3.3%	8.0%
Scandinavia	17,273	56	0.3%	-1.9%	0.9%	-2.0%	-0.4%
Austria	11,222	106	0.9%	15.2%	14.1%	17.7%	-4.0%
Belgium	12,734	115	0.9%	6.6%	11.1%	15.7%	6.8%
Netherlands	24,848	68	0.3%	-3.7%	-3.0%	-1.1%	8.5%
Switzerland	11,347	84	0.7%	9.6%	7.6%	4.2%	2.1%
Spain	13,685	68	0.5%	11.1%	15.1%	26.9%	2.7%
Eastern Europe		213		N.A.	20.4%	26.5%	
Poland	7,260	87	1.2%	N.A.	41.2%	64.1%	4.9%
Czech	2,577	51	2.0%	50.6%	18.9%	15.8%	17.9%
Hungary	4,087	17	0.4%	N.A.	1.4%	-4.5%	6.5%
Russia	6,877	26	0.4%	26.5%	19.5%	26.2%	4.3%
Other Europe		116		5.3%	1.0%	9.3%	
North America		28		8.9%	2.2%	3.9%	
Others excl. Maghreb		109		0.4%	-2.5%	3.8%	
Total		4,718		4.7%	4.6%	4.6%	

Source: WTO Statistical Database; WTO, Tourism Economic Report: 1st Edition-1998, 1998; and ONTT, Le Tourisme Tunisien en Chiffres

[7] These travelers may include many of business travelers, visitors to friends and relatives, those for other purposes, as well as holidaymakers who will have no preference to travel to Tunisia even though the country undertakes tourism development as recommended in this report.

Major points derived from these trends include the following:

- Tunisia has performed very well for Western Europe, particularly for France, Italy, Austria, and Belgium as suggested not only by a high rate of growth in visitor arrivals but also by relatively higher shares for these source countries.
- The share for France is particularly high, followed by that for Italy, suggesting relatively stronger preference of tourists from these countries to Tunisia (than that of tourists from other source countries) due to various factors including the French language widely used in the country, and their proximity to, and familiarity with, Tunisia. The share for Germany which is still the largest source market for Tunisia is also relatively high. Tunisia increased its tourists at an accelerating pace in the early 1990s, although the rate of growth slowed down in recent years, which may be partly due to a slower growth of total outbound tourists from Germany.
- Western European countries will certainly be the most important source markets for Tunisia. This market is expected to grow at a steady pace. It is expected that visitor arrivals from Western Europe would generally grow, with the extent of growth subject to various factors including the efforts of the public and private sectors in tourism development and marketing.
- In addition, there are markets in Western Europe that seem to have been significantly under-exploited (e.g., including the United Kingdom and Netherlands, as suggested by sluggish growth of their visitor arrivals and relatively lower shares for these countries). This is also true for Scandinavian countries for which Tunisia equally shows a sluggish trend. There could be a room for substantial market development in these countries.
- Visitor arrivals from Eastern Europe grew particularly rapidly in the 1990s. This region as a whole would continue to be among the fastest growing source market for Tunisia, partly because the rise in their income that could possibly occur relatively rapidly would tend to further stimulate the demand for international travel.
- Visitors from North America and other regions (except Maghreb countries) have been a small fraction of the total visitor arrivals in Tunisia. This trend would most probably continue due partly to the existence of alternative destinations in their proximity or at a shorter distance that offer products similar to those available in Tunisia. However, there should be a great deal of potential to substantially increase long-haul inbound tourists (though their absolute numbers will still be small), particularly from large source markets including the United States, Canada and Japan, with its realization again depending on the country’s efforts in tourism development and marketing.

For the Maghreb countries, Tunisia has not actively undertaken marketing and promotion to increase visitors from these countries. Visitor arrivals from Algeria and Libya in 1999 were about 600,000 for each, accounting for about 12% of total, although many of them (presumably shoppers and visitors to friends and relatives for the most part) do not stay at (registered) hotels.

The Algerian economy with the hydrocarbons sector being its backbone has growth fairly steadily in recent years, at an average rate of 3.3% per year in 1995-99, partly thanks to some progress on economic reform, oil and gas sector expansion, and a turnaround in oil prices in 1999. The inflation has also been tamed in the past few years. A recent IMF projection indicates annual GDP growth rates of 4.0-4.3% per year in the period 2000-2004.[8] The Algerian government has been continuing efforts to diversity the economy by attracting foreign and domestic investment outside the energy sector.

The socialist-oriented economy of Libya has been heavily dependent on the oil sector, and the revenues from the sector, coupled with a small population, give the country one of the highest per capita GDPs in Africa. Its economy has been sluggish since the early 1990s, although higher oil prices since 1999 led to an increase in export revenues and helped to stimulate the economy. Following the suspension of the UN sanctions in April 1999 that had been imposed since 1992, Libya has been trying to increase its attractiveness to foreign investors.

While the long-term economic prospect of these countries (which tends to be heavily dependent on world energy prices) appears still uncertain, active market development efforts could lead to a turnaround in the trend of visitor arrivals from these countries toward the future. There would also be a potential to increase visitors from Morocco and Egypt in the future with the economic development and income growth in these countries.

[8] Source: IMF, Algeria: Staff Report for the 2000 Article IV Consultation, July 2000.

5.2 PROJECTION OF FOREIGN VISITOR ARRIVALS

5.2.1 Assumptions for the Projection

Based on the analysis of the world outbound tourism by source market and the overall prospect of the Tunisian tourism made above as well as on several considerations and assumptions described below, the projection was made for major European source countries and sub-regions as well as for the Maghreb, North America, and Others (Japan, Australia, etc.), assuming a growth rate for each country/region which is considered reasonable.

Many factors will affect the future demand such as improvement of local infrastructure, facilities and services, increased marketing and promotion, etc. However, more important factors affecting the demand no doubt would be such external factors as economic situations in the major tourist generating countries and regional political stability. If these factors change drastically, substantial fluctuation of the demand will ensue. The projections were made on the assumption that such harmful factors as economic recession in the major source markets and instability in the neighboring countries (e.g., Algeria or Libya) may occur in a very limited scale, but they may not persist for long.

Other major assumptions used include the following:

- Visitor arrivals from major source countries (e.g., Germany, France, Italy, Austria, and Belgium) will grow at a pace that reflects the recent trend in a shorter term due partly to the marketing and promotion efforts expected to continue, while the rate of growth will stabilize in a longer term toward the level of about 3.0-3.5% per year, more or less equal to the WTO forecast for the growth of European outbound tourism (described earlier), which is considered reasonable.
- Visitor arrivals from other major source countries where significant market development can potentially be made (e.g., the United Kingdom, Netherlands, and Scandinavian countries, for which Tunisia’s share in total outbound travelers is significantly lower than that for other major source countries) will grow at an increasing rate with aggressive marketing and promotion efforts expected to be made (for the higher growth case as described below).
- Visitor arrivals from Eastern Europe will continue to grow rapidly in view of the recent trend as well as long-term economic growth potential of these countries.
- The growth rate for visitor arrivals from the Maghreb countries will follow the past trend until 2001 in parallel with changing political climate (e.g., gradual lifting of the sanctions imposed on Libya – less dependence on Tunisia as their air exit gateway), but will increase in the long run as a result of the marketing and promotion effort as well as the economic development of those countries
- Though numerically small, a relatively high rate of growth is assumed for

North America and the Others in consideration of their market potentials (US, Japan, Australia, etc.) and stepped-up market development effort on the part of Tunisian tourism industry.

5.2.2 Visitor Arrivals Projection

The number of visitor arrivals will depend on the extent of efforts for tourism development to be made even if all other conditions are equal. Later in this volume, various plans (called the National Plan) are proposed for upgrading the country's tourism, thereby increasing foreign tourists. It is reasonably expected that successful implementation of the National Plan will lead to a higher number of visitors than the less successful cases.

In view of this, two growth scenarios are considered in this analysis: higher and lower, denoted as Scenario A and Scenario B respectively, corresponding to the "with" and "without" National Plan implementation cases, respectively. Scenario A (or the higher growth case) is the scenario considered attainable in case the development efforts will be made as set forth in the National Plan, while Scenario B (or the lower growth case) is the case where the development efforts will be minimally made, i.e., the "without" National Plan implementation case.

More specifically, these scenarios are based on the following assumptions (in addition to those described in the preceding section):

- Scenario A adopts higher growth rates, and assumes that the external situation will not change drastically in the short run, and that it will improve in the long run. It also assumes that domestic tourist facilities, service delivery, visitor facilitation and supporting infrastructure will be upgraded in earnest to keep up with the needs of more discerning international tourists, together with aggressive market development effort based on more attractive and diversified product offerings and more innovative market-focused approaches.
- Scenario B adopts lower growth rates and assumes that the external situation will not change drastically in the short run, and that it will improve in the long run. It also assumes that domestic tourist facilities, service delivery and supporting infrastructure will remain at a level to minimally meet the increased demand and that the present level of market development effort will continue.

Based on the above assumption and those described in the preceding section, projections of visitor arrivals to Tunisia were made for these two growth scenarios. The results are shown in Figure 5.2.1 and detailed in Table 5.2.1 that presents projections by source country/region.

For Scenario A or the higher growth case, it is projected that the total foreign visitor arrivals will increase to 6.7 million in 2006 and 8.2 million in 2011, and reach 10.1 million in 2016. The average growth rate during the 15-year period 2001-2016 which is calculated as a result of this projection is 4.4% per year for the total visitor arrivals, a rate approximately equal to the WTO's long-term forecast for the world tourism described earlier.

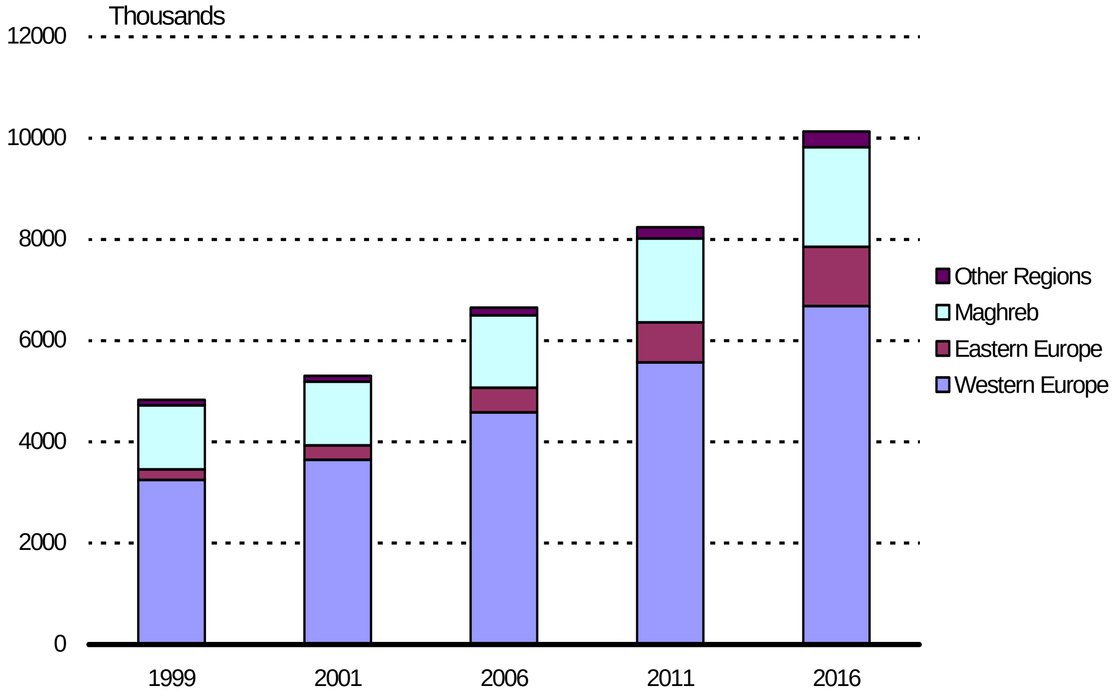
For Scenario B or the lower growth case, on the other hand, the total foreign visitor arrivals are projected to increase to 6.3 million in 2006, 7.3 million in 2011, and to 8.4 million in 2016. The average growth rate over the period 2001-2016 that resulted from this projection is 3.1% per year. In addition, total visitor arrivals from Europe are projected to grow at an average rate of 3.5% per year in this 15-year period, a rate nearly equal to the WTO's long-term forecast for European outbound tourists.

Note the following points regarding the projection for Scenario A in the 10th National Plan period:

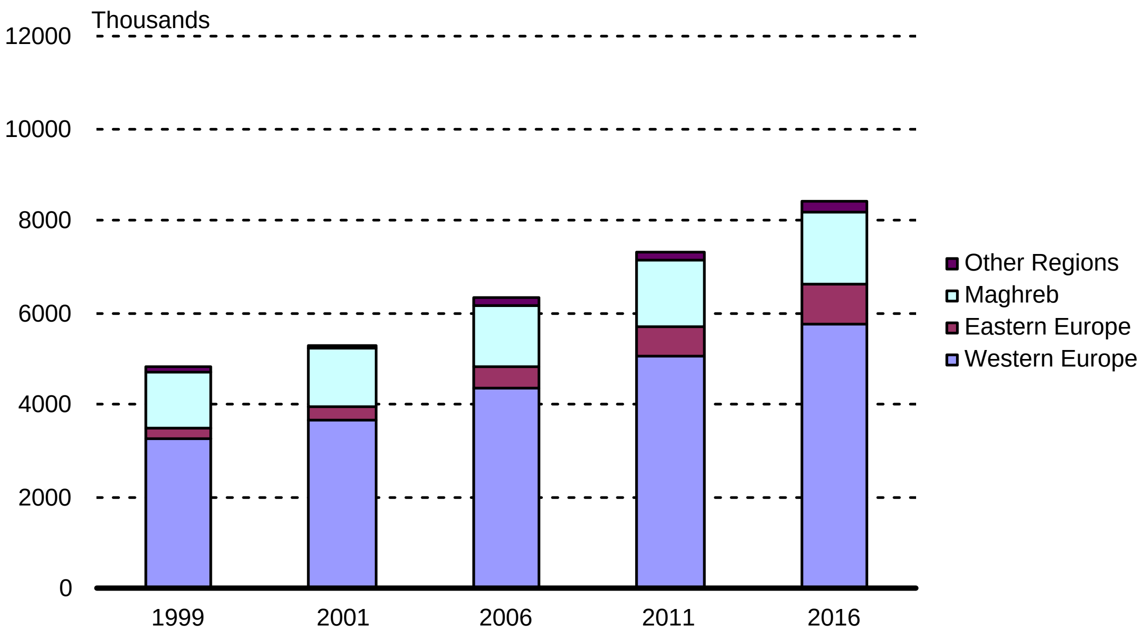
- Total foreign visitor arrivals are projected to increase at an average rate of growth of 4.6% per year in 2001-06, which is equal to the achievement in 1994-99, while a long-term forecast of European outbound tourists by WTO (described earlier) indicates an average growth of 3.4% per year, down from the pace recorded in recent years (e.g., 4.1% per year in 1990-98, 4.6% per year in 1995-98, as described earlier).
- This favorable projection resulted from the analysis that takes account of the significant improvement expected in Tunisian tourism in case development efforts will be made as set forth in the proposed National Plan (described later in this report).
- If the growth is achieved as projected, such achievement can be judged a good performance, partly in consideration of the fact that Tunisia has already been an established and matured tourist destination, in which the growth tends to be stabilized.

Figure 5.2.1 Projections of Visitor Arrivals in Tunisia

Scenario A: Higher Growth Case (Unit: thousand arrivals)



Scenario B: Lower Growth Case (Unit: thousand arrivals)



Source: ONTT, JICA Study Team

Table 5.2.1 Projections of Visitor Arrivals in Tunisia by Source Region

Scenario A: Higher Growth Case (Unit: thousand arrivals)

Region	1999 (Actual)	2001	AAGR 1999-2001	2006	AAGR 2001-2006	2011	AAGR 2006-2011	2016	AAGR 2011-2016
Europe Total	3,461	*3,926*	*6.5%*	*5,070*	*5.2%*	*6,362*	*4.6%*	*7,850*	*4.3%*
Western Europe	3,025	*3,399*	*6.0%*	*4,265*	*4.6%*	*5,174*	*3.9%*	*6,191*	*3.7%*
Germany	1,036	*1,117*	*3.8%*	*1,332*	*3.6%*	*1,567*	*3.3%*	*1,817*	*3.0%*
France	894	*1,052*	*8.5%*	*1,343*	*5.0%*	*1,595*	*3.5%*	*1,849*	*3.0%*
Italy	355	*410*	*7.5%*	*548*	*6.0%*	*690*	*4.7%*	*819*	*3.5%*
UK	262	*278*	*3.0%*	*346*	*4.5%*	*463*	*6.0%*	*665*	*7.5%*
Scandinavian	65	*65*	*0.0%*	*75*	*3.0%*	*93*	*4.5%*	*119*	*5.0%*
Austria	138	*161*	*8.0%*	*206*	*5.0%*	*244*	*3.5%*	*283*	*3.0%*
Belgium	132	*156*	*8.5%*	*209*	*6.0%*	*262*	*4.7%*	*312*	*3.5%*
Switzerland	110	*127*	*7.5%*	*166*	*5.5%*	*203*	*4.0%*	*241*	*3.5%*
Netherlands	69	*69*	*0.0%*	*80*	*3.0%*	*107*	*6.0%*	*154*	*7.5%*
Others	188	*212*	*6.0%*	*272*	*5.1%*	*343*	*4.8%*	*426*	*4.4%*
Eastern Europe	211	*279*	*15.0%*	*493*	*12.0%*	*793*	*10.0%*	*1,166*	*8.0%*
Maghreb Total	1,263	*1,263*	*0.0%*	*1,429*	*2.5%*	*1,656*	*3.0%*	*1,967*	*3.5%*
North America	27	*32*	*8.0%*	*46*	*8.0%*	*68*	*8.0%*	*100*	*8.0%*
Others Total	81	*83*	*1.0%*	*108*	*5.5%*	*152*	*7.0%*	*213*	*7.0%*
Foreign Total	4,832	*5,303*	*4.8%*	*6,653*	*4.6%*	*8,238*	*4.4%*	*10,130*	*4.2%*

Note: AAGR is the average annual growth rate. Figures in italic are forecasts. Others in Western Europe include countries in the southern part of Europe (Spain and Portugal) and other countries other than Eastern Europe (Greece, Turkey, etc.).

Scenario B: Lower Growth Case (Unit: thousand arrivals)

Region	1999 (Actual)	2001	AAGR 1999-2001	2006	AAGR 2001-2006	2011	AAGR 2006-2011	2016	AAGR 2011-2016
Europe Total	3,461	*3,926*	*6.5%*	*4,802*	*4.1%*	*5,668*	*3.4%*	*6,581*	*3.0%*
Western Europe	3,025	*3,399*	*6.0%*	*4,061*	*3.6%*	*4,691*	*2.9%*	*5,381*	*2.8%*
Germany	1,036	*1,117*	*3.8%*	*1,282*	*2.8%*	*1,450*	*2.5%*	*1,641*	*2.5%*
France	894	*1,052*	*8.5%*	*1,280*	*4.0%*	*1,484*	*3.0%*	*1,720*	*3.0%*
Italy	355	*410*	*7.5%*	*523*	*5.0%*	*636*	*4.0%*	*738*	*3.0%*
UK	262	*278*	*3.0%*	*322*	*3.0%*	*373*	*3.0%*	*433*	*3.0%*
Scandinavian	65	*65*	*0.0%*	*75*	*3.0%*	*93*	*4.5%*	*119*	*5.0%*
Austria	138	*161*	*8.0%*	*196*	*4.0%*	*222*	*2.5%*	*251*	*2.5%*
Belgium	132	*156*	*8.5%*	*199*	*5.0%*	*236*	*3.5%*	*274*	*3.0%*
Switzerland	110	*127*	*7.5%*	*159*	*4.5%*	*184*	*3.0%*	*213*	*3.0%*
Netherlands	69	*69*	*0.0%*	*69*	*0.0%*	*73*	*1.0%*	*76*	*1.0%*
Others	188	*212*	*6.0%*	*258*	*4.0%*	*295*	*2.8%*	*339*	*2.8%*
Eastern Europe	211	*279*	*15.0%*	*450*	*10.0%*	*646*	*7.5%*	*825*	*5.0%*
Maghreb Total	1,263	*1,263*	*0.0%*	*1,360*	*1.5%*	*1,465*	*1.5%*	*1,579*	*1.5%*
North America	27	*32*	*8.0%*	*42*	*6.0%*	*57*	*6.0%*	*76*	*6.0%*
Others Total	81	*83*	*1.0%*	*101*	*4.0%*	*128*	*5.0%*	*164*	*5.0%*
Foreign Total	4,832	*5,303*	*4.8%*	*6,305*	*3.5%*	*7,319*	*3.0%*	*8,399*	*2.8%*

Note: AAGR is the average annual growth rate. Figures in italic are forecasts. Others in Western Europe include countries in the southern part of Europe (Spain and Portugal) and other countries other than Eastern Europe (Greece, Turkey, etc.).

Source: ONTT, JICA Study Team

5.3 PROJECTION OF FOREIGN VISITOR-NIGHTS

The projection of foreign visitor-nights is carried out based on the forecast of visitor arrivals made previously as well as the assumptions of average length of stay described below. The analysis was focused on the visitor-nights at registered hotels, the statistics publicly available in Tunisia. Four categories of broader market regions were used: Western Europe, Eastern Europe, the Maghreb, and Other Regions.

Table 5.3.1 shows the assumptions of the average length of stay (ALS) by source region, primarily in consideration of the following:

- For Western Europe, ALS is assumed to shorten somewhat in view of the trend of shortening ALS of Europeans. In general, Europeans have been tending to take shorter, but multiple vacations in a year. Also, the majority of cultural circuit tours in Tunisia for Europeans are generally one-week period. Moreover, development of MICE tourism and potential increase in weekend vacations will shorten the overall ALS. As shown in the table, the ALS of Western Europeans shortened by 0.7 day from 1994 to 1999. It is assumed that it will shorten, but at a slower pace than in recent years due to the country's tourism development efforts expected to be made.
- For Eastern Europe, ALS is assumed to remain equal to the recent level (8.8 days in 1998) considering that the increasing trend appears to be saturating. It is also assumed that the ALS for Eastern Europe will be equal to that for Western Europe in the long run.
- For Maghreb countries, it is assumed that the ALS will gradually increase with expected economic growth of these countries, allowing visitors to increasingly afford to pay for holidays with accommodation.
- For Other Regions, ALS is assumed to be equal to the level in 1999, appreciably shorter than that for Europe, considering that visitors from Other Regions are mostly long-haul travelers, and tend to visit Tunisia for cultural tourism, thus tending to stay shorter than beach holiday vacationers.
- The same assumptions were used for both Scenario A and B as the points made above are considered valid regardless of the rate of increase in visitor arrivals.

Table 5.3.1 Assumptions of Average Length of Stay at Hotels by Source Region

Region	2001	2006	2011	2016
Western Europe	9.2	9.0	8.9	8.8
Eastern Europe	8.8	8.8	8.8	8.8
Maghreb	0.8	1.0	1.2	1.5
Other Regions	6.7	6.7	6.7	6.7

Recent trend of average length of stay at hotels by source region

Region	1994	1995	1996	1997	1998	1999
Europe Total	9.7	9.4	9.0	9.2	9.1	9.2
Western Europe	10.0	9.7	9.3	9.4	9.2	9.3
Eastern Europe	4.2	6.5	7.6	8.6	8.8	8.6
Maghreb	0.5	0.5	0.7	0.7	0.5	0.6
Other Regions	4.5	4.0	4.0	4.5	4.8	6.7
Foreign Total	6.4	5.7	6.2	6.5	6.1	6.9

Source: JICA Study Team; ONTT, Le Tourisme Tunisien en Chiffres

Table 5.3.2 shows the projections of foreign visitor-nights at hotels by source region. For Scenario A, or the higher growth case, it is projected that the total foreign visitor-nights will increase to 48.0 million in 2006, 60.0 million in 2011, and to 74.1 million in 2016, at a growth rate averaging 4.6% per year from 2001 to 2016.

For Scenario B, or the lower growth case, on the other hand, the total visitor-nights are projected to increase to 45.4 million in 2006, 53.4 million in 2011, and to 61.9 million in 2016, at an average growth rate of 3.3% per year from 2001 to 2016.

Table 5.3.2 Projections of Foreign Visitor-Nights at Hotels by Source Region

Scenario A: Higher Growth Case (Unit: thousand visitor-nights)

Region	1999 (actual)	2001	2006	2011	2016	AAGR 2001-16
Europe Total	31,719	*36,006*	*45,534*	*56,543*	*69,084*	*4.4%*
Western Europe	29,893	*33,547*	*41,199*	*49,563*	*58,827*	*3.8%*
Eastern Europe	1,826	*2,460*	*4,335*	*6,981*	*10,257*	*10.0%*
Maghreb	703	*1,010*	*1,429*	*1,987*	*2,950*	*7.4%*
Other Regions	728	*765*	*1,035*	*1,472*	*2,095*	*6.9%*
Foreign Total	33,151	*37,782*	*47,997*	*60,003*	*74,130*	*4.6%*

Scenario B: Lower Growth Case (Unit: thousand visitor-nights)

Region	1999 (actual)	2001	2006	2011	2016	AAGR 2001-16
Europe Total	31,719	*36,006*	*43,131*	*50,383*	*57,915*	*3.2%*
Western Europe	29,893	*33,547*	*39,170*	*44,696*	*50,657*	*2.8%*
Eastern Europe	1,826	*2,460*	*3,961*	*5,687*	*7,258*	*7.5%*
Maghreb	703	*1,010*	*1,360*	*1,758*	*2,368*	*5.8%*
Other Regions	728	*765*	*957*	*1,239*	*1,605*	*5.1%*
Foreign Total	33,151	*37,782*	*45,448*	*53,380*	*61,888*	*3.3%*

Note: AAGR is the average annual growth rate. Figures in italic are projections.

Source: ONTT, JICA Study Team

5.4 PROJECTION OF ACCOMMODATION CAPACITY

Based on the demand projection for the entire country and the national tourism plan (described in this volume) and on the regional tourism development plans (formulated in the subsequent volume), visitor-nights and bed capacity by region were projected through the year 2016.

1 All the projections are based on Scenario A (the higher growth case) used for the projection of foreign visitor arrivals, where tourism development efforts will be made in earnest.
2 The projection was made according to the previous 8-region system due to the availability of relevant statistics.

Note that major recommendations on the addition of accommodation capacity are described later in the section of Component Plans (Accommodation Development Plan) in this volume.

5.4.1 Methodology

The steps used for the projection (detailed later) are described in Figure 5.4.1 (two pages) and summarized as follows:

Step 1: Projection of total visitor-nights by region

The total number of visitor-nights by region was projected as a sum of the visitor-nights for non-residents and those for residents, each projected as follows:

Step 1-1: Projection of visitor-nights by region for non-residents

Visitor-nights by region for non-residents were projected based on the analyses of the numbers of hotel registration (hotel guests) and the average length of stay by region, both for non-residents.

Step 1-2: Projection of visitor-nights by region for residents

Visitor-nights by region for residents were projected based on the analyses of the numbers of hotel registration and the average length of stay by region, both for residents.

Step 2: Projection of bed capacity needed by region

Step 2-1: Projection of annual average occupancy rate by region

The annual average occupancy rate by region was projected by examining seasonal fluctuation of visitor-nights and by setting target occupancy rates during the high season.

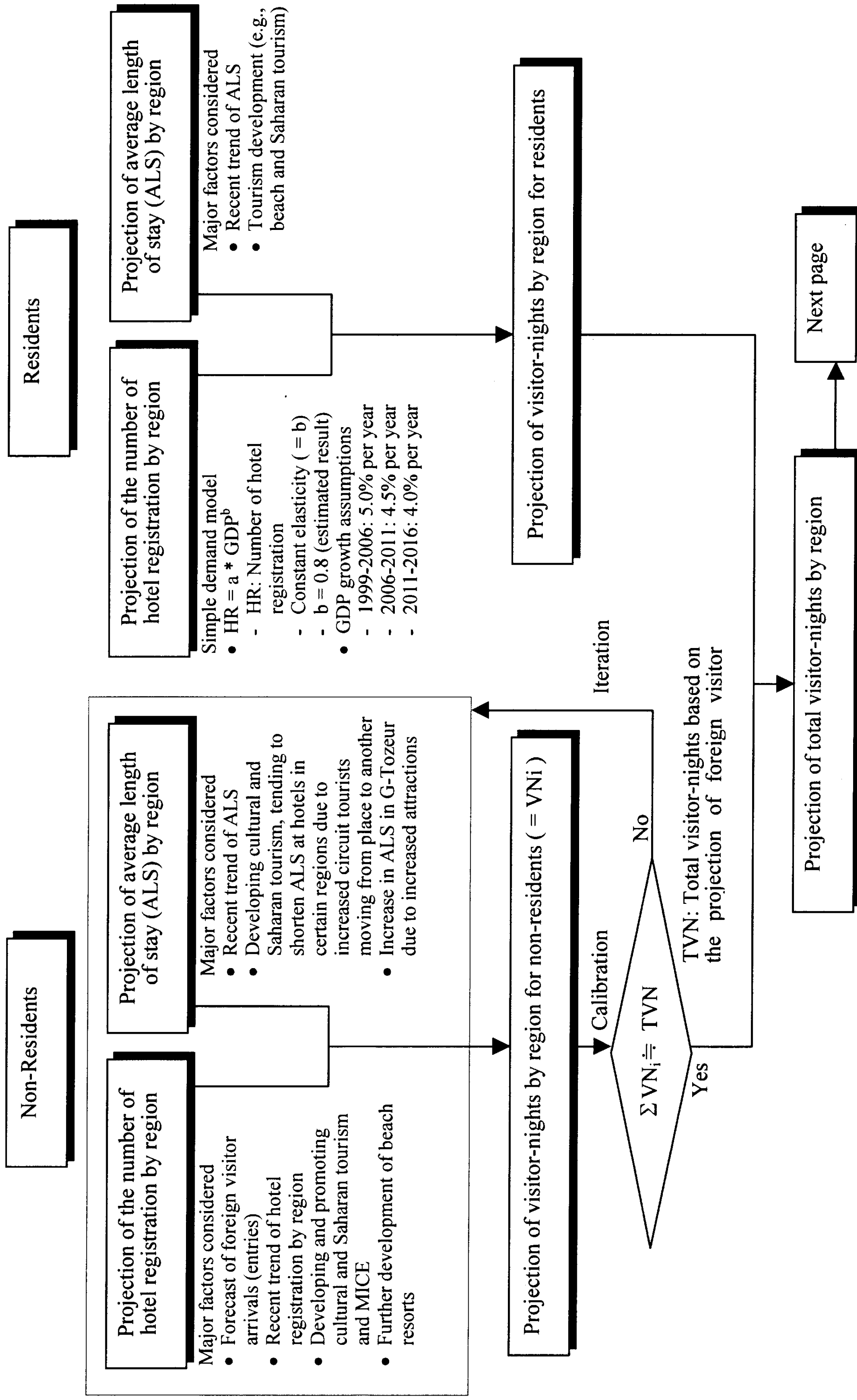
Step 2-2: Projection of bed capacity by region

Bed capacity by region was projected based on the figures obtained from the steps above.

Step 2-3: Distribution of bed capacity by category

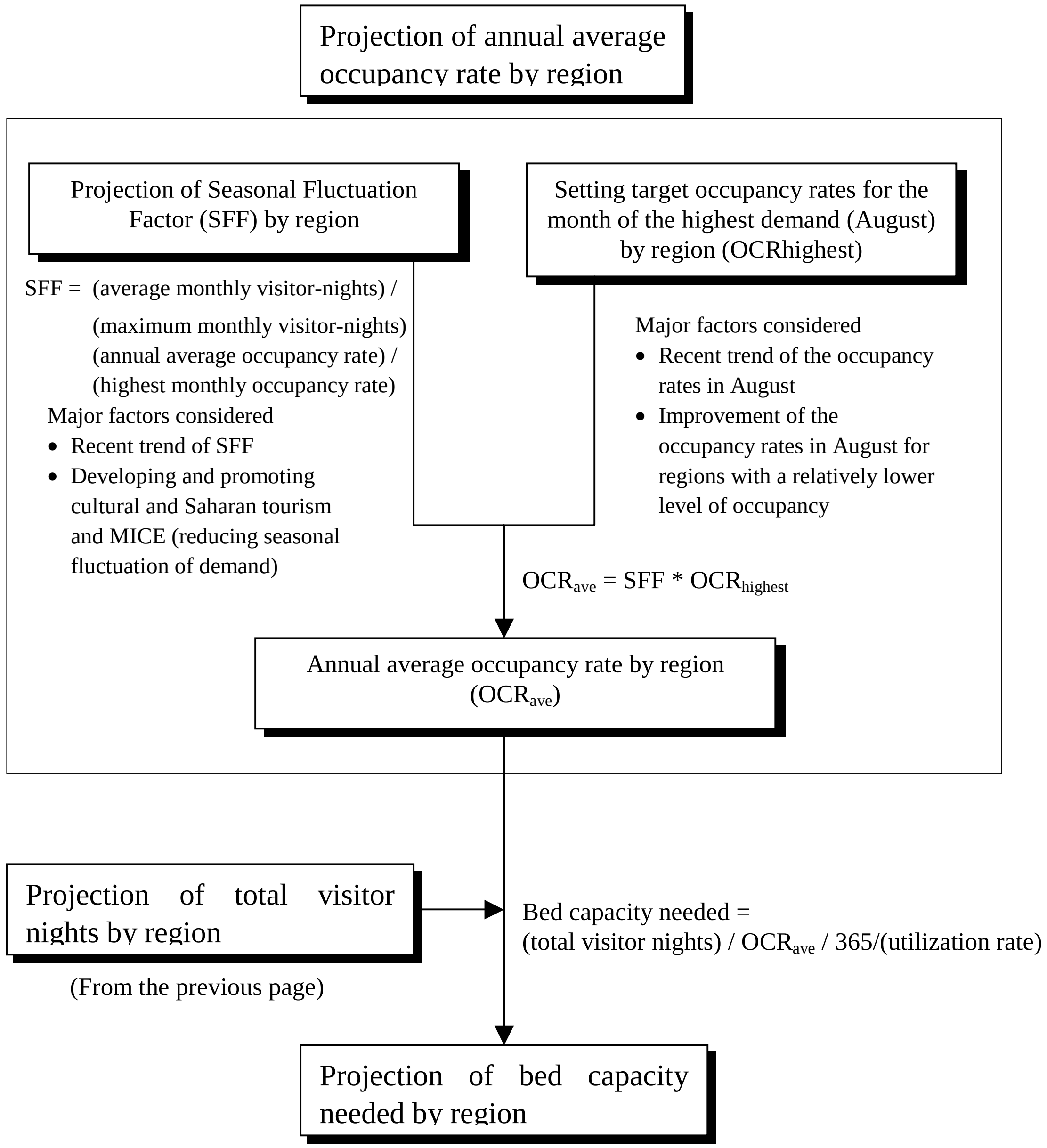
Indicative distribution of bed capacity by category was projected based on the present distribution, the national tourism plan, bed capacity projected above, and the regional development plans described in this report.

Figure 5.4.1 Projection of Bed Capacity Needed by Tourism Region (1/2)



Source: JICA Study Team

Figure 5.4.1 Projection of Bed Capacity Needed by Tourism Region (2/2)



Source: JICA Study Team

5.4.2 Projection of Total Visitor-Nights by Region

(1) Projection of Visitor-Nights by Region for Non-Residents

Visitor-nights for non-residents were projected as shown in Table 5.4.1, based on the past trends and the projections of foreign visitor-arrivals and average length of stay at hotels in each region.

Major assumptions employed include the following:

- The Tunis-Z region will increasingly attract foreign visitors through enhancing the attractiveness of its cultural aspects and active promotion of MICE tourism.
- For major destinations with beach resorts, the number of visitor-nights will increase with further development of beach resorts, but at a slower pace in line with the projection of total foreign visitor-arrivals. In addition, the development of cultural and Saharan tourism will increase the number of visitors during low seasons (which will improve overall occupancy rates), while tending to shorten the average length of stay at hotels in certain regions due to the increase in circuit tourists who move from one place to another.
- The development of Saharan tourism will increase the visitors to the G-Tozeur region at an accelerating rate as well as lengthen the duration of stay at hotels in the region due to the region's increased attractions.
- Average length of stay in Tunis-Z is inherently short due to factors including: (i) higher proportion of business travelers in Tunis-Z, and (ii) the region's being the major gateway for cultural circuit tourists (who tend to stay in Tunis very short). While this tendency is expected to continue with the development of cultural and MICE tourism (as proposed in this report), the average length of stay would be longer partly due to further development of beach resorts in the region.

The projection as shown in the above table was made in such a way that the sum of the visitor-nights for all the regions *equilibrates* the total number of visitor-nights obtained from the projection of foreign visitor arrivals to Tunisia.

Table 5.4.1 Projection of Visitor-Nights by Region for Non-Residents

Region	1999 (actual)	2001	2006	2011	2016
Tunis-Z	1.9	2.0	2.4	2.9	3.6
N-Hammamet	7.7	8.5	10.1	12.1	14.8
Sousse-K	8.0	9.2	11.7	14.6	17.8
Monastir-M-S	5.7	6.6	8.6	10.7	13.1
Jerba-Z	8.3	9.8	12.6	16.1	19.6
G-Tozeur	1.1	1.1	1.8	2.7	4.1
Bizerte-B	0.2	0.2	0.2	0.3	0.3
Tabarka-A	0.4	0.4	0.5	0.6	0.8
Total	33.2	37.8	48.0	60.1	74.0

Unit: million visitor-nights

Note: The growth rates for the number of hotel registration and the average length of stay at hotels in each region are assumed as follows:

Annual growth rates for the number of hotel registration

Region	Number of registration in 1999 (thousand)	1994-1999 (actual)	1999-2001	2001-2006	2006-2011	2011-2016
Tunis-Z	612	0.1%	2.0%	2.5%	3.5%	4.0%
N-Hammamet	899	5.5%	5.0%	4.5%	4.2%	4.0%
Sousse-K	949	7.9%	7.5%	6.0%	5.0%	4.0%
Monastir-M-S	702	9.3%	8.0%	6.5%	5.0%	4.0%
Jerba-Z	1,147	8.7%	8.0%	6.5%	5.0%	4.0%
G-Tozeur	752	3.5%	3.5%	4.0%	4.5%	5.0%
Bizerte-B	28	2.1%	2.5%	2.5%	3.0%	4.0%
Tabarka-A	54	4.9%	5.0%	5.0%	5.0%	4.0%
Total	5,142	6.0%	-	-	-	-

Projection of the number of hotel registration

Region	1999 (thousand)	2001	2006	2011	2016
Tunis-Z	612	637	720	856	1,041
N-Hammamet	899	991	1,235	1,517	1,845
Sousse-K	949	1,097	1,467	1,873	2,2,79
Monastir-M-S	702	819	1,122	1,432	1,742
Jerba-Z	1,147	1,338	1,833	2,339	2,846
G-Tozeur	752	806	980	1,222	1,559
Bizerte-B	28	29	33	38	46
Tabarka-A	54	60	76	97	119
Total	5,142	5,775	7,466	9,373	11,477

Average length of stay at hotels in each region (nights)

Region	1994 (actual)	1999 (actual)	2001	2006	2011	2016
Tunis-Z	3.1	3.1	3.1	3.3	3.4	3.5
N-Hammamet	9.6	8.6	8.6	8.2	8.0	8.0
Sousse-K	9.3	8.4	8.4	8.0	7.8	7.8
Monastir-M-S	8.0	8.1	8.1	7.7	7.5	7.5
Jerba-Z	7.2	7.3	7.3	6.9	6.9	6.9
G-Tozeur	1.2	1.4	1.4	1.8	2.2	2.6
Bizerte-B	7.5	7.1	7.1	7.0	7.0	7.0
Tabarka-A	6.3	6.6	6.6	6.6	6.6	6.6
Total	6.4	6.4	-	-	-	-

Source: JICA Study Team; ONTT, Le Tourisme Tunisien en Chiffres

(2) Projection of Visitor-Nights by Region for Residents

Visitor-nights for residents were projected based on the analysis of the number of hotel registration and the average length of stay. The results are shown in Table 5.4.2 along with the assumptions used. The methodology is described below.

The total number of hotel registration for residents was projected by a simple demand model as follows:

$$HR = a * GDP^{b}$$

where: HR = total number of hotel registration for residents
GDP = gross domestic product
a = coefficient
b = demand elasticity

- Using a time-series regression model, the demand elasticity based on the recent data was estimated at 0.8, indicating that the national total of hotel registration for residents has grown at a rate averaging about 80% of GDP growth rate. The rate of growth by region was assumed in such a way that the sum of the numbers of hotel registration for all the regions *equilibrates* the total obtained from this demand model (see Figure 5.4.1 for GDP growth assumptions).
- The average length of stay is assumed to follow the recent trend that has been more or less stable.

Table 5.4.2 Projection of Visitor-Nights by Region for Residents

Region	1999 (actual)	2001	2006	2011	2016
Tunis-Z	0.39	0.46	0.52	0.61	0.72
N-Hammamet	0.45	0.52	0.64	0.77	0.90
Sousse-K	0.33	0.37	0.46	0.54	0.64
Monastir-M-S	0.33	0.35	0.42	0.51	0.59
Jerba-Z	0.30	0.34	0.42	0.51	0.59
G-Tozeur	0.16	0.16	0.18	0.24	0.31
Bizerte-B	0.04	0.05	0.07	0.09	0.10
Tabarka-A	0.16	0.18	0.23	0.27	0.32
Total	2.17	2.41	2.94	3.53	4.17

Unit: million visitor-nights

Note: The growth rates for the number of hotel registration and the average length of stay are assumed as follows:

Annual growth rates for the number of hotel registration

Region	Number of registration in 1999 (thousand)	1999-2001	2001-2006	2006-2011	2011-2016
Tunis-Z	197	2.5%	2.5%	3.6%	3.2%
N-Hammamet	182	4.5%	4.5%	3.6%	3.2%
Sousse-K	146	4.5%	4.5%	3.6%	3.2%
Monastir-M-S	146	4.0%	4.0%	3.6%	3.2%
Jerba-Z	135	4.5%	4.5%	3.6%	3.2%
G-Tozeur	90	3.0%	3.0%	3.6%	3.2%
Bizerte-B	21	7.0%	7.0%	4.0%	3.2%
Tabarka-A	67	5.0%	5.0%	3.6%	3.2%
Total	985	-	-	-	-

Projection of the number of hotel registration

Region	1999 (thousand)	2001	2006	2011	2016
Tunis-Z	197	207	234	280	372
N-Hammamet	182	199	248	296	346
Sousse-K	146	159	198	237	277
Monastir-M-S	146	158	192	230	269
Jerba-Z	135	148	184	220	257
G-Tozeur	90	96	111	133	155
Bizerte-B	21	24	34	41	48
Tabarka-A	67	74	94	112	131
Total	985	1,065	1,296	1,547	1,811

Average length of stay at hotels in each region (days)

Region	Average 1994-1999	2001	2006	2011	2016
Tunis-Z	2.2	2.2	2.2	2.2	2.2
N-Hammamet	2.6	2.6	2.6	2.6	2.6
Sousse-K	2.3	2.3	2.3	2.3	2.3
Monastir-M-S	2.2	2.2	2.2	2.2	2.2
Jerba-Z	2.3	2.3	2.3	2.3	2.3
G-Tozeur	1.6	1.6	1.6	1.8	2.0
Bizerte-B	2.1	2.1	2.1	2.1	2.1
Tabarka-A	2.4	2.4	2.4	2.4	2.4
Total	2.2	-	-	-	-

Source: JICA Study Team; ONTT, Le Tourisme Tunisien en Chiffres, various years.

(3) Projected Total Number of Hotel Registration by Region

The projection of total number of hotel registration by region is presented in Table 5.4.3, obtained as a sum of those for non-residents and for residents.

Table 5.4.3 Projection of Total Number of Hotel Registration by Region

Region	1999 (actual)	2001	2006	2011	2016
Tunis-Z	809	844	955	1,135	1,368
N-Hammamet	1,081	1,190	1,482	1,812	2,191
Sousse-K	1,095	1,256	1,666	2,110	2,556
Monastir-M-S	848	977	1,314	1,661	2,011
Jerba-Z	1,282	1,485	2,017	2,559	3,103
G-Tozeur	843	902	1,092	1,354	1,714
Bizerte-B	49	53	66	79	94
Tabarka-A	121	134	170	210	250
Total	6,127	6,839	8,762	10,920	13,288

Unit: thousand hotel registrations

Source: JICA Study Team

(4) Projected Total Visitor-Nights by Region

The projection of total visitor-nights by region is presented in Table 5.4.4, obtained as a sum of those for non-residents and for residents.

Table 5.4.4 Projection of Total Visitor-Nights by Region

Region	1999 (actual)	2001	2006	2011	2016
Tunis-Z	2.3	2.4	2.9	3.5	4.4
N-Hammamet	8.1	9.0	10.8	12.9	15.7
Sousse-K	8.3	9.6	12.2	15.2	18.4
Monastir-M-S	6.0	7.0	9.1	11.2	13.7
Jerba-Z	8.6	10.1	13.1	16.6	20.2
G-Tozeur	1.2	1.3	1.9	2.9	4.4
Bizerte-B	0.2	0.3	0.3	0.4	0.4
Tabarka-A	0.5	0.6	0.7	0.9	1.1
Total	35.3	40.2	51.0	63.7	78.2

Unit: million visitor-nights

Source: JICA Study Team

5.4.3 Projection of Bed Capacity Needed by Region

Bed capacity needed by region was projected based on the projection of total visitor-nights above and on the annual average occupancy rates targeted as follows:

(1) Projection of Annual Average Occupancy Rates by Region

The annual average occupancy rates were presented as shown in Table 5.4.5 (along with the assumptions used) according to the methodology described below.

Table 5.4.5 Projection of Annual Average Occupancy Rates by Region

Region	1999 (actual)	2006	2011	2016
Tunis-Z	37.7%	40%	42%	45%
N-Hammamet	56.3%	60%	62%	64%
Sousse-K	61.3%	64%	66%	68%
Monastir-M-S	63.7%	64%	66%	68%
Jerba-Z	63.2%	64%	66%	68%
G-Tozeur	35.9%	49%	62%	68%
Bizerte-B	33.3%	40%	42%	44%
Tabarka-A	40.9%	45%	47%	49%
Total	56.5%	-	-	-

Note: The following assumptions were used:

Target occupancy rates in the month of the highest demand

Region	1994 (actual)	1999 (actual)	2006	2011	2016
Tunis-Z	65.4%	65.4%	66%	68%	70%
N-Hammamet	94.3%	100.5%	100%	100%	100%
Sousse-K	87.4%	97.3%	100%	100%	100%
Monastir-M-S	86.7%	104.2%	100%	100%	100%
Jerba-Z	82.2%	92.2%	100%	100%	100%
G-Tozeur	53.5%	48.3%	65%	80%	87%
Bizerte-B	78.9%	75.3%	100%	100%	100%
Tabarka-A	91.5%	94.2%	100%	100%	100%
Total	84.0%	92.2%	-	-	-

Assumption of seasonal fluctuation factor (SFF) by region

Region	1994 (actual)	1999 (actual)	2006	2011	2016
Tunis-Z	61.5%	53.7%	60%	62%	64%
N-Hammamet	54.0%	50.8%	60%	62%	64%
Sousse-K	61.8%	59.7%	64%	66%	68%
Monastir-M-S	54.4%	57.8%	64%	66%	68%
Jerba-Z	61.8%	62.4%	64%	66%	68%
G-Tozeur	64.6%	74.3%	76%	77%	78%
Bizerte-B	38.9%	32.8%	40%	42%	44%
Tabarka-A	40.5%	41.0%	45%	47%	49%
Total	57.8%	56.6%	-	-	-

Source: JICA Study Team; ONTT, Le Tourisme Tunisien en Chiffres, various years.

Two factors were analyzed for the projection: (i) target occupancy rates during high season (for the month of the highest demand: August), and (ii) seasonal fluctuation of visitor-nights.

(i) Target occupancy rates in the month of the highest demand

Future targets for occupancy rates in the month of the highest demand were set for each region as follows:

- For major beach destinations, hotels are operated nearly at full capacity in the most recent period. This condition was taken as a target for regions with major beach resorts. Setting these high rates is also for avoiding optimistic projection of bed capacity in view of the need for strengthening profitability of the hotel industry.
- For the G-Tozeur region, the occupancy rate during high season is to be significantly improved.
- The occupancy rate for the Tunis-Z region is to be gradually increased.

(Note: It should be noted that the occupancy rate officially used in Tunisia is "bed" occupancy rate[9] (while internationally the use of "room" occupancy rate is a norm). For city hotels (particularly, those in Tunis, the capital city), bed occupancy should be low due to substantially higher proportion of business travelers than that for resort hotels. Business travelers normally occupy only one bed in a room, in which case the "bed" occupancy is only 50% (for twin rooms) although the "room" occupancy is 100%. On the other hand, if the "room" occupancy rate is the same, the "bed" occupancy of resort hotels will be naturally much higher than that of city hotels because of significantly higher frequency of occupying more than one bed in a room. For this reason, the bed occupancy rate for Tunis-Z cannot be compared, on the equal basis, with that for other regions (mostly being resorts). If measured with room occupancy, the projected occupancy for Tunis-Z is considered not low.)

(ii) Assumption of seasonal fluctuation factor (SFF) by region

SFF = (average monthly visitor-nights)/(maximum monthly visitor-nights)
(annual average occupancy rate)/(highest monthly occupancy rate)

The annual average occupancy rate is thus obtained by multiplying SFF by the target occupancy rate set above. SFF will improve due to the development and promotion of cultural, Saharan and MICE tourism that will increase visitors during low seasons.

(2) Projected Bed Capacity Needed by Region

Bed capacity needed by region was projected as shown in Table 5.4.6 based on the total visitor-nights and the annual average occupancy rates obtained above, along with an assumption of the utilization rate for bed capacity.

[9] In the projection, the Study Team followed the current practice in Tunisia and used "bed" occupancy due to data availability as well as for keeping consistency with the past statistics.

Table 5.4.6 Projection of Bed Capacity Needed by Region

Region	1999 (actual)	2006	2011	2016
Tunis-Z	18.1	21.8	24.9	29.0
N-Hammamet	45.6	53.4	62.0	72.9
Sousse-K	40.4	56.7	68.4	80.6
Monastir-M-S	29.9	42.2	50.7	59.8
Jerba-Z	41.1	60.8	75.1	88.6
G-Tozeur	10.2	11.7	14.1	19.2
Bizerte-B	2.7	2.2	2.5	2.9
Tabarka-A	3.9	4.8	5.8	6.7
Total	192.0	253.7	303.5	359.6

Unit: thousand beds

Note: The rate of capacity utilization is set at 92%, up from that in the most recent period (89% in 1999), assuming that the efforts to improve hotel productivity will be made by the industry.

Source: JICA Study Team

- The regions that would need the highest rates of increase include the existing major tourism cores, particularly Sousse-K, Monastir-M-S, and Jerba-Z.
- For Sousse-K, it is recommended that the accommodation capacity in Kairouan be increased in addition to the coastal areas, in line with the efforts of cultural tourism development in Kairouan.
- Likewise, for Jerba-Z, it is recommended that the accommodation capacity at major inland tourist destinations (particularly, Tataouine and Matmata) be increased in addition to the coastal areas, in line with the efforts to develop Ksar/Ghorfa/Troglodyte tourism.
- For G-Tozeur, it is recommended that a significant capacity expansion be deferred in the coming years (while major efforts are to be made in Saharan tourism development), and be resumed as the occupancy rates improve, possibly after 2006.

(3) Distribution of Bed Capacity by Category

In this section, an "indicative" long-term projection is made for the bed capacity by category; this projection is to suggest the direction that is considered desirable with respect to the composition of hotels by category rather than put an emphasis on the projected figures themselves. For this reason, an indicative distribution is presented, limiting the projection in 2016, based on the considerations described below.

As of 1999, about one-third of the total bed capacity in Tunisia was held by 4-star and 5-star hotels, with their capacity increased at an accelerating rate in recent years.[10] This increase has been promoted by the Government as a measure to improve the quality of accommodations. The improvement appears to be in fact

[10] The combined share of bed capacity held by 4- and 5-star hotels increased from 26.1% in 1995 to 34.0% in 1999, whereas the share of 2-star hotels declined most (from 16.2% to 11.8% in the same period).

recognized by the market.[11]

At the same time, however, higher construction cost of these high-standard units, coupled with the suppressed levels of tariffs, has put them in a financially difficult position due to debt payment burden and higher cost for maintenance. This situation is evident from a high level of depreciation expenses averaging about 20% of total revenue for the entire industry, and that of financial charges averaging somewhat higher than 10%.

Based on the present distribution as shown above, the national tourism National Plan, bed capacity projected above, and the regional development plans described in this report, an indicative projection of bed capacity distribution across categories was made for the year 2016. Table 5.4.7 shows the result of the projection. Distribution for 2006 and 2011 should be midpoints toward the 2016 projection level.

Major points considered include the following.

- In major tourist destinations, much of the capacity addition should come from the increase in high-quality 3-star units intended primarily for *good-quality mass tourism*. These units require less capital investment costs than 4- or 5-star hotels that increased substantially, thus expected to lead to healthier financial performance, thereby enabling the provision of better services. Good-quality mass tourism needs these types of accommodations with high quality services. The increase in apartment-type hotels in the future as recommended below also corresponds to a higher demand for 3-star units. The projected increase in the share of 3-star hotels is based on these considerations.
- At the same time, 5- and 4-star hotels should also be increased (though their shares will be lower) primarily based on the following considerations:
  - The capacity of luxury hotels of world-class standard should be added in major beach resort areas (e.g., N-Hammamet, Sousse-K, Jerba-Z, and north of Tunis) in order to provide a greater number of, and a greater variety of, beach products for the *up-market* as well as reposition the country's image to become one of an up-market destination.
  - The increase in these units will contribute to the development of MICE tourism that should be promoted more aggressively, particularly in the Tunis-Z region.

- For the Bizerte-B and Tabarka-A regions, the shares by category are assumed to remain approximately equal to the current level in view of the following:
  - It is likely that these regions will continue to provide mainly the same kinds of tourism products as those offered today in the next ten years or so.

[11] Some of the European tour operators interviewed during this study clearly state that the quality of accommodations in Tunisia has improved in recent years.

  - These regions will continue to attract greater proportion of residents in total hotel registration and visitor nights than other regions, with greater demand for capacity addition of inexpensive accommodations.

- Though this is not the issue on hotel category, adding apartment-type hotels[12] (currently very little supplied) to the country's accommodation capacity has a good potential to meet the needs of certain segments of the European market, particularly for the regions including N-Hammamet, Sousse-K, Monastir-M-S, and Jerba-Z. (See Accommodation Development Plan in this volume for details.) In terms of hotel category, the increase in apartment-type hotels corresponds to the projected increase in the share of 3-star hotels.

[12] Apartment-type hotels are classified in the same way as ordinary types of hotels (e.g., one to five-star) and thus included in the statistics of bed capacity by category.

Table 5.4.7 Indicative Projection of Bed Capacity by Category in 2016

Region/Category	5	4	3	2	1	Village	Pension	NC	Total
Tunis-Z	8,121	2,900	11,022	2,030	580	1,595	145	2,610	29,005
N-Hammamet	4,372	15,667	33,885	7,287	729	7,287	1,457	2,186	72,872
Sousse-K	7,257	20,157	42,331	4,838	403	1,209	403	4,031	80,630
Monastir-M-S	5,981	14,952	31,997	2,990	299	598	0	2,990	59,807
Jerba-Z	4,429	22,146	42,520	5,315	886	7,972	886	4,429	88,583
G-Tozeur	1,053	3,831	9,481	958	766	0	192	2,873	19,153
Bizerte-B	0	201	718	632	0	1,005	0	316	2,872
Tabarka-A	0	1,668	3,670	667	67	0	67	534	6,673
Total	31,214	81,523	175,624	24,718	3,730	19,668	3,150	19,970	359,595

Note: NC represents “non-classified.”
The shares employed are shown below. Recent distribution of bed capacity by category is also presented below for comparison.

Projected Distribution of Bed Capacity by Category in 2016 (%)

Region	5	4	3	2	1	V	P	NC	Total
Tunis-Z	28.0	10.0	38.0	7.0	2.0	5.5	0.5	9.0	100.0
N-Hammamet	6.0	21.5	46.5	10.0	1.0	10.0	2.0	3.0	100.0
Sousse-K	9.0	25.0	52.5	6.0	0.5	1.5	0.5	5.0	100.0
Monastir-M-S	10.0	25.0	53.5	5.0	0.5	1.0	0.0	5.0	100.0
Jerba-Z	5.0	25.0	48.0	6.0	1.0	9.0	1.0	5.0	100.0
G-Tozeur	5.5	20.0	49.5	5.0	4.0	0.0	1.0	15.0	100.0
Bizerte-B	0.0	7.0	25.0	22.0	0.0	35.0	0.0	11.0	100.0
Tabarka-A	0.0	25.0	55.0	10.0	1.0	0.0	1.0	8.0	100.0
Total	8.7	22.7	48.8	6.9	1.0	5.5	0.9	5.6	100.0

Note: “V” represents village, and “P” pension.

Bed Capacity by Category in 1999

Region	5	4	3	2	1	V	P	NC	Total
Tunis-Z	4,441	2,068	5,356	1,344	633	1,524	94	2,605	18,065
N-Hammamet	2,874	9,491	19,449	7,333	851	3,684	448	1,498	45,628
Sousse-K	4,577	13,641	16,125	3,456	190	719	172	1,481	40,361
Monastir-M-S	3,269	7,924	13,276	3,184	356	380	34	1,505	29,928
Jerba-Z	2,366	10,906	15,916	5,659	543	3,397	144	2,178	41,109
G-Tozeur	676	1,784	4,349	791	423	0	164	2,020	10,207
Bizerte-B	0	208	656	606	0	782	0	495	2,747
Tabarka-A	0	1,034	1,890	370	48	0	34	534	3,910
Total	18,203	47,056	77,017	22,743	3,044	10,486	1,090	12,316	191,955

Actual Distribution of Bed Capacity by Category in 1999 (%)

Region	5	4	3	2	1	V	P	NC	Total
Tunis-Z	24.6	11.4	29.6	7.4	3.5	8.4	0.5	14.4	100.0
N-Hammamet	6.3	20.8	42.6	16.1	1.9	8.1	1.0	3.3	100.0
Sousse-K	11.3	33.8	40.0	8.6	0.5	1.8	0.4	3.7	100.0
Monastir-M-S	10.9	26.5	44.4	10.6	1.2	1.3	0.1	5.0	100.0
Jerba-Z	5.8	26.5	38.7	13.8	1.3	8.3	0.4	5.3	100.0
G-Tozeur	6.6	17.5	42.6	7.7	4.1	0.0	1.6	19.8	100.0
Bizerte-B	0.0	7.6	23.9	22.1	0.0	28.5	0.0	18.0	100.0
Tabarka-A	0.0	26.4	48.3	9.5	1.2	0.0	0.9	13.7	100.0
Total	9.5	24.5	40.1	11.8	1.6	5.5	0.6	6.4	100.0

Source: ONTT, Le Tourisme Tunisien en Chiffres, 1999

(4) Importance to Provide Vision and Guidance on Capacity Addition

As shown, projection was made on the bed capacity potentially needed in the future, while it is the private sector that will actually makes investment decisions and provide capacity at its own risk and with profit motives. Tourism is essentially a commercially oriented business, with its prosperity best achieved through the undertaking by the private sector. This is particularly true for the provision of accommodations as well as most other tourism-related activities. This principle has long been adopted for Tunisian tourism, and the capacity of the private sector has in fact grown substantially. Strengthening this principle, as clearly stated in the current national plan, will undoubtedly lead to further prosperity of the sector, thereby contributing to the national economy.

On the other hand, it is also important that the Government plays a role in guiding the industry, by providing a vision and guidance on the future expansion of accommodation capacity, the guidance that could contribute to orienting private investment toward the direction beneficial to the sector as a whole.

It can be judged that Tunisia has been successful in developing mass tourism relative to other rising Mediterranean countries. However, competition has been intensifying with these countries as well as those elsewhere. For example, Egypt and Turkey have been expanding their accommodation capacity as a fast pace (particularly, along the Red Sea of Egypt), largely of high-standard units.[13] The capacity expansion in these countries is expected to continue in the long run. Morocco, though its beach products have been less developed than in Tunisia, also plans to undertake more active beach resort development with an attempt to exploit international expertise. Under this competitive environment, it is highly necessary to provide clear vision and guidance, the realization of which will add a competitive edge to Tunisian tourism.

Recommended guidance is described in the section of Accommodation Development Plan in this volume.

[13] Even “boutique hotels” (for high-end clients) are appearing in Turkey. Boutique hotels usually represent, though there is no precise definition, small-scale, luxurious types of hotels providing extra-deluxe services carefully attentive to individual guests. Bali Island in Indonesia is well known for these types of hotels. In Bali, the room rate of “boutique hotels” is generally around US$500/night or more.

6 TOURISM DEVELOPMENT CONCEPT

6.1 TOURISM DEVELOPMENT THEMES

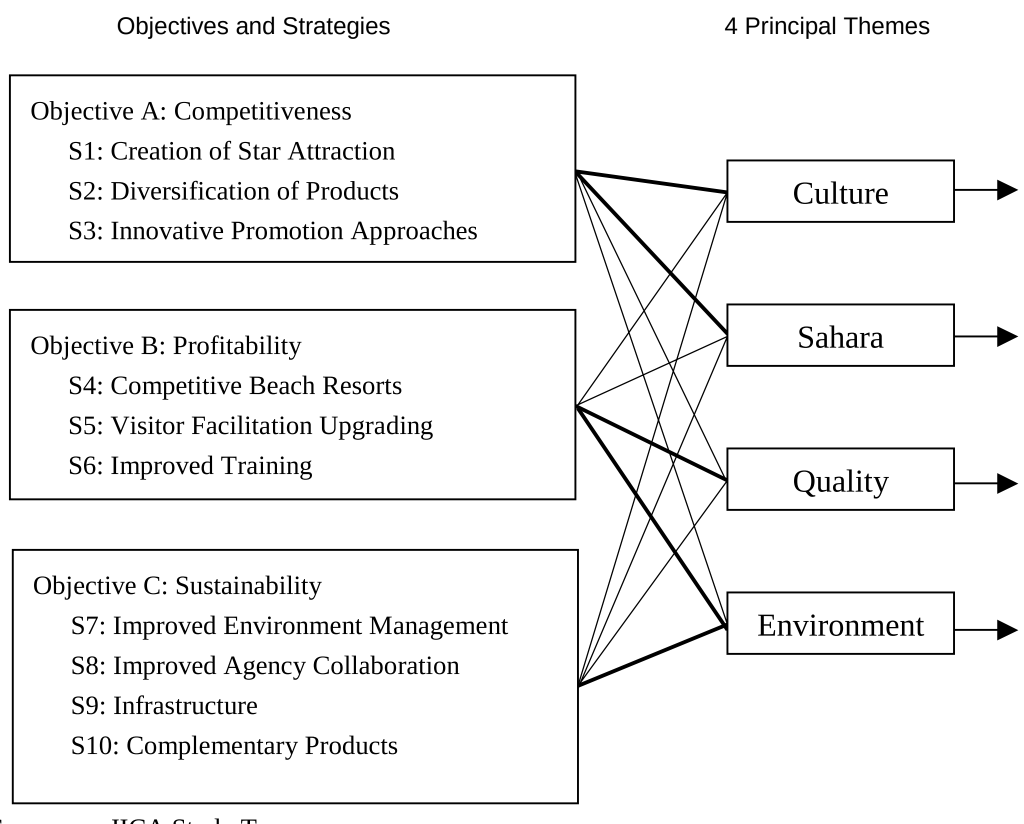
In order to develop more specific and action-based plans under the tourism development objectives and strategies formulated in the preceding Chapter, the following 4 core themes were introduced, on which Tunisia's future efforts for tourism development should focus:

1. Culture,
2. Sahara,
3. Quality, and
4. Environment.

These are the themes having been determined by the tourism administration in Tunisia as main areas to focus on for orienting the future development efforts. In the SWOT analysis made earlier, these four themes were also identified as crucial for the development of Tunisian tourism, largely corresponding to the opportunities.

Figure 6.1.1 illustrates the relationship between the tourism development objectives and strategies and the four themes.

Figure 6.1.1 Tourism Development Objective, Strategies and Principal Themes



Source: JICA Study Team

6.2 CULTURE, SAHARA, QUALITY AND ENVIRONMENT

Principal development concepts which are common to the formulation of the tourism development plans both national and regional were developed according to the four core themes: “Culture”, “Sahara”, “Quality” and “Environment”, in order to systematically orient the efforts of future tourism product development and marketing.

The following pages show a logical flow of deriving the principal concepts according to each theme.[1] These concepts will be used for the formulation of the component development plans (in the subsequent chapter) and the regional plans (in the following volume) as well as for the subsequent process of selecting the priority projects and programs.

Steps taken to derive the principal development concepts shown in Figures 6.2.1 through 6.2.4 are composed of the following two parts:

1 Assessment of Today’s Conditions (Upper Part of Each Figure)
For the first three themes of “Culture”, “Sahara” and “Quality”, the “market”, “competing countries”, and “Tunisian tourism” were assessed based on the opinions and facts of the market.

For the theme of “Environment”, the issues facing Tunisia related to tourism were assessed.

Consequently, for all the themes, the directions in which future tourism development should be guided were derived.

2 Development of Principal Development Concepts (Lower Part of Each Figure)
Based on the above assessment, the principal development concepts along with the primary development approaches were developed.

Note that the development concepts developed for “Culture”, “Sahara” and “Environment” are among the essential elements for quality improvement in addition to those developed for “Quality” that focus mainly on beach products for avoiding duplication.

[1] It should be noted that these concepts were intended to form the elements common to the formulation of national and regional tourism development plans and the priority projects and programs, thus called the *principal* concepts.

Figure 6.2.1 Principal Development Concept: CULTURE

TODAY

Market

Voices and facts of the market

Voices of European tour operators (from different countries)
- "Tunisia should not be seen only as a sun-sea-sand destination."
- "Tunisia has a big potential as a cultural circuit destination as well as beach resorts."
- "Tunisia's cultural tourism is not recognized as they should be."
- "Do promote its rich cultural heritage and cultural tourist attractions!"
- "Do a big promotional campaign highlighting all aspects of the Tunisian package, not only with the emphasis on beaches."

Tourist interview survey (conducted in July-August 2000)
- The number of tourists coming for cultural tourism is comparable to (or even lower than) those for natural wonder (see SAHARA for details) despite the richness in culture.

What these voices and facts (on the left) mean
- No doubt that Tunisia has a good potential for cultural tourism.
- But Tunisia's cultural tourism is perceived by European marketers as significantly under-exploited.
- In fact, the number of tourists for cultural tourism is comparable to, or lower than, those for natural wonder. (The potential should be significantly higher than the current number of tourists for culture.)
- European marketers are strongly demanding more aggressive promotion of Tunisian culture in addition to its beaches.

Competing countries

Voices of European tour operators
- "Egypt and Morocco have advantages with their prominent cultural resources such as the pyramids of Egypt and the imperial cities of Morocco."
- "Tunisia as a beach-family and middle standard destination (not so much as cultural); Morocco and Egypt are perceived as a cultural and middle-high standard destination."

- Tunisia's cultural resources and their physical prominence are less attractive than the best sites in competing countries.
- Undertaking efforts given this fact should make Tunisia much stronger in cultural tourism. The issue is "how to add value to them."

What Tunisia has

- "Clients for touring are interested in all aspects of its culture, and are happy with what they find, though Tunisia's cultural tourism can be much improved." (a Spanish operator)
- Values of cultural sites are relatively high. Interpretation and facilities/signage can be much improved. (see Table)
- "At present, Carthage is a place for no more than 1-2 hours."
- The "maximum" amount tourists will be willing to pay for the Carthage Park and El Jem: generally, equivalent to the current fee (European tour operators)

% of visitors who rated cultural sites as "Good"

Sites	Value	Interpretation	Facilities /signage
Carthage	76%	46%	44%
El Jem	73%	44%	43%
Dougga	73%	42%	43%
Bardo	78%	47%	43%

Source: Tourist interview survey

- It is also a fact that the intrinsic values of Tunisia's cultural sites are high, according to the perception of tourists.
- There is much room for improvement even in the most well-known monumental sites, particularly in terms of "the way to show these sites to tourists."
- It is recommended that drastic improvement in these sites be made in order to establish a competitive edge against other countries.

TOMORROW

Product development

Principal concepts
- **Add significant value, with <u>intelligence</u> and <u>modern technologies</u>, to the country's intrinsically rich cultural resources**
- **Focus the development efforts on the areas/sites that are among the closest to the major cultural sites elsewhere in terms of the attractiveness to tourists**

Principal approach

Where to start
- Capitalize on the areas/sites that are among the most valuable culturally and historically and most heavily visited
- Upgrade their attractiveness to a level competitive with major cultural attractions elsewhere

How
- Create abundant opportunities for "five-sense experiences" of Tunisian culture, history, and Islamic world.
- Fully exploit, and invest in, modern technologies enabling quality offering of five-sense experiences, including:
  - Advanced audio-visual technologies
  - World-class presentation and visitor facilitation techniques

Marketing and promotion

- **Publicize more aggressively the country's culture, history, life and Islamic world as an integral part of the promotion package of Tunisia's tourism**
- **Deliver "<u>focused, solid, unified and consistent images</u>" of the country's culture to the market, which can clearly distinguish Tunisia from other countries, and will be durable *throughout* the tourism administration and agencies/entities concerned as well as across the market**

Where to start

Start building *well-structured images* that can be disseminated in a *consistent* fashion:
- Focused images and messages that can create the image of "Tunisia" as a country of culture and history
- Those unique to Tunisia with which the market can easily and clearly identify "Tunisia" and distinguish it from other countries
- Solid and *unified* ones that will be *durable* not only in the source countries, but also within the tourism administration and agencies concerned and across the tourism sector *inside Tunisia*.

How

This is an extremely important process: "building images of the country's culture as a whole for the entire world"
- Should build the images that can be "*long durable assets*"
- Hire an internationally distinguished promotion firm well versed in the field
- Set up a committee composed of concerned agencies for building *unified* images

Figure 6.2.2 Principal Development Concept: SAHARA

TODAY

Voices and facts of the market

Market

- The number of hotel registration in G-Tozeur: 66% of that in Jerba-Z (1999)
- Reasons for choosing Tunisia (the tourist interview survey conducted in July-August 2000):
  - "Natural wonder" = 30% (including those with other holiday purposes; equivalent to "culture" (29%))
  - "For natural wonder only" = 9.1% (75% higher than "only for culture (5.2%)")
- The rate of first-timers is the highest for natural wonder (not for beach or culture).

Voices of European tour operators

- "Sahara is one of the biggest attractions in Tunisia."
- Tozeur is "very sympathetic."
- "Tunisia should put more emphasis on its cultural aspects and *the South*."

What these voices and facts (on the left) mean

- No doubt that Sahara has a good potential.
- In fact, the number of tourists for Sahara and other natural wonders is comparable to those coming for cultural tourism (possibly even higher for single-purpose visitors)
- But Tunisia's promotion still under-emphasizes Sahara/South. In addition, the emphasis is largely on desert, camels, and oases.

Competing countries

- Morocco: Larger scale and more natural, but much more difficult to access
- Algeria: Best in resource value in Sahara, but takes long time to make it marketable.
- Egypt: The oasis circuit is still less emphasized, but European operators see its potential.

⇨

- Sahara in each country has its own strong points.
- Tunisia has a comparative advantage in accessibility, closeness to other kinds of tourism products, and existing tourist facilities.

What Tunisia has

- Tourist attractions are lacking in the South
  - The length of stay at hotels in G-Tozeur is 1.4 day (1999). (National average: 6.4 days)
  - % of tourists rating tourist attractions as "good" among those for natural wonder only: 50% (cf. 60% for tourists for cultural tourism only) (the tourist interview survey)
  - The level of satisfaction of those for natural wonder only is also lower than those for cultural tourism only (very satisfied: 25% vs. 29%) (the tourist interview survey)
- "Tunisia's Sahara/South is easily accessible (unlike Morocco), multi-faceted with different natural characteristics, and close to other major destinations, with good accommodations. It's a Sahara for everybody." (Japanese operators)

⇨

- Creating major tourist attractions will enhance tourist satisfaction, extend the length of stay, and add to natural desert, camels, and oases. (This requires strong initiative of the public sector.)
- Developing products that can satisfy broad-range of tourists and first-timers in Sahara and desert life/culture will be a promising strategic option (fully taking advantage of good access and closeness to other tourism products/resources).
- Diversification is also a way to go for enriching product offering.

TOMORROW

Principal concepts

Product development

- **Newly create major tourist core attractions that consolidate offering of Saharan experiences and natural wonder**
- **Diversity product offering: (i) spatially (forming inter-product network) and (ii) by type of product (particularly into activity-based products)**

⇨

Principal approach

Where to start

1) Build on the current Tozeur-centered Sahara tourism, and forming an interrelated product network with Douz
2) Expand product development efforts toward southeast, strengthening the

How

1) Create major core attractions providing "five-sense experiences" of all aspects of the Saharan world, exploiting advanced technologies and recreating a real-like world.
2) Upgrade Matmata-Tataouine for Troglodyte/Ksar/Ghorfa tourism (currently under-exploited significantly), creating another tourism core in the South
3) (In the Tozeur/Nefta/Chott/Douz region) Create a world-class center for nature and soft adventure activities, showcasing Tunisia's Sahara as a multi-faceted, exotic playground for the European markets

Marketing and promotion

- **Fully integrate the discovery of Sahara and natural wonder into the promotion package of Tunisia's tourism, making them more "visible" to the market**
- **Put emphasis on, and create an image of, the multi-faceted feature, experiences, and closeness of the Saharan world, and being an activity center for a variety of nature and soft adventures**

⇨

Where to start

- Build well-presented images and messages of Tunisian Sahara as being *more than* desert and oases in order to disseminate its image uniquely distinguishable from those in other countries:
  - Experiences and activities
  - Exotic natural landscape
  - Combination with Ksar/Gorfa/Troglodyte tourism in the Matmata-Tataouine area with magnificent natural landscape
- These images should be built in concert with relevant product development efforts.

How

- Hire an internationally distinguished promotion firm that will assist in building unique images of the region (to be done along with the promotion of culture)
- Build images that will induce private investment in soft adventure activities
- Undertake all-out campaign to introduce the uniqueness of the Sahara/South region in partnership with foreign media

Figure 6.2.3 Principal Development Concept: QUALITY

TODAY

Beaches / Hotels

Voices and facts of the market

Market

Voices of European tour operators

- "Tunisia has an enormous potential as beach resorts, with miles and miles of beaches."
- "Tunisia is perceived as a beach-family destination, a middle standard destination."
- "Tunisia is a destination less expensive than Egypt and Morocco. This is partly because of the shorter distance to Tunisia and its numerous 3-star hotels, though the quality of facilities has much improved recently.
- "Tunisia has a huge potential associated with "come-back" opportunities with the combination of its beaches and other kinds of tourism (unlike Morocco), even better than Egypt which is very expensive today.

Competing countries

Voices of European tour operators

- "In the last 3 years, Egypt has become an important alternative (as a short-haul destination) even if the flight takes longer."

Tourism investment in competing countries

- **Egypt and Turkey**: fast pace of hotel capacity expansion (particularly, along the Red Sea of Egypt) largely in 4-5 star units, which is expected to continue in the future; private development of resorts dominating and more active foreign investment in tourism undergoing in these countries; even "boutique hotels" (for high-paying, niche markets) appearing in Turkey
- **Morocco**: plans to undertake, using international expertise, more active beach resort development than before to be assisted by a World Bank loan for technical assistance

What Tunisia has

Voices of European tour operators

- "The price-quality balance of Tunisian resorts is getting better, and quality has been improving over time. Further improvement in quality is the key to success of tomorrow's Tunisian tourism."
- "There is much need for quality improvement in terms of services, cleanliness and maintenance at hotels; environment and hygiene outside hotels; very expensive drinks and alcohol; lack of explanations in English; lack of places for tourists outside hotels (bars, restaurants, pharmacies); etc."

Major managerial issues: Low occupancy rates during low seasons; low level of profitability (overall tendency); increasingly higher costs; lack of variety in hotel types

What they mean

- Tunisia has an enormous potential for further development of beach resorts.
- Although the market perceives Tunisia as a budget destination, its competitive price levels are clearly an advantage against competing countries.
- The market perceives the quality of Tunisia's beach resorts as improving. Continued efforts will surely improve the market perception further.

- A significant capacity expansion will continue in competing countries, which will intensify the competition in the region, with the "main battlefield" being high-standard resorts.
- These countries are actively seeking for international expertise, and even high-end hotels and resorts are being established. This tendency is a global phenomenon demanded by the market, which should also be pursued by Tunisia in order to keep up with the global trend.

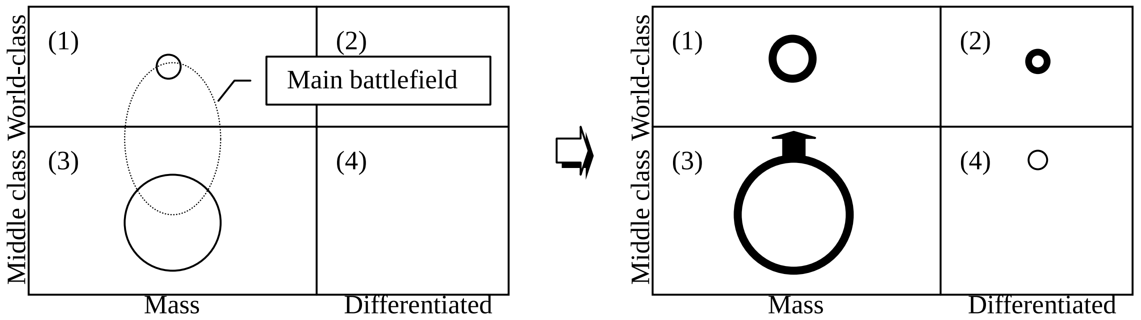
- A good quality-price balance is a Tunisia's advantage that should be further strengthened in order to establish its definitive competitive edge. Further improving quality will strengthen the competitiveness of Tunisian resorts,
- The emphasis on culture, Sahara, and other kinds of tourism (particularly, MICE) will contribute to improving occupancy during low seasons, and help enhance the competitiveness of Tunisian resorts.

Development Concepts for CULTURE and SAHARA

TOMORROW

Principal concepts

Positioning shift of Tunisian resorts in "Quality-Differentiation Space" (schematic)



Today's positioning of Tunisia **Strategic positioning of tomorrow**

(i) Differentiate the products into "world-class" (and "differentiated") spaces
(ii) Improve quality of resorts in and around the "main battlefield" to strengthen the good price-quality balance (the black arrow in space (3))

Principal approach

How

(i) Approach to differentiate into spaces (1) and (2) (in the diagram)

- Introduce a new and "highly competitive" process for tourist zone/resorts development
  - Employing international competition from the conceptual planning stage through the actual development
  - Exploiting the world's most sophisticated resort development expertise
  - Actively undertaking foreign investment promotion for resort development

(ii) Quality improvement at resorts in and around the "main battlefield"

- Undertake training programs and hold seminars for various levels of hotel staff
- Cultural and Saharan tourism developments (see CULTURE and SAHARA) not only for enriching the beach product offering, but also for raising the occupancy during low seasons, thereby improving profitability, which will enable quality improvement efforts
- Actively undertake MICE tourism development to raise the occupancy during low seasons, thereby improving profitability, which will enable quality improvement efforts

Where to start

(i) Differentiation

- Select the best sites attractive enough to foreign investors

(ii) Improve quality

- Training programs and seminars for major tourist resorts
- Cultural and Saharan tourism development: see CULTURE and SAHARA
- MICE tourism development: especially in the capital area

Figure 6.2.4 Principal Development Concept: Environment

TODAY

Current Situation of Environment and Tourism

- Within the small area of 164,000 sq km, there exist a tremendous variety of nature and culture resources that attract tourists.
- However, out of the existing 17 tourist zones, 12 zones are located in coastal areas (85 % of total accommodation) and out of 14 planned tourist zones, 13 zones will be constructed in coastal areas. In Tunisia, major tourist activity and the environmental issues related to tourism are concentrated in coastal areas. The current environmental issues related to tourism activities are shown below:
  - ➢ Beach area: Beach erosion problems (especially in the Northern and southern suburbs of Tunisia, and the Oriental Coast of Jerba) , water related problems (provision of drinking water, purification of used water and pollution of Mediterranean Sea), Solid waste problems, Beach management problems (Insufficiency of land use plan for all beach areas determined by detailed studies, Lack of appropriate beach management especially adjacent to beachside hotels)
  - ➢ Sahara & Oasis Area: Water related problems (over-exploitation of water resources, provision of drinking water, pollution of water tables)
  - ➢ Cultural Sites: Solid waste problem (especially at cities and Medinas), Insufficiency of skills to make the sites attractive for tourists, Lack of human resources, especially resources dedicated to protecting, beautifying and appropriately presenting Tunisia's cultural heritage
- In Tunisia, the basic strategies, laws and institutional structures for environmental conservation already exist. But in order to realize "Sustainable Development" in relation to tourism, there are some issues that have to be taken into consideration
  - ➢ Insufficient environmental management, particularly about urban amenity and sanitary conditions at tourist site (according to the tourist inter vies survey conducted in July-August 2000) and beach areas.
  - ➢ Lack of awareness of limitation of resources and of the importance of protecting natural and cultural resources in the context of sustainable development.

What this means

Need to Realize:
(1) Natural resources of Tunisia (particularly coastal land for beach resort development and drinking water) are finite and limited.
(2) The environment is a very important element of tourism products. (Especially beach areas which are most important tourism resources in Tunisia

- ➢ Need to improve environmental conditions for the prosperity of the tourism sector.
- ➢ Need to protect these valuable resources for developing tourism on a sustainable base.
- ➢ Need for efficient and effective use of limited tourism resources.

TOMORROW

Principal Concept / Principal Approach

Protect valuable tourism resources

- **<u>Protect natural, cultural and social environment of Tunisia</u>, to avoid degrading the value of tourism resources, and to minimize future environmental conservation costs.**
- **<u>Efficiently and effectively use limited resources:</u> tourism major resources (particularly coastal areas and cultural resources) , land and natural resouces.**

<u>Where to Start</u>
i) Assess carrying capacity (Current and future) and environmental sensitivity, based on which:
 (1) to limit tourism development activities where necessary
 (2) to designate protected areas not to be used for tourism activities (e.g. environmental sensitive areas)
ii) Encourage tourism development in inland areas (to the extent possible) for minimizing concentration of tourism activities in the coastal areas and in summer period.
iii) Actively undertake awareness campaign to conserve the environment and utilities in and around tourist sites
iv) Introduce incentives to promote the use of systems/facilities for environmental protection

<u>How</u>
i) Implementation of the study for improving conservation system in tourism development and management
 - Carrying Capacity of coastal areas
 - Detailed assessment of impacts at the initial planning
ii) Development of "Cultural and Saharan tourism": See CULTURE and SAHARA
iii) Promotion and training for: tourism industries, tourists, local government and people
iv) Very generous tax incentives for installing water-recycling system, alternative power system, etc.

Enhance the value of tourism products and resources

- **<u>Upgrade the environmental quality of tourist sites</u>, such as natural and cultural resources, landscape, urban amenity and sanitary conditions,**
  1) to enhance the attractiveness of the sites.
  2) to maximize the return from tourism activities
- **Especially, <u>improve the environmental quality of Coastal Areas,</u> the biggest tourist magnet of Tunisia todav and in the future.**

<u>Where to Start</u>
i) Beautify and enhance the attractiveness of tourism resources, landscape and general atmosphere at tourist sites and in their vicinity
ii) Establish effective beach conservation and management system

<u>How</u>
i) Implement beautification at tourist sites
 - Restoration of resources (e.g. Medinas, and other cultural sites)
 - Improvement of road condition and planting of greenery
 - Improvement of solid waste management.
ii) (A)Conservation of the existing beaches (particularly through the initiative of property owners / users/ NGOs
 (B) Systematic monitoring of environmental impact as result of tourism activities

Promote environmental resources as tourism products

- **Actively use environmental resources that can be valuable tourism products without undertaking significant physical investment**

<u>Where to Start</u>
Develop eco-tourism in certain parts of the country (e.g.Kerkena Island), first in a limited scale in order to see the market response and avoid potential environment problems, which will be devastating for future tourism development.

<u>How</u>
Attempt to exploit foreign expertise well experienced in eco-tourism. (include NGO's in this field), in order to :
- make zone-planning and management plan for ecological tourism
- train specific guides(ecological interpreters)

6.3 SPATIAL DEVELOPMENT CONCEPT

6.3.1 Target Markets

Major target market segments were identified based on the following:

- Analysis of available statistics data on tourism demand prepared by ONTT, WTO, etc. (Volume III Chapter A4), and
- Interview survey to European tour operators and tourists visiting Tunisia under the Study (Volume I Chapter 2 and Volume III Chapter A4).

Target market segments were classified according to the following 5 categories:

1. Beach holiday tourists,
2. Culture motivated tourists,
3. Saharan discovery tourists,
4. MICE tourists, and
5. Nature oriented tourists.

Indicative demand projections according to the above 5 categories for the year 2006 and 2016 were prepared based on the demand projection of "the total number of hotel registration by region" (Volume I Chapter 5), taking into account the existing percentages of visitor segments and future prospects (c.f. Volume III Chapter A4). In order to conduct projection *by region*, the number of hotel registration was used (rather than foreign visitor arrivals) since a number of foreign tourists visit several of places (rather than one) during their trip to Tunisia.

Table 6.3.1 Projection of Total Numbers of Target Market Segments

Region	2001		2006		2016	
Tunis-Z		844		955		1,368
N-Hammamet		1,190		1,482		2,191
Sousse-K		1,256		1,666		2,556
Monastir-M-S		977		1,314		2,011
Jerba-Z		1,485		2,017		3,103
G-Tozeur		902		1,092		1,714
Bizerte-B		53		66		94
Tabarka-A		134		170		250
Total		6,839		8,762		13,288
Beach holiday tourists	65%	4,445	60%	5,258	55%	7,308
Culture motivated tourists and Saharan discovery tourists	10%	684	10%	876	10%	1,330
MICE tourists	5%	342	10%	876	15%	1,993
Nature oriented tourists	5%	342	5%	438	5%	664
Others	15%	1,026	15%	1,314	15%	1,993

Unit: thousand visitors in terms of hotel registration

Note: The number of hotel registration used here is the sum of that of non-residents and of residents.

Source: JICA Study Team

Characteristic and prospects of each target market segment are summarized as follows:

(1) Beach Holiday Tourists

a) Mass Beach Vacationers

Mass beach holiday tourists from European countries and emerging markets of Eastern Europe staying mainly in the beach areas of Nabul-Hammamet, Monastir-Mahdia-Sfax and Jerba: this segment of tourists is the major existing inflow to Tunisia. Moderate increase in terms of ratio, but significant increase in numbers and profitability will be expected, if the market recognizes improved service quality.

b) Up-Market Beach Vacationers

Up-market beach holiday tourists who expect differentiated experience of various value-added activities (golfing, pleasure boating, cultural site visits, thalassotherapy, etc.) or who want to spend their vacations in magnificent natural settings: this segment of tourists is increasing in the source market. There is a good potential, if Tunisia makes more efforts to attract them through differentiated tourism product development and marketing.

c) Hibernation and Senior Tourists

Hibernation and senior tourists from Western Europe: By making the most of mild climate in winter, particularly the Southern region including Jerba island can attract more tourists in low season. This segment is increasing and has good potential.

(2) Culture Motivated Tourists

a) Cultural Circuit Tourists

Tourists from OECD countries including Europe, North America and East Asia on themed circuits of archeological or cultural experience: They make immigrant tour one place to another of average of 10 to 14 days. Usually they visit Tunisia in the form of organized tours. This segment of tourists is increasing and has good potential.

b) Foreign Individual Tourists

Foreign individual tourists (FIT) who are interested in culture or civilization: Students and researchers are also included in this category. Some of them stay longer than those in the organized tours, however, they tend to spend less per day as they have specific objectives and their tourism activities are limited. This segment of tourists is currently much fewer than the above but can be in increased.

c) Week-End Tourists

Week-end tourists from Western European countries: This market is getting more important in the source market. The difference with the above segments is that they stay much shorter. The air flight availability is very important for the promotion of this segment. There is good potential.

(3) Saharan Experience Tourists

a) Beach Vacationers

Beach holiday tourists in the tourist cores of Jerba, Sousse and Monastir for optional Sahara experiences: This segment is the major existing inflow. Offering unique experience of Tunisia through improved tourism products can increase the value of beach holiday in Tunisia, and increase the number of this segment.

b) Hibernation and Senior Tourists

Hibernation and senior tourists from Western Europe: By making the most of mild climate in winter, the Sahara region can attract these tourists. This segment is increasing and has greater potential.

c) Themed Circuit Tourists

Tourists from OECD countries including Europe, North America and East Asia on themed circuits of archeological, cultural make immigrant tour one place to another of average 10 to 14 days, and they spend one or two nights in the Saharan area. This segment of tourists is increasing and has good potential.

d) Saharan Holiday Tourists

Holiday tourists seeking unique Saharan experience including desert sports, activities and cultural discovery: This segment of tourists are so far not well exploit. Efficient product development and promotion are needed. Moderate increase is expected along with development progress of various tourism products.

e) Saharan Week-End Tourists

Week-end tourists from Western European countries: This market is getting more important in the source country. Similarly to the case in “Culture”, the air flight availability is very important for the promotion. There is good potential.

(4) MICE Tourists

a) Meeting, Convention and Exhibition Participants

Visitors for MICE tourism, particularly those for meetings, conventions and exhibitions in and around Tunis for the first stage and then established cores of Sousse, Tozeur, Jerba, etc.: This segment is of great importance. The organizers of seminars or conventions are very much concerned with complementary activities such as cultural site excursions, sports, eating out, shopping and entertainment. When these are ready, Tunisia has great potential for this segment. Innovative marketing approach is needed.

b) Incentive Tour Participants

Visitors on incentive tours: The tour operators for this specific segment are always looking for fascinating destinations for the objectives of this category of tour. Established cores of Sousse, Tozeur, jerba have good potential.

(5) Nature Oriented Tourists

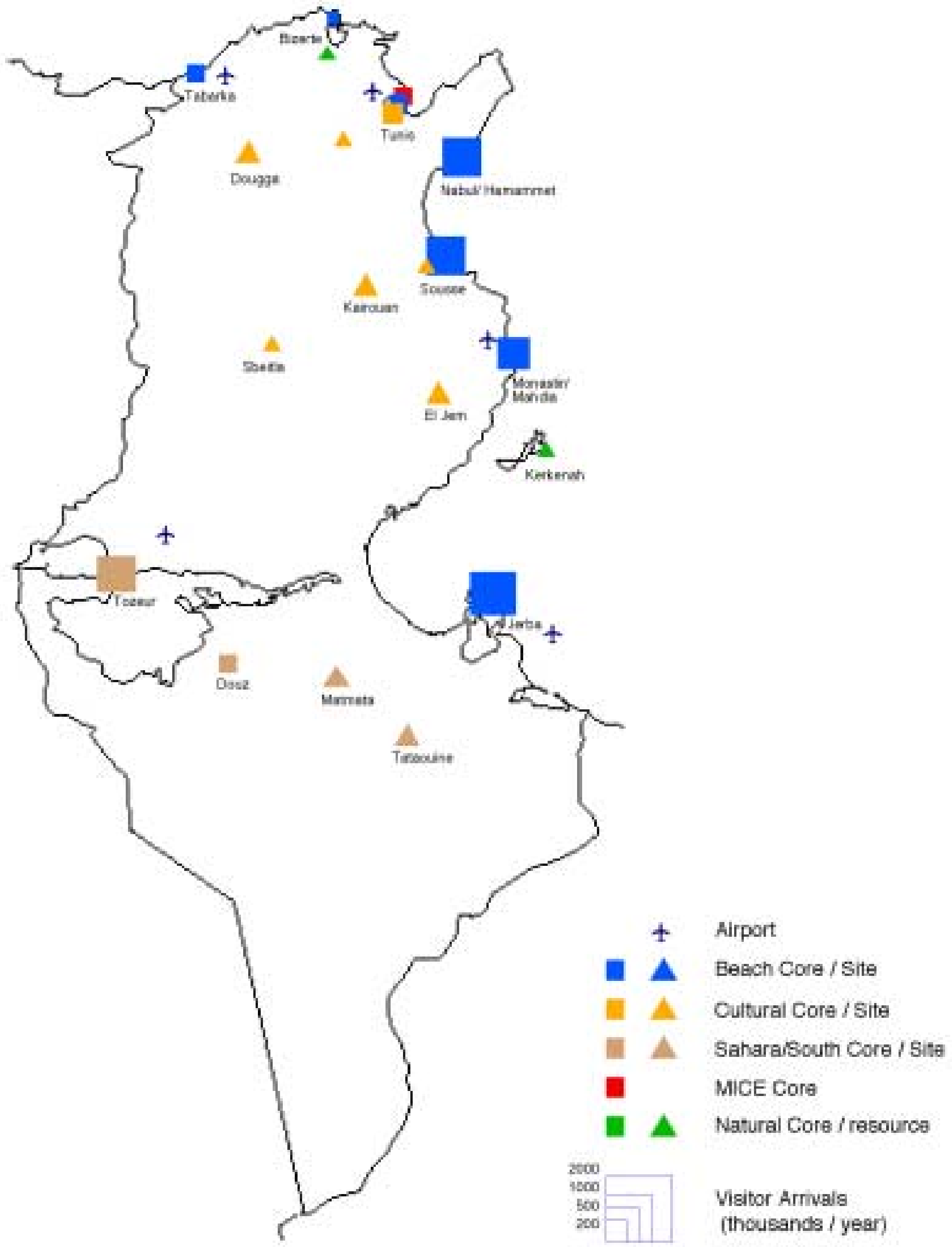
a) Eco-Tourism

Nature oriented tourists seeking unique and magnificent natural setting in Tunisia: There is good potential in specific areas such as Kerkenah island, trekking in Saharan region, etc.

6.3.2 Visions for Spatial Tourism Development

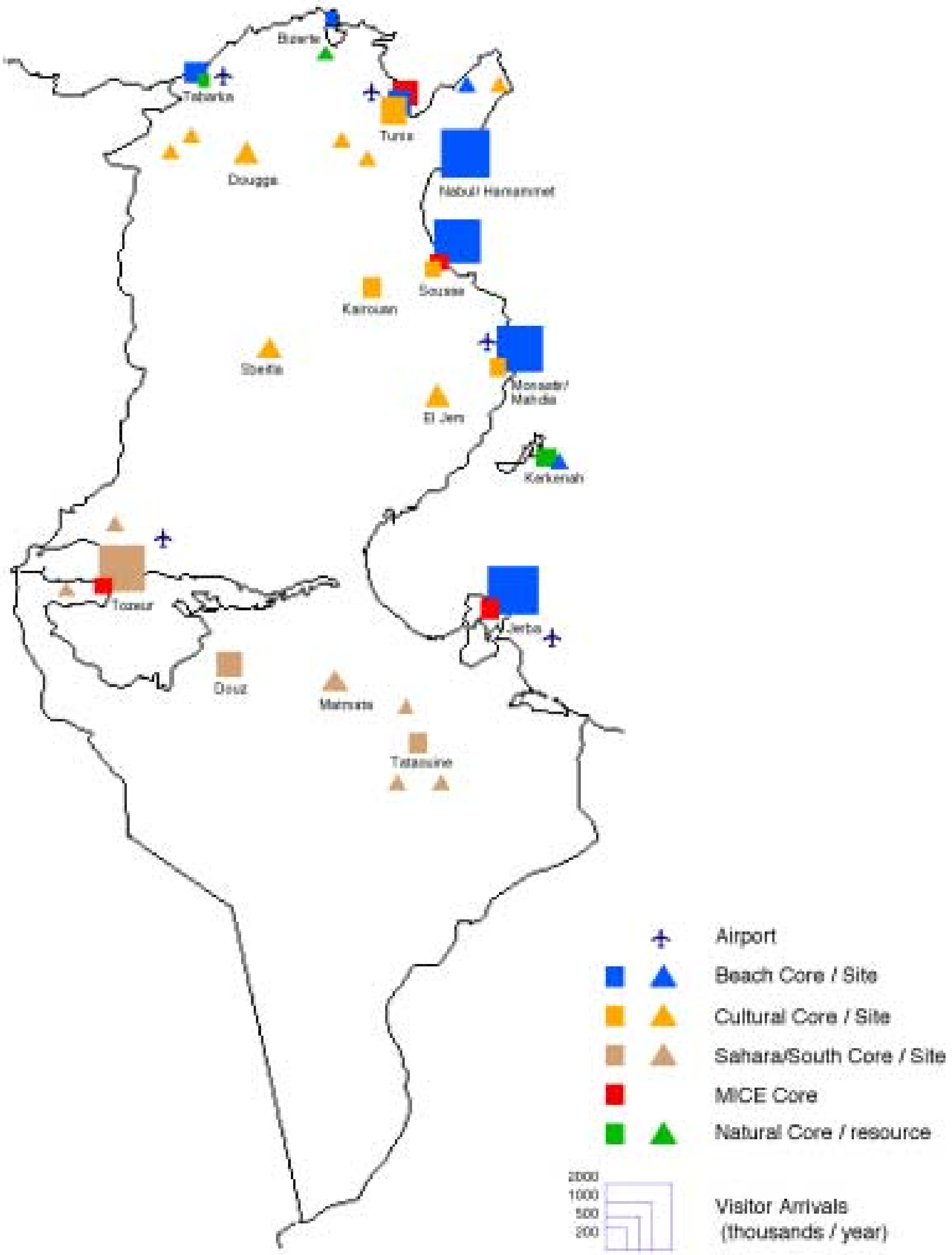
Based on the projection of target market segments and characteristics of each segment, Figures 6.3.1 to 6.3.3 illustrating spatial development concept for the year 2001 (actual), 2006 and 2016 were prepared. These figures indicate visions for future tourism development in Tunisia.

Figure 6.3.1 Spatial Development Concept: Existing Situation (2001)



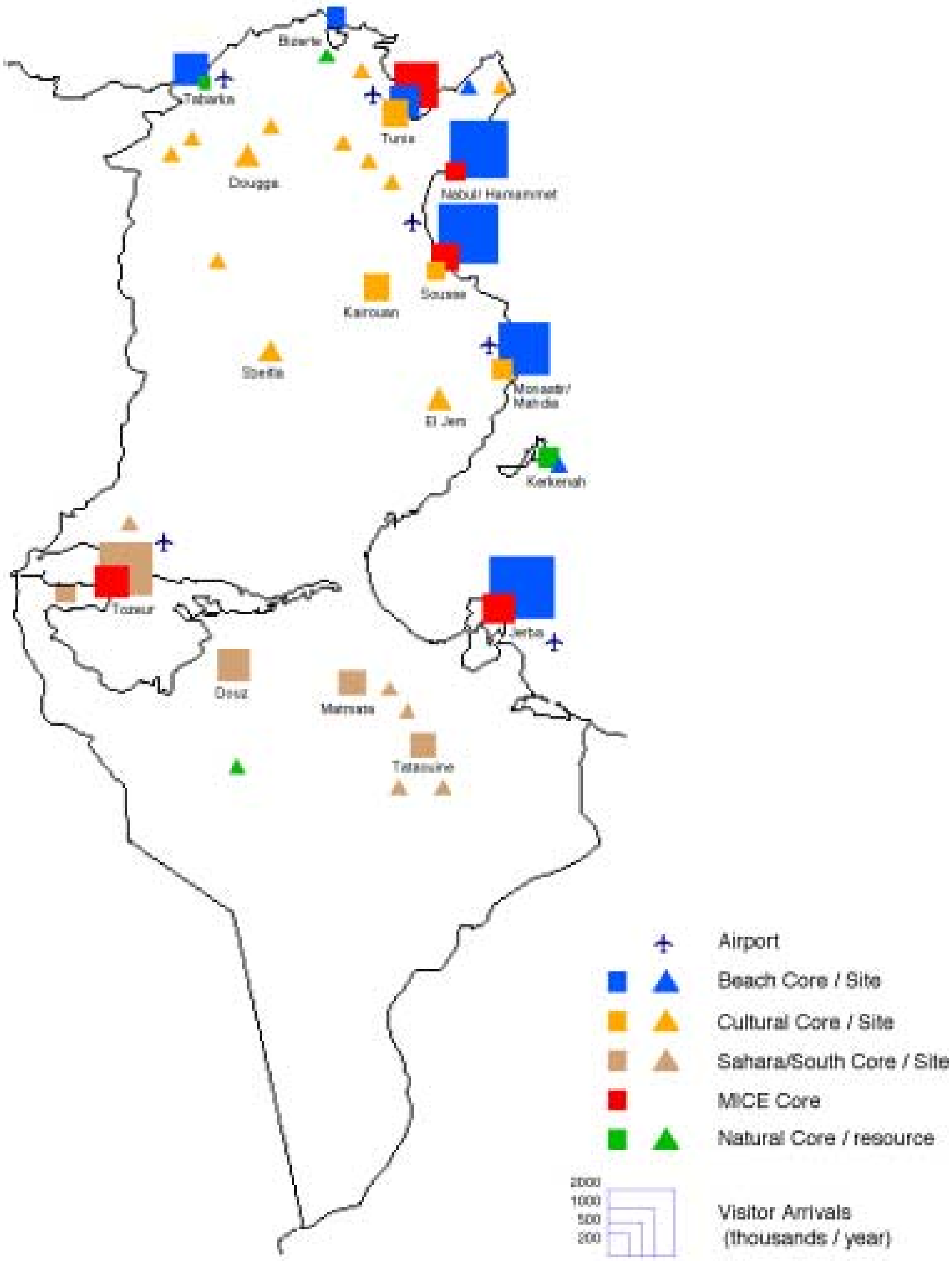
Source: JICA Study Team

Figure 6.3.2 Spatial Development Concept (2006)



Source: JICA Study Team

Figure 6.3.3 Spatial Development Concept (2016)



Source: JICA Study Team

7 COMPONENT DEVELOPMENT PLANS

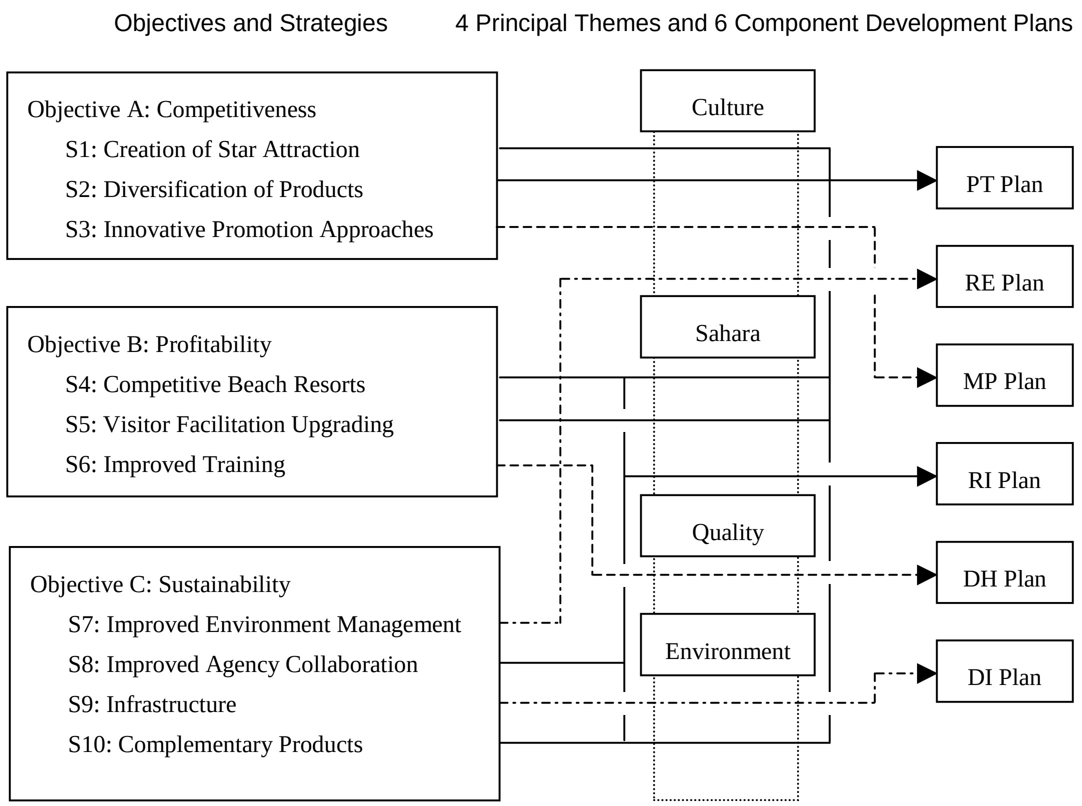
7.1 PLAN STRUCTURE

The National Plan is made up of six component development plans that contain practical projects or programs to realize the concept of tourism development according to the objectives and strategies of this Study. These plans represent 6 functional groups of activity:

1	Tourism Product Development Plan	(PT Plan)
2	Tourism Resource and Environment Preservation Plan	(RE Plan)
3	Marketing and Promotion Plan	(MP Plan)
4	Tourism Industry Vitalization Plan	(RI Plan)
5	Human Resource Development Plan	(DH Plan)
6	Infrastructure Development Plan	(DI Plan)

All the component development plans are formulated in line with the tourism development objectives and strategies developed in Chapter 4 and in due consideration of the tourism development concept described in Chapter 6, thereby achieving the objectives and strategies in a consistent way. The conceptual relationship among these elements is shown in Figure 7.1.1.

Figure 7.1.1 Objectives, Strategies and Component Development Plans



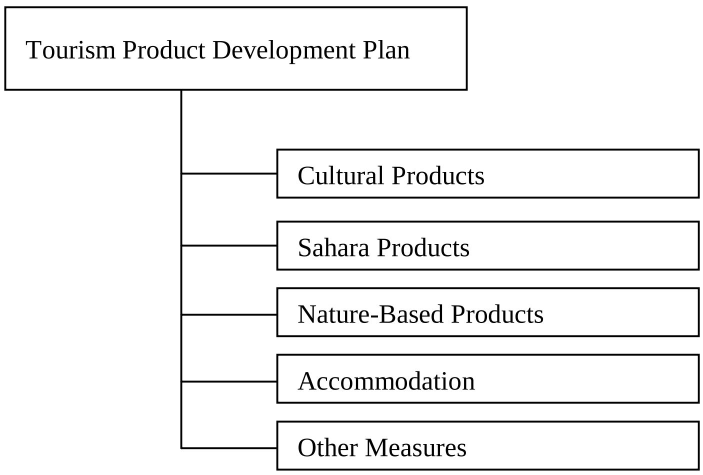
Source: JICA Study Team

This Chapter contains a section for each of these six plans. Each activity is described in one or more paragraphs, with the year of completion. “(2006)”, “(2011)”, and “(2016)” meaning an activity that should be achieved by the year of 2006, 2011, and 2016 respectively. Each activity has a serial number with a prefix to signify the relevant functional plan [component] i.e. TP, RE, MP, IV, HD, and ID. The primary entity for implementation is noted in brackets at the end of each listing. As private sector players can implement some projects, these have been labeled “private sector”.

7.2 TOURISM PRODUCT DEVELOPMENT PLAN

These measures are all intended to expand the range of products and to substantially and very visibly raise the quality of the products, and raise visitor satisfaction. These activities will conquer the weaknesses limiting the growth of higher quality tourism. They are presented according to three key product groupings, the cultural products, the Sahara/desert products and the nature-based products, followed by some additional measures. Many of the concepts for the projects contained in the priority packages have been drawn from this plan.

The Tourism Product Development Plan is composed of the following groups of measures, and each is described below:



7.2.1 Cultural Products

The measures below propose a variety of activities that will greatly heighten enjoyment of the nation’s cultural heritage resources. Modern methods of presentation, facilitation and information delivery, including highly sophisticated audio-visual technology, are included. There is a strong role for private investors, but the main responsibility relies on the agencies responsible for heritage, INP and AMVPPC along with ONTT. Because different agencies are responsible for management of heritage resources in Tunisia these projects will require careful coordination since there are not only Tunisian but also foreign participants involved. By the year 2006 the country will offer a variety of striking and very distinctive points of interest of great appeal to culturally motivated visitors.

PT1 Museum Construction and Improvement

a) Water Circuit Museum, Carthage (2006)

The Carthage Water Circuit Museum will be established by restoring portions of the ancient “Malga Cisterns” and installing striking hi-tech audio-visual displays.[1] It will present the history of water resources management from Punic times and relate the story of the Zaghouan Aqueduct. The MEAT seeks development of several natural themes at museums around Tunisia of which this will be the first. This museum will be adjacent to the visitor center used for the Carthage archeological park. This includes training of museum guides. [MEAT]

b) Kairouan Arab-Islamic Art Museum (2011)

In order to portray the city's artistic legacy a museum will be developed either in a palatial home of the medina, or at the existing Rakkada museum south of the city, adding an additional and highly meaningful attraction for culturally interested visitors. [INP]

c) Presentation Upgrading of the Bardo Museum, Tunis (2011)

Presentation quality of the museum will be upgraded to meet international standards, by display upgrading, multi-lingual interpretation and improvement of visitor facility to handle higher visitor volumes. Curator and guide training is included. This project will succeed the upcoming World Bank project. [INP-AMVPPC]

d) Presentation Upgrading of the Sousse Museum (2011)

This program will undertake additional works following the transfer of this museum to a new site per the upcoming World Bank cultural resources project. It will undertake improvements to the presentations to meet the needs of international visitors. [INP-AMVPPC]

PT2 Innovative Uses of Cultural Heritage Sites

The Greater Tunis area contains different types of heritage resources that could be of tremendous appeal to tourists if developed to meet their needs in terms of education or intellectual interest, relaxation and entertainment. Four dramatic possibilities, all on or near the waterfront that has seen so much history, are described below. Other possibilities exist elsewhere in the country. Private developers could be selected to accomplish some of these project concepts under careful government monitoring.

a) The Barbary Coast Castle Entertainment Complex, Tunis-La Goulette (2006)

A redeveloped La Karaka castle will be a bold innovation taking full advantage of the internationally popular Barbary Coast theme [*Les Barbaresques*]. A promoter can set up a museum with audio-visuals and exhibits on maritime themes, as well as themed shopping, cafes and restaurants. It can also offer amusements for visitors of all ages. The castle can have a fun character and draw all types of tourists including cruise tourists, landing at the nearby docks. Festival activities can be expanded within the

[1] When making a detailed planning for this, it will be necessary to take into account the project to create Cultural and Natural Park in El Maarga on a surface of 157 ha, the decision of which was made by CMR (Conseil Ministériel Restreint) on March 30, 2001.

walls of the fort. [AMVPPC and promoter]

b) Punic Ports and Salambo Beach Redevelopment Plan, Carthage-Salambo (2006)

Of extremely high potential for recreational and tourism purposes, the area including both Punic ports and the Salambo beachfront requires an integrated development plan as a park that will compatibly accommodate objectives of heritage preservation, recreation, tourism and residential life. Once fully redeveloped, this area will constitute a strong third visitor magnet after the Archeological Museum and the Antoine Baths. This project can finally undertake the long-awaited basin rehabilitation, and install the promenades along the basins and along the waterfront. It can also include an international standard marina, a major recreational amenity at the southern end of the Carthage waterfront. [MEAT & AFT]

c) The Queen Elissa Promenade, Carthage waterfront (2016)

This promenade will extend from the Antoine Baths to the Punic Ports at Salambo forming a scenic pedestrian corridor 1,100 meters long. It will be equipped with street furniture, lighting and interpretive panels, kiosks and so on. This promenade will create a needed vibrant lively image for Carthage. [Carthage municipality]

d) Punic & Roman Historic Ship Replicas, Carthage waterfront (2016)

Two full-size replicas of Punic and Roman design can be moored alongside the Queen Elissa Promenade constituting floating museums. They can collect admission charges and offer films and exhibits on marine history, ship design, piracy and other fascinating topics. Because of their highly privileged public location in prestigious Carthage, a corporation may wish to sponsor the development cost. [private sector]

PT3 Audio Visual Interpretive Presentations

Audio-visual spectacles have proven to be very popular in many countries including nearby Malta, as a medium for cultural sites and museums. The distinction between entertainment and education is blurred and these proposals are designed to provide spectacles popular with audiences in Europe. There is a job for ONTT of investment promotion to seek private sector investors for such projects.

a) High impact films in the Acropolium, Carthage (2006)

This splendid facility will provide a variety of striking audiovisual programs treating different cultural themes related to historic themes of Tunisia and Mediterranean life. The current concession operator or other private agent can operate these programs on a breakeven or subsidized basis. A portion of the half million annual foreign visitors to Carthage, of the rising volume of cruise passengers plus many local persons and school groups constitute the most obvious markets for such films. [AMVPPC with private operator]

b) Roman Theater Sound & Light Spectacle, Carthage (2006)

The creation is proposed of a multi-media Sound and Light Spectacle with sophisticated laser beam and audio-visual technology, depicting historic events and episodes and displaying historically-related figures. A number of themes from Tunisia's past lend themselves to dramatic presentation. [AMVPPC with a private concessionaire]

c) Antonine Baths Orientation Audio-visual, Carthage (2006)

What was once a splendid public structure is now reduced to ruins giving little idea of the grandeur of the building and its central role in daily life. The audio-visual film, housed in the entry building, will serve this exact purpose. A private agent can operate these programs on a breakeven or subsidized basis. [AMVPPC with private operator]

d) Coliseum Sound & Light Spectacle, El Jem (2006)

This splendid coliseum can be equipped to provide a variety of striking audiovisual programs treating different cultural themes like the history of the coliseum itself, the rise and fall of the city, and the story of each era and their struggles. A private agent can operate these programs on a breakeven or subsidized basis. [AMVPPC with private operator]

PT4 Facilitation Improvement of Cultural Heritage Sites

These activities directly address the problem of low quality at cultural sites, resolving difficulties in visiting sites, and highlighting for easy visitor appreciation the special character of the sites.

a) Walking Tour Circuits at Major Cultural Sites (2006)

Clearly marked touring circuits at major sites will help tourists to make educational and satisfying visits. Included are construction of circuit trails, posting of standardized directional signs at regular intervals, and interpretative panels and maps. Proposed sites for this facilitation program include Major Medinas, Carthage and Roman ruins, Berber heritages, and mountain oasis. [various agencies]

b) Tourist Amenities (2006, 2016)

Facilities require bus and auto parking, clean toilets, rest space, café, kiosk, etc. Proposed sites are Punic and Roman ruins, Medinas, Oasis, Berber heritages. [various agencies]

c) Interpretation Boards (2006)

Good on-site interpretation increases the value of heritage sites. Multi-lingual interpretation panels improve the visitor's level of understanding. Proposed sites are major Punic and Roman archeological sites, Medinas, Berber heritage sites. [various agencies]

d) Site presentation with Advanced Technology (2006)

Some presentations can be with equipment of advanced technology, which can show sophisticated imagery of historic events, or illustrate brilliant grandeur and intricacy of buildings, for example. These presentations will use high-technology tools like models, 3D projections, multi-screen system, touch panel, and directional speaker. Proposed sites include Carthage Park and El Jem. [various agencies]

e) Audio-phone Rental System (2016)

Providing an audio-phone rental service in a choice of languages for visitors to major cultural sites. The concession holder will design and operate the system on a for profit basis. It will require rental stations at key locations. [private sector]

f) Safety Improvements (2006)

International norms for safety, including for handicapped visitors, need to be progressively adopted. Safety improvement is essential for the aged, handicapped, and young children. This measure includes installation of fences, handrails, stairways, and ramps. This program covers a variety of sites such as Carthage, El Jem, Bulla Regia, mountain villages of Berbers, and mountain oasis around Tamerza. [INP, AMVPPC, others]

g) Observation Decks (2016)

Elevated decks will improve the visitor experience at Roman ruins (Dougga, Boulla Regia, etc.), Major Medinas (Tunis, Kairouan, Sousse, etc.), and Berber heritage sites (Matmata, Chenini, etc) [INP, AMVPPC, others]

h) Illumination of Zaghouan Aqueduct (2016)

This visually striking structure can be refurbished esthetically and decoratively illuminated both in the rural area as well as in the town of Mohammedia. For observing the night scene of this historic structure, one or more roadside parking spots are needed for autos and coaches to safely park well off the road next to it. Illumination can be applied to the other significant historic monuments also. [INP]

PT5 Development of Cultural Circuits (2006)

Some cultural sites of a common historic or cultural theme shall be combined to steer cultural tourism into Tunisia’s interior. These circuits start from gateway cities such as Tunis, Hamammet, Sousse and Jerba. This measure includes improvement of information availability at the sites, directional signage, and visitor facilities. A master pass ticketing option fully covering the entrance (and photograph) fees for all of the major sites can be introduced as a further stimulus. [ONTT, AMVPPC]

7.2.2 Sahara Products

The following proposals create totally new, highly appealing attractions at Tozeur and Douz, improving the range of sporting and sight-seeing activities for young and for old visitors, and also improving ancient *ksour* and mountain villages of the south to open up these unique cultural environments for easy touring by groups and by individuals. Additional Saharan products are also included under the next section on nature-based products.

PT6 The Sahara World Gateway Park, Tozeur (2006)

This will be a world-class museum and cultural complex composed of several pavilions dedicated to different themes: civilizations and history, oasis living traditions, geology, water technologies, animal life, and plant life. It will interpret the phenomenon of the entire Sahara world from the Atlantic Ocean to the Red Sea, and will offer programs for cultural performances. [AMVPPC, private sector]

PT7 The Sahara Camelback Trekking Center and Field Museum, Douz (2006)

This facility will put order into one of the visitor's most exciting experiences while in Tunisia, riding on camelback. This center will serve both fifteen-minute joy-riders and trekkers on overnight trips with information and comfort facilities and with educational exhibits on the camel's role in Sahara life. Aspects of desert life and particularly of the history and role of the camel and dromedary in Saharan living and trade, will be showcased in a museum to be housed in a tent-like structure. [ONTT]

PT8 Desert Sports Promotion Program (2006)

This program will give a tremendous boost to the attractiveness of tourism in the Sahara and Oasis regions. ONTT will work with tour operators and hotel groups to broaden the choice of healthy, fun activities like cycling, bicycling, sand yachting, hot air ballooning, and dune buggy riding. This activity includes technical assistance to the local tour operators on techniques of fleet maintenance and for marketing and promotion in European countries. [ONTT]

PT9 Preservation & Redevelopment of Ksour and Gorfas, South Tunisia (2016)

These distinctive structures can be economically profitable if redeveloped as inns, restaurants, shops and cafes for international tourism use. Promoters can redevelop selected structures under concessions granted by local government, to create additional attractions in the South region. [promoters under INP and local authority regulation]

7.2.3 Nature-based Products

A number of travel niches include fans of activities for sports, adventurous activities and active sight-seeing like hiking or horseback sight-seeing, for whom special environments like national parks or golf courses are needed. This is an area where Tunisia with its desert terrain can excel with younger European visitors pursuing these special interests. These proposals indicate how ONTT can get other agencies to exploit the natural resources in a sustainable manner to develop higher value tourism.

PT10 Desert and Marine Parks for Nature-Oriented Tourism

The nature parks and rural environment conservation department [MEAT] can prepare protected areas for different recreational activities. With assistance from ONTT it can outfit selected parks with standard visitor services and facilities for nature-oriented activities of great appeal to international special interest groups of young travelers and also for general tourism. For the European sporting and adventure market Tunisia's south could become the number one destination in North Africa.

a) Technical Assistance for Parks Management (2006)

To strengthen its planning and management capabilities the parks department will enter into collaborative relationships with counterparts from experienced foreign park agencies in the USA, Canada, South Africa or Australia, for example. Of particular interest for tourism is expertise in running marine parks, and parks in desert environment, and in managing concessions. The new World Bank Ecotourism Project which is intended for the conservation of the bio-diversity and the management of protected areas is expected to provide this kind of expertise as well. [MEAT]

b) Marine Parks Development – Selected Locations (2016)

Locations include Zembra & Zembretta Islands (gulf of Tunis), Ichkeul National Park and Kerkenah Island. Management plans need to be developed for each park to provide facilities and interpretive information as well as low-impact food and lodging for groups, pleasure boaters and nature enthusiasts. Visitor centers and tourist trails and docking facilities will be required. Ranger training and sensitization seminars for local populations will be included. [MEAT; all phases]

c) Desert Parks Development - Jbil and Chebika-Redeyef (2016)

Jbil Park steppe (80 km south of Douz), contains a vast expanse of the Sahara desert requiring full facilities and circuits for trekking by camel or vehicle, and information and security services. The Chebika-Redeyef mountain range contains dramatic mountain scenery [cf. The film *The English Patient*], is very convenient to the Chebika-Tamerza-Mides trio of oasis, and needs essential development. These areas need the usual facilities such as visitor centers and interpretation facilities, trails and restaurants. [MEAT]

PT11 Spa Resorts Feasibility Study (2006)

The Spa Office census of hot springs containing over 100 idle sites needs to be evaluated for selection of feasible sites for spa hotels, including seaside or mountain sites, desert ones, Berber village or archeology sites, et cetera. After selection of the feasible sites an investment promotion strategy can convey this information to promoters for commercial development. [Spa Office with ONTT]

PT12 Sports and Active Tourism

a) Water sports in Central region (2006)

Entrepreneurs can offer new sporting and fun activities on the beachfronts, some requiring new equipment and the assistance of monitors. Besides the existing sports in offer (motor-boat, sail-boat, para-sail, water-ski, water-scooter etc), they can offer more alternatives with affordable prices. The range of competitions and promotional events by ONTT and others, can also be broadened. [private]

b) Development of Golf Courses in the Great South (2016)

As a region with mild winter weather, with pleasant scenery and cultural attractions a demand by foreign tourists for golfing may develop in this region requiring the offer of activities beyond cultural touring. Private developers typically combine golf courses with projects of vacation villas and condos designed for wintertime and long stay tourism. [Private].

c) Expansion of Marina Capacity, Greater Tunis (2006)

Pressures are building for more marina capacity in this area, for use by locals, by tourists and for organizers of international events. A study is needed to measure local and foreign demand and identify the best sites, covering options such as Gammarth, Salambo, and the adaptation of existing fishing ports. [AFT, private sector]

7.2.4 Accommodation

As described in the section of bed capacity projection (see 5.4.4 Importance to Provide Vision and Guidance on Capacity Addition), it is highly necessary for industry leaders to provide guidance on capacity addition that will contribute to orienting private investment toward the direction beneficial to the sector as a whole.

ONTT and the FTH need to steer the investors in developing new hotels that will better match the expectations of higher-income segments of tourism.

PT13 Recommended Guidance for Future Hotel Developers

a) Creation of world-class beach resorts targeting the up-market

It is strongly recommended that world-class beach resorts primarily targeting the up-market be actively created with the provision of extra-deluxe types of hotels.

Expected effects:

- This will contribute to:
  - Symbolically creating an image of drastically improved quality of Tunisia's beach products,
  - Differentiating Tunisian beach products, and

- Effective use of the limited amount of available coastal land for resort development, by maximizing the monetary return gained by the country.

- These hotels and resorts are expected to be ones that can be a “model” for future resort development as well as for the existing hotels and resorts.

Approach:

In order for these effects to materialize, the resorts to be created should be comparable to those of the *highest* standard elsewhere, and be developed under entirely new concepts. This requires a drastic change in the development approach, consisting of the following:

- Introducing truly competitive process for resort development from the conceptual planning stage, enabling the generation of creative and innovative ideas and implementation framework
- Infusing the world’s most sophisticated expertise for resort development through international competition and drastically active foreign investment promotion

This requires strong commitment of the government to reform the process for resort development, which is strongly recommended in order to drastically reposition the image of Tunisia’s beach products within a short period of time.

Because this point is extremely important, a reform program for beach resort development is proposed as one of the component plans later in this volume as well as one of the priority projects proposed in the subsequent volume. Tunisia’s real estate development community needs to globalize and collaborate with internationally experienced European hotel designers and financiers and hotel management companies.

Use of the best available sites:

- It is recommended that the coastal areas that best suit these high-end resorts should be reserved, e.g., coastal areas with scenic landscapes and/or full of variety. Potential sites include several areas of Cap Bon. The best sites in the existing major tourism cores (Hammamet, Sousse-Monastir-Mahdia, and Jerba-Zarzis) also should be devoted to this type of development.
- It is recommended that these resorts should be developed in a smaller scale than conventional types of tourist zones for creating an image of “exclusivity,” thereby strengthening the image of high-end resorts. This way it will also be relatively easier to attract foreign developers and operators.
- Using some of the best available sites, it is recommended that experienced investors and operators of, what is called, “boutique hotels” be actively invited from abroad, which are small-scale, luxurious types of hotels providing extra-deluxe services carefully attentive to individual guests. This will significantly improve the image of Tunisian beach products.

b) Greater variety of architectural design

Expected effects:

- Potentially significant contribution to promotion and marketing
This effect is particularly important. It is likely that many of beach holiday vacationers select their package tours from countless numbers of choices available to them, looking at tour brochures, guidebooks, and the like. These media contain various kinds of information on each package tour, among which architectural design of accommodations and other facilities is in many cases the only, or one of the few, *visual* information specific to each tour package. There is no doubt that this photo, helping visually create the image of their vacation, has a significant impact on their choice of package tours. With greater variety of architectural design, package tours to Tunisia will have significant benefits from the increased attractiveness of Tunisia's beach products as a whole.

- Creation of an image of repositioned Tunisian beach products
Equally important is that developing hotels with *magnificent architectural design* is among the most effective ways to create an image of "repositioned" Tunisian beach products by disseminating this *visual image* across the market.

- Enhanced attractiveness of resort areas
Adding variety in architectural design will make the landscape of resort areas as a whole more entertaining and attractive to tourists, thereby contributing to increasing the level of their satisfaction.

c) Capacity addition in concert with tourism product development

Hotel owners need to clarify early on key project concepts, targeted segments and select hotel operators best suited to meet or exceed the demands of the target segments. Capacity addition should be consistent with product development efforts, particularly in terms of the following:

- World-class beach products for the up-market
This point was described in detail above.

- Quality mass tourism
In major beach tourism cores, much of the capacity addition should come from the increase in high-quality 3-star units intended primarily for *quality mass tourism*. These accommodations require relatively low investment costs, enabling the provision of better services that is needed for offering good-quality mass tourism products. This is expected to further strengthen the Tunisia's reputation of a good price-quality balance having been established across the market.

- MICE tourism
MICE tourism is a promising area, particularly for the capital region (Tunis-Z region), and its active development is recommended in this study. Accordingly, the number of high-standard hotels should be increased in order to provide

comfortable and luxurious types of accommodations for these travelers and their companions.

It is recommended that well recognized international hotel operators be actively invited to the capital area, which is an effective way to use their worldwide network for promotion and marketing.

- Sahara
    - As projected earlier, it is recommended that in view of the current over-capacity and low occupancy rate in the G-Tozeur region, any significant expansion be deferred until later years.
    - However, the development of hotels with distinctive architectural designs symbolically representing the region (e.g., Sahara, oasis, natural landscape typical to the area, with a good example being Tamerza Palace), which themselves can be a tourist attraction and can attract high-paying tourists, should be encouraged even in the short term. Developing these hotels, coupled with the product development efforts, will contribute to increasing the attractiveness of the region, thereby appealing to potential tourists to the area.
    - Smaller but various non-traditional types of accommodation targeting specific segments are also recommended.

- Matmata-Tatouine
    - It is recommended that accommodation capacity should be increased in these areas as active development of Ksar/Ghorfa/Underground Houses tourism progresses. This type of tourism has been significantly under-exploited despite its good potential, and only a little accommodation capacity of international standard has been provided in these areas. Due to the uniqueness of Berber culture and history as well as visually magnificent landscapes, these areas have a good potential as the second tourism core in the South, expected to attract a significantly greater number of tourists in the future, thus requiring the increase in bed capacity accordingly.
    - It is recommended that hotels with architectural design symbolically representing the region should be encouraged (e.g., Berber culture, magnificent natural landscape typical to the area, and unique and magnificent feature of Ksar, for example, those on the top of mountains). Developing these hotels, coupled with product development efforts, is expected to appeal to potential visitors to the areas.

d) Increase in apartment-type hotels

A significant number of European holidaymakers choose apartment-type hotels for their lodging, while these hotels are still underdeveloped in Tunisia.

The size of the demand for apartment-type hotels can be illustrated, as shown in Table 7.2.1, by the number of package tours with this type of accommodation offered by large tour operators in the four largest source countries for Tunisian tourism: Germany, France, Italy, and the United Kingdom.

Undoubtedly, there is a good potential for increasing the capacity of this type for Tunisia, particularly in the existing major tourism cores where supporting industries and services are relatively well provided (grocery stores, restaurants, super markets, pharmacies, etc.), including Nabeul-Hammamet, Sousse-Monastir-Mahdia, and Jerba-Zarzis.

Preference for apartment-type hotels varies among tourist segments. For example, most visitors from Gulf countries may prefer large and luxury apartment-hotels, and certain families from Western Europe may prefer tiny apartment-hotels but fully equipped with advanced telecommunication system, etc. Therefore, marketing research is essential before planning. In addition, the legal environment must be clarified for the non-traditional mechanisms used in marketing much resort capacity today including interval sales and timeshare sales and vacation club memberships. A portion of the Mediterranean capacity is marketed through such mechanisms.

A factor related to the success of self-catered holidays in addition to the availability of apartment-type hotels, is the availability of rental automobiles at reasonable cost. It is recommended that the number of rent-a-cars available in the country should be drastically increased, and that the price of car rentals (which is considered very high[2]) should be reduced, in order to assure their mobility conveniently and inexpensively, with the possible measures including:

- Reduction in the customs duties imposed on imported vehicles for rent
- Liberalization of the vehicle import control [cf RI-7]

[2] Major causes for high car rental costs are described in Appendix.

Table 7.2.1 Number of Package Tours Using Apartment-Type Hotels Offered by Major European Tour Operators (focusing on tours to countries in the Mediterranean basin) (1/2)

Germany

Destination	Hotels	Apartment-type hotels	Others	Total	% of apartment type in total
Spain	230	144	21	395	36.5%
Cyprus	19	1	0	20	5.0%
Malta	23	4	0	27	14.8%
Italy	N.A.	N.A.	N.A.	N.A.	N.A.
Greece	N.A.	N.A.	N.A.	N.A.	N.A.
Egypt	31	2	0	33	6.1%
Morocco	13	1	0	14	7.1%
Portugal	52	15	0	67	22.4%
Total	368	167	21	556	30.0%

Source: Neckarmann, Flugreisen, Winter 2000/01

France

Destination	Hotels	Apartment-type hotels	Others	Total	% of apartment type in total
Spain	85	6	1	92	7.1%
Cyprus	6	0	0	6	0.0%
Malta	6	0	1	7	0.0%
Italy	3	0	0	3	0.0%
Greece	29	1	0	30	3.4%
Egypt	3	0	0	3	0.0%
Morocco	18	0	0	18	0.0%
Portugal	4	0	0	4	0.0%
Total	154	7	2	163	4.5%

Source: FRAM, spring to summer in 2000

Table 7.2.1 Number of Package Tours Using Apartment-Type Hotels Offered by Major European Tour Operators (focusing on tours to countries in the Mediterranean basin) (2/2)

Italy

Destination	Hotels	Apartment-type hotels	Others	Total	% of apartment type in total
Spain	64	14	0	78	21.9%
Cyprus	6	0	0	6	0.0%
Malta	8	0	0	8	0.0%
Italy	N.A.	N.A.	N.A.	N.A.	N.A.
Greece	93	15	6	114	16.1%
Egypt	9	0	0	9	0.0%
Morocco	12	0	1	13	0.0%
Portugal	N.A.	N.A.	N.A.	N.A.	N.A.
Total	192	29	7	228	15.1%

Source: Comitours, spring-summer 2000

United Kingdom

Destination	Hotels	Apartment-type hotels	Others	Total	% of apartment type in total
Spain	116	35	4	155	22.6%
Cyprus	22	6	0	28	21.4%
Malta	19	4	0	23	17.4%
Italy	13	0	1	14	0.0%
Greece	N.A.	N.A.	N.A.	N.A.	N.A.
Egypt	4	0	0	4	0.0%
Morocco	N.A.	N.A.	N.A.	N.A.	N.A.
Portugal	23	3	1	27	11.1%
Total	197	48	6	251	19.1%

Source: Thomson, Winter Sun, October 1998 to April 1999

e) Development of plans for 2-3 high density seaside resort towns

In view of

- Tunisia’s declining availability of coastal areas for new tourism development,
- the need for continuing expansion of lodging capacity along the coast over the long term, and
- the sustained popularity of some high-rise resort towns such as Benidorm (Spain), La Grande Motte (France) or Honolulu-Waikiki (USA).

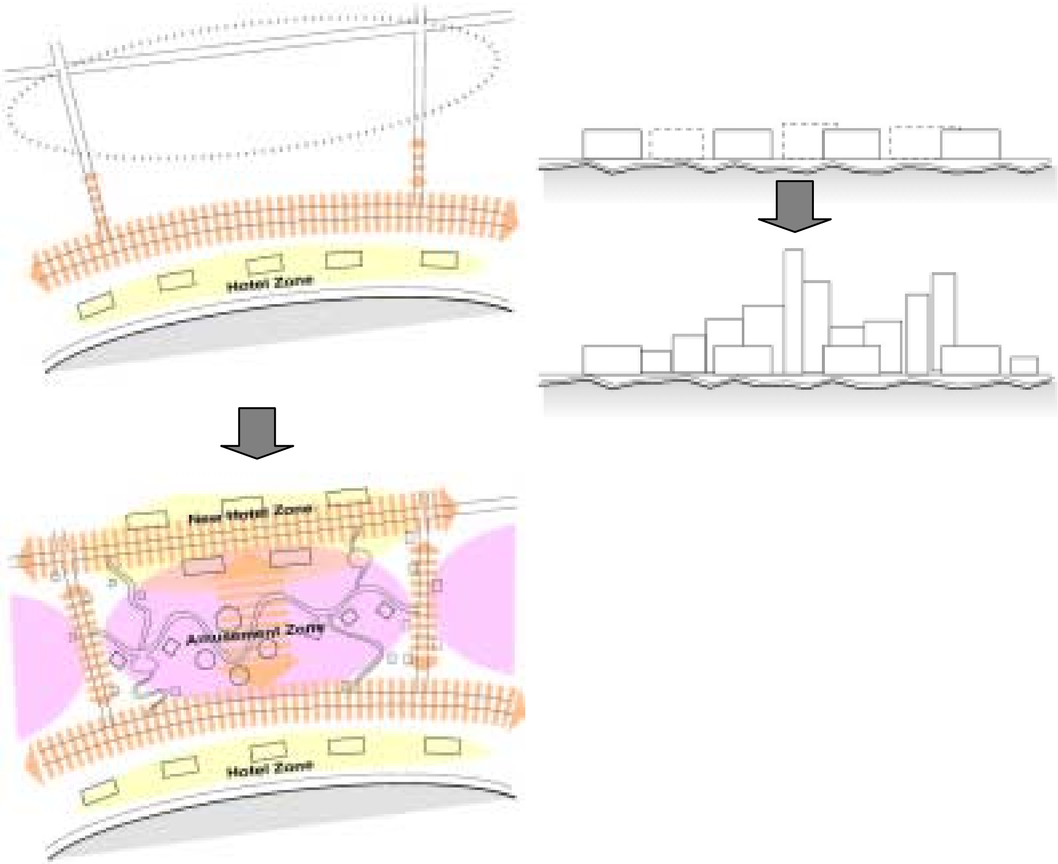
An urban design planning component is proposed for this package.

The AFT should consider the adoption of some form of high-density model of urban development in order to use its coastline efficiently and in order to derive greater returns from the heavy investment in urban infrastructure. Future expansion can come through developing virgin coastline, and also through redeveloping existing resorts (Tabarka, Bizerte, Sousse, Skanes, Monastir) according to a denser model. An international planning team will work with AFT officials to identify two or three coastal sites, either in resort areas that are already developed or in virgin ones, suitable for high density development. It incorporates initial research on existing high-density resorts to identify their strengths and weaknesses. It also calls for a market-sensitive approach in which key European tour operators are also interviewed for their reactions to such resorts.

This plan will in fact serve as a platform for increased development in Tunisia's coastal capacity, matching the best Tunisian skills with foreign ones to produce the star coastal resort. If it is properly implemented, it could possess great appeal for different markets as a diversified destination suited for different segments. It would compete squarely with places like Palma de Mallorca, the Canary Islands, Benidorm, the Greek Isles and Turkey's Antalya. This method of planning and implementation is a reflection of the process of globalization that this National Plan seeks to accomplish for the tourism sector.

Figure 7.2.1 shows conceptual ideas for this plan.

Figure 7.2.1 Development of high density seaside resort towns



Source: JICA Study Team

The following four steps define the process.

Step 1:

The International Experience: The foreign experts will gather information on different urban models reflecting development patterns at a limited number of internationally famous resort communities. These can include both Mediterranean countries and any others such as Puerto Rico, Mexico, the Canary Islands or Australia. They will develop for a limited number of towns:

- a technical description of the community using standard indicators of density and spacing;
- an outline of existing accommodation classified by type
- a history of its development from small town or virgin status
- a profile of owners, resort operators and financing sources;
- an outline of its visitor volume 1996-2000

In addition, the experts will conduct interviews with 8-10 of the dominant tour operators in Europe to obtain their views on the most marketable seaside destinations at present, and to determine their receptiveness to more high-rise seaside capacity in the Mediterranean basin.

Step 2:

The Tunisian Context: The foreign experts will work in Tunisia with AFT officials during this step. They will conduct a seminar relating the lessons learned in step one regarding the international experience, with particular reference to Mediterranean and other destinations popular with European markets. They will then critically examine with AFT officials Tunisia's existing resort developments, and also the planned future ones and the relevant *Plans d'amenagement Urbain*. They will determine the need for more major facilities such as marinas, convention centers, amusement parks or golf courses.

In examining existing cities, the team will determine need for any modifications to the urban development plans. They will also take into careful consideration potential limitations such as congestion, water supply, pollution, adequacy of public services, labor availability and similar. Because much of Tunisia's lodging capacity is twenty years or older, this approach to renovation of existing capacity while raising density may prove to be very feasible if done to meet the demands of tomorrow's markets. In examining virgin zones, the team will determine if innovations such as marinas, cruise ports or unusual landscaping can be effective in developing distinctive urban designs. The experts and AFT officials together can develop a long list of ten candidate sites, and characterize each as to development potential, strengths and limitations. They can stage a seminar to close this step, to lay out the candidates to members of Tunisia's investment community and hotel developers to obtain their input.

Step 3:

Design Work on Three Possible Sites: The AFT officials together with the foreign experts can select three final candidates for high-density development. The foreign experts can then develop conceptual designs and preliminary cost estimates for three possible sites with the assistance of a Tunisian design firm, indicating the scope of development, logical phases and the character of the resort town. It will also develop an implementation plan for each candidate, taking into consideration a role for one or more foreign investors, and use of the competitive project implementation process proposed elsewhere in this package. At the close of this step, the team can explain in a seminar the philosophy of each of the three options, the advantages and disadvantages, relevance to the beach market, the cultural markets, meetings and conventions, the cruise market and any others. They will need to indicate how each candidate site can be developed [redeveloped if an existing site] to be marketable in the long run, and also fully sustainable. At this seminar the officials and private sector interests participating are to identify any strengths and also weaknesses they see in each alternative, to enable the experts and AFT to make a final selection for implementation.

Step 4:

Implementation for a First Site: The experts and AFT can select one site for implementation in the short run. The projects developed for the other sites can be reconsidered once implementation of the first has begun. The experts and AFT/ONTT can sponsor a seminar for international participation to lay out the plan to the investment community of Tunisia, of the Arab World and for Europe. The other activities of the National Plan regarding investment promotion can include substantial promotion of this site. The competitive implementation process recommended for AFT is also to be used for implementation of this project.

7.2.5 Other Measures

Several very different types of tourism are included in this section. In addition, some measures relating to information provision and handicrafts are also included.

PT14 Beachfronts Improvement Program (2016)

The proposal calls for both physical upgrading of facilities at the beachfronts, and for programs of activities to add liveliness and entertainment to the beach environment by day or by night. A design innovation is suggested for provision of essential amenities at convenient intervals along the most popular beachfronts, and additional actions to improve safety, security and general ambience.

- Fun-oriented promenades: Promenades shall be constructed to make beach sides more attractive day and night with exterior, lighting, gardening, art works, pocket parks and open spaces for performances.
- Convenience kiosks: A prototype design can be selected from a design

competition, to include in a functional unit of an information booth, public telephone, lavatories, posted practical and cultural information, automatic teller machine, and commercially operated snack bar or newsstand. They can be awarded under concession contracts to operators meeting minimum standard levels of service.

- Amusement programs: Programs of local or foreign entertainment troupes featuring music, dance and other performing arts shall be produced by local business groups to vitalize the beach promenade during day or evening hours.
- Special programs: Local authorities shall collaborate with ONTT to ensure adequate lifeguard surveillance in season and police patrols. [municipalities]

PT15 MICE Tourism Promotion

a) Support for MICE tourism (2006)

A plan is proposed to introduce mechanisms to augment the international promotional outreach of TCB by means of institutional strengthening of TCB, coordinated efforts with selected foreign ONTT offices, special advertising strategies, creation of a database, and special staff training on MICE promotion. [ONTT, TCB]

b) World-class convention centers (2006)

A study on the feasibility of expanding existing meeting and exhibition facilities in Tunis and Sousse-Monastir and of building new facilities is proposed to enable these cities to attract larger and more lucrative international events. A further component calls for a plan to make capacity in publicly-owned structures available for private functions. [ONTT, TCB]

PT16 Cruise Tourism Development (2006)

Support for Cruise Tourism to Secondary Ports

To spread the benefits of cruise tourism to towns other than Tunis, ports at Sousse, Gabes and Zarzis can be evaluated for adaptation for cruise activity. The range of excursions can be improved and docking facilities adapted to suite the cruise lines operating patterns. [ONTT, port authorities]

PT17 Arts and Crafts Centers, Tunis and Kairouan Medinas (2006)

These Arts and Crafts Center will be established to increase tourists' interest concerning locally made traditional products. They have mainly three functions, to provide visitors with educational information regarding the history of Tunisia's handicrafts, to demonstrate techniques of handicraft production including carpets, and to sell quality products developed at the atelier in an attractive setting. [ONAT]

PT18 Tourist Information Centers

a) Improvement of gateway information centers (2006)

Improvement of the gateway visitor centers in the city center of Tunis, Hammamet, Sousse and Jerba and at major international airports. Services include screen-touch tourist information system, multi-language information desk, distribution of brochures, hotel reservation, transportation time tables, ATM machines and foreign currency exchange, public telephones, clean toilets, and so on. [ONTT]

b) Visitor Center Construction (2006)

Visitor Centers at major sites will provide necessary guidance and information on the major elements of the sites. A visitor center is equipped with information counter, panel and model exhibition, modern presentation devices for site interpretation, amenity facilities (toilets, coin lockers etc.), office for tour guides, and so on. These services would improve the satisfaction of the visitors. Proposed locations include Tunis Medina, Carthage, El Jem, Kairouan, Tozeur, and Tataouine. [AMVPPC, private sector]

PT19 Study on Additional Rail Excursions (2006)

Together with the national railroad company ONTT can prepare a feasibility report selecting the most suitable rail links for tourist services because of their scenic value or heritage value. It can also evaluate possibilities for secondary entertainment opportunities, events and facilities that could be developed in connection with tourist rail services. Any promising possibilities can be promoted to private developers for implementation. [ONTT]

7.3 TOURISM RESOURCES AND ENVIRONMENT PRESERVATION PLAN

A number of measures relate to better management techniques for a variety of resources relevant to tourism, urban and rural, natural and man-made. They are grouped into two categories, urban environments and natural ones.

The Tourism Resources and Environment Preservation Plan is composed of the following groups of measures, and each is described below:

- Tourism Resources and Environment Preservation Plan
  - Urban-Related Measures
  - Natural Environment

7.3.1 Urban-Related Measures

These measures are intended to preserve and present the beauty of Islamic cities, as found in the Medinas which are major magnets for European tourism, for both the resort and cultural segments. All of them are designed to stimulate increased private investment in retailing, entertainment and other types of businesses for tourism. A measure is included to promote better environmental management at hotels.

RE1 Medina Rehabilitation Works

a) Medina Rehabilitation Works, Tunis (2006)

Works are proposed to improve the safety conditions and to beautify the streetscape at strategic places including public spaces and along designated circuits within this old quarter. These include public lighting, façade improvements, telephone line and cable burial, archway repair and street repaving. [Tunis municipality & ASM]

b) Medina Rehabilitation Works, Kairouan (2006)

A similar program of rehabilitation works is proposed for the old quarter of Kairouan where a World Bank program also proposes improvements. Improvements will give visitors incentives to stay longer in the town and raise the incidence of overnight stays. [Kairouan municipality & ASM]

c) Medina Rehabilitation Works, Sousse (2011)

A similar program of rehabilitation works is proposed for the old quarter of Sousse where a World Bank program proposes major museum improvements. Improvements will give visitors incentives to stay longer in the quarter to use its shopping, dining and entertainment offerings.. [Sousse municipality &

ASM]

d) Medina Rehabilitation Works, Mahdia (2006)

A limited program of light rehabilitation works is proposed for the old quarter of Mahdia. Improvements will give visitors incentives to stay longer in the quarter to use its shopping, dining and entertainment offerings. [Mahdia municipality & ASM]

e) Medina Rehabilitation Works, Sfax (2006)

A limited program of light rehabilitation works is proposed for the old quarter of Sfax. Improvements will give visitors incentives to stay longer in the quarter to use its shopping, dining and entertainment offerings and make Sfax a better cultural stopover point. [Sfax municipality & ASM]

RE2 Restoration Incentives for Heritage Buildings, Tunis (2006)

In order to stimulate investment in the old buildings, particularly those at well-located sites in or near the Medinas, or those having high architectural or historic value, incentives are recommended to convert them into tourism-related businesses. These opportunities can be promoted as worthy investment candidates in the effort to upgrade the image and quality of the cultural tourism product. [ONTT, others]

RE3 Computerized Inventory of Heritage Structures (2006)

A multi-user database is to be created detailing characteristics of the key structures contained in the medinas using digitizing technologies, photography and inspection logs to record their compositions and conditions both above and below ground. This inventory is to serve city authorities as well as ASM officers as a permanent management tool in the planning of public works projects and in the transfer of buildings for redevelopment for new uses such as for tourism-related businesses. The authorities will be better equipped to manage the expected rising volume of construction activity using old buildings. [city officials, Medina preservation societies & INP]

RE4 Hotels Environmental Awareness Campaign(2006)

This campaign will promote wise environmental practices by tourism businesses, mainly the hotels. Visitor awareness shall be raised through instructions and encouragements inside the hotels. ONTT and the FTH can sensitize hotel owners about innovations in hotel management for heightened environmental responsibility, as promoted by the Green Hotel Association, by ISO standards, and by the Green Seal program certifying eligible hotels with distinctive awards. They can arrange seminars in key cities to educate managers in techniques of environmental sustainability. [ONTT, FTH]

RE5 Urban Beautification

a) Street and Parks Beautification (2016)

Public works programs for the boulevards along major beachfronts and leading to the key gateways into the medinas can integrate beautification components [street furniture, lighting, shrubbery and tree plantings]. Similarly upgrading programs can improve conditions in city parks. Cities can include La Goulette, Sousse, Monastir and Mahdia among others. These programs can be integrated into the programs of MEAT, including the creation of urban parks, environmental boulevards, and so on. [municipalities]

b) Oasis Beautification, Tozeur & Nefta (2006)

Key roads linking the downtown areas to the oasis can be upgraded with sidewalks, street furniture, monuments, maps and fountains, and lanes for touring carriages [calèches] and bicycle traffic. Visitors will be induced to spend more time and money in these areas. [Tozeur & Nefta municipalities]

7.3.2 Natural Environment

RE6 Shoreline Rehabilitation and Stabilization Program (2006)

Some parts of the coastline are facing erosion and deterioration of ecology. The coastal area should be well preserved and keep appearing the prominent Tunisian image of peaceful beach resort. Therefore, there is a need to

- Reinforce management system to preserve the coast line,
- Control the construction of hotels and other structures,
- Involve private sector in supporting rehabilitation, in particular hotel owners and managers in the coastal areas, by showing them how rehabilitation and stabilization efforts can protect their business property and benefit them, and
- Create pilot projects against the erosion problem by introducing an international competition to select strategies and methods that will best contribute to solve erosion problem in Tunisia. [APAL, municipalities]

RE7 Study of Environmentally Optimal Land Use Plan for Coastal and Desert Zones (2006)

A detailed study of land use plan would contribute to a deeper understanding of sustainable development potentials by showing development limitations in sensitive areas. The purpose of this study is to define the acceptable limits of development activities, and to specify areas to be protected from tourism activities.

Candidate areas for this detailed study include Cap Bon, sensitive areas east of Tabarka, and Kerkenah. Selecting these areas is appropriate for detailed study considering their environmentally sensitive nature while having a good potential of tourism development (see the preliminary analysis of carrying capacity of coastal areas conducted in section 9.2.3 Examination of Carrying Capacity for Beach Development). Particularly, Cap Bon needs detailed examination since it is a location suitable for resorts targeting the up-market partly due to its landscape.

Each potential area shall be examined in terms of border lines for potential development, attractiveness as tourism destination, selection of specific sites to be developed for tourism, land use planning, types of development to be made for each site, utility (water supply, sewerage, garbage disposal), transportation, etc to clarify the environmental feasibility of the tourism development. For each specific site, appropriate bed capacity shall be calculated in consideration of environmental sustainability and profitability of the development.

Organizing a special project team with the involvement of national/international specialists may be needed. This is essential planning parameter for environmental protection and sustainable tourism development. [AFT, MEAT]

RE8 Guidelines for Nature-Based Tourism (2006)

Nature based tourism is a relatively new product in Tunisia and has various aspects that are different from mass tourism. Companies need to learn about guidelines that show acceptable tourism practices without causing serious impacts on the sensitive natural resources. Developers should observe the guidelines strictly, for a sustainable development of this tourism. Measures include;

- To issue tentative guidelines for ecological tourism in collaboration with MEAT, MA, APAL, ANPE and AFT (ONTT), with involvement of international specialists in ecological tourism development,
- To develop a pilot programs (model case) of eco-tourism, which follow the tentative guidelines, and then improve the guidelines by evaluating these case.
- Develop an agenda on how to manage protected areas, especially in tourism areas.

ONTT can promote wide adoption by Tunisian companies of recognized industry practices as developed by the leading associations including the Eco-Tourism Society, the Adventure Travel Society and Conservation International, all of whom conduct international outreach programs on their codes of ethics and best practices. [ONTT, MEAT, APAL]

RE9 Development of Naturalist-Guides for National Parks (2006)

This program is to train local people as national park guides and keepers, who can guide tourists with efficient skills and authority on the natural characteristics of the parklands. Park authorities will need to establish a training program and licensing system. [see related PT10] ONTT can ensure complementary training relating to hosting foreign visitors [hospitality, foreign languages]. Proposed actions are:

- To establish a new local guide license system for encouraging local people to take part in preservation activity with motivation and pride,
- To create a nature-oriented tour guide course (need to implement a pilot course at an early stage to develop curriculum, teaching materials and so on), and
- To implement this program at eight national parks and major eco-tourism destinations as they are developed. [MEAT, MA, ONTT]

RE10 Improved Environmental Assessment System For Project Planning (2016)

Currently, there is no system for the initial environmental check at an early stage of the project planning. As specified in the EIA procedures, the examination by ANPE is conducted only once, which is at the last stage of the project planning. If ANPE requires major changes that influence basic objectives of the project or even disapproves the project, the project will suffer heavy damage.

The procedure needs to be improved to avoid confusion at the full-scale EIA stage. There shall be preliminary examination by, and consultation process with, ANPE in the EIA procedure from the very early stage of project planning. Authorities need to examine and diagnose past problematic cases, and formulate a reform for environmental assessment of the initial planning stage. Finally, they will need to publicize the new guidelines. [ANPE, AFT]

RE11 Capacity building for Environmental Management (2016)

For sustainable tourism development, a capacity building program to enhance the environmental management of tourist sites is needed. In order to strengthen the measures for conservation of natural resources in and around tourism sites, scientific research of many different aspects (e.g. biology, ecology, sociology, economic and so on) needs to be carried out. In particular, on-going comprehensive ecological monitoring is required to evaluate the present conditions and estimate the expected impacts on the environment of the tourism sites.

First priority of capacity building shall be given to a comprehensive and systematic data collection program on ecological change in and around major tourism sites in collaboration with relevant public and private institutions such as MEAT, MA, APAL, and ONAS. The following items should be also considered as capacity building program of environmental management.

- national park/nature reserve management (including community participation),
- coastal line management,
- environmental assessment (including seminars for consultants),
- solid waste management,
- waste water treatment, and
- various environmental protection measures.

[MEAT, municipalities]

7.4 MARKETING AND PROMOTION PLAN

The recommended activities presented below are intended for implementation primarily by ONTT within the 2006 time frame. Some are logically continued in later years as they prove to be effective. Many reflect current activities already used by ONTT, but attempt to indicate methods for better effectiveness of these same activities.

The Marketing and Promotion Plan is composed of the following groups of measures, and each is described below:

- Marketing and Promotion Plan
  - Measures for Improved Marketing
  - Measures for Improved Promotion & Information Delivery
  - Measures for Building Differentiated Images

7.4.1 Measures for Improved Marketing

The following four recommendations all focus on approaches in different foreign markets. ONTT is conducting all of these activities in some fashion so they are presented in this plan to provide direction for greater effectiveness of existing efforts.

MP1 Consolidation of Traditional European Markets (2006)

ONTT needs to intensify its outreach particularly to the non Franco-phone parts of Western Europe such as the UK, Netherlands, Scandinavian countries, etc. *(decreasing arrivals in Year 2000 from the Netherlands, Austria, and Germany)*. It needs to perform some diagnostic research to determine if the loss was in the beach market or in any of the niche markets and then develop remedial activities.[3] Product-focused approach and a down-to-earth sales mission are some of the measure recommended as detailed in the following proposals.

MP2 Cultivation of East European/Russian Markets (2006)

ONTT needs to upgrade efforts to cultivate East European/Russian markets. (Those are no more emerging markets. Tunisia is losing her competitiveness to other

[3] Regarding the performance in the year 2000, the available data as of early 2001 is very incomplete, but initial statistics may suggest that Tunisia has lost some ground with respect to several source markets [Germany, the Netherlands, Austria and some Eastern European countries]. Part of the reason could be the vigorous competition in Europe from Egypt and Turkey which are dynamically rebounding from setbacks in recent years. Devaluations have also made other destinations relatively cheaper. These are however based on short-term observation and very preliminary assessment, requiring confirmation of the trend as well as more detailed assessment once more complete statistics are made available (including outbound data and arrivals to competing countries).

destinations – decreasing arrivals in Year 2000 from Russia, Poland, Czech and Slovakia). Special supportive programs need to be devised to sustain market development such as tourism trainee exchange for language and cross-cultural service assistance (during high season posting of Eastern European tourism trainees in Tunisian hotels, tour operators, etc. as language coordinators/assistant guides)

MP3 Development of Special Interest/Thematic "Niche" Markets (2006)

Niches include museum travelers, academic ones, wartime-colony nostalgia veterans, retirees and seniors, hibernation, curative/health oriented, cruise and a variety of soft adventure, environmental and sporting niches. ONTT needs to build on its significant knowledge to identify, profile and set priorities for niche segments in each of its major markets. Critical data for each niche to collect and pass on to Tunisia's tour operators includes: the most popular travel destinations, specialist tour operators, favorite information sources and marketing channels, seasonality and price sensitivity, key associations, relevant codes of ethics and certifications granted by associations, and annual travel volumes.

ONTT will need to increase its budget to purchase industry survey publications that regularly profile some of these markets[4]. ONTT field officers can join and participate in key German, French or international cultural and environmental associations to tap immediately into their memberships. Examples include Conservation International, the Eco-Tourism Society, the Adventure Travel Society, the World Wide Fund. The American cultural entity, the Smithsonian, sponsors hundreds of trips worldwide each year, as do some European museum societies.

Armed with this kind of information ONTT can give more expert guidance on niche-marketing to Tunisian tour operators, and undertake activities as summarized in Table 7.4.1. While the type of activities or approach is generally common, these activities need to be undertaken for each of these products since tour operators (TOs) and organizations to be approached differ across products, and also the tools to be prepared are specific to each theme.

ONTT field officers can also conduct occasional seminars at headquarters to educate headquarter officials on the niches. They can then formulate adapted promotional strategies for specific niches in target countries relying on a new mix of specialized trade shows, association activities and public relations activities. Success with niches in Europe will facilitate success with the same niches in distant markets [USA, Canada, Japan, Australia, et cetera].

[4] Publishers include IPK of Germany, Travel & Tourism Intelligence of the UK, and WTO in Madrid.

Table 7.4.1 Recommended Marketing Approach to Cultivate Themed Products (1/2)

Themed Products	Major Target Markets	Actions Needed	Tools/Mesures Needed
Culture (archaeology, culture, history, traditional life)	Europe N. America E. Asia	- Identify specialized TOs (eg. Studiosus – Germany, Jules Vernes – UK, Eurasia – Japan, etc.), - Organize Famtour(Eductour) for specialized TOs, and - Solicit TOs to include Tunisian Packages into their annual tour catalogs. - Repeat aftersale calls to TOs at regular interval.	- Purpose-edited brochures for themed products containing useful/practical information for TOs to organize themed tour packages. - Seminar/workshop in major market centers aimed for specialized TOs at regular interval (e.g. once a year, at a specific time of the year when TOs generally program the next year's tour catalog).
Sahara/South (natural wonder, berber life and heritage)	Europe N. America E. Asia	- Identify specialized TOs (eg. Studiosus – Germany, Jules Vernes – UK, Eurasia – Japan, etc.), - Organize Famtour(Eductour) for specialized TOs, - Solicit TOs to include Tunisian Packages into their annual tour catalogs, and - Repeat aftersale calls to TOs at regular interval.	- Purpose-edited brochures for themed products containing useful/practical information for TOs to organize themed tour packages. - Seminar/workshop in major market centers aimed for specialized TOs at regular interval (e.g. once a year, at a specific time when TOs generally program the next year's tour catalog).
Adventures/ Activities (jeep safari, camel trek, ballooning, sand yachting, etc.)	- Europe	- Identify specialized Clubs/Organizations (eg. Association Char a Voile – France, etc.), - Organize Famtour(Eductour) for Clubs and Associations, - Participate European annual meeting/ assembly of Clubs for each activities to publicize Tunisian products, - Solicit Clubs to include Tunisian Packages into their annual calendar of events/ overseas excursion programs, and - Repeat aftersale calls to Clubs at regular interval.	- Purpose-edited brochures for themed products containing useful/practical information for Clubs to organize themed tour packages. - Seminar/workshop in major market centers aimed for specialized Clubs and Associations at regular interval (e.g. once a year, at a specific time when Clubs/Associations hold annual assembly, etc.).

Table 7.4.1 Recommended Marketing Approach to Cultivate Themed Products (2/2)

Themed Products	Major Target Markets	Actions Needed	Tools/Mesures Needed
Seniors (Troisieme Age)	- Europe	- Identify senior citizen associations/ organizations (governmental, municipal and/or private), - Organize Famtour(Eductour) for prospective associations, - Participate European annual meeting/ assembly of Senior Associations to publicize Tunisian products, - Solicit associations to initially include Tunisian "hibernation" packages into their annual calendar of events, and eventually to offer winter home program (time-share, apartment/condominium, etc.), and - Repeat aftersale calls to Associations at regular interval.	- Purpose-edited brochures for themed products containing useful/practical information for associations to organize themed tour packages and to offer winter home program. - Seminar/workshop in major market centers aimed for specialized associations at regular interval (e.g. once a year).
Conferences	- Europe	- Identify specialized Federations and Organizations who regularly hold large-scale conferences, - Participate specialized trade fairs for conferences in Europe (e.g., EIBTM-Geneve, Expo Congres Incentive – Paris, etc.), - Invite organizers of Federations for Famtour(Eductour), - Solicit Federations to select Tunisia as its next conference venue, and - Repeat aftersale calls to Federations at regular interval.	- Purpose-edited sales manuals for conference organizers containing useful/practical information (TCB's sales manual – Tunis, Ville de Congres). - Seminar/workshop in major market centers aimed for specialized congress organizers at regular interval (e.g. once a year).
Incentives	- Europe	- Identify specialized Operators/Organizers for Incentives (incentive houses), - Participate specialized trade fairs for incentives in Europe Europe (e.g., EIBTM-Geneve, Expo Congres Incentive – Paris, etc.), - Invite organizers and incentive house delegates for Famtour(Eductour), - Solicit organizers /delegates to select Tunisia as its next incentive venue, and - Repeat aftersale calls to Operators/ Organizers at regular interval.	- Purpose-edited sales manuals for incentive organizers containing useful/practical information - Seminar/workshop in major market centers aimed for specialized incentive organizers at regular interval (e.g. once a year).

Source: JICA Study Team

MP4 Formulation of Market-Opening Strategies (2006)

Promising long-haul markets include North America (US and Canada), East Asia (Japan and selected others) and Australia/New Zealand. ONTT can cultivate these distant markets either through appointment/hiring of professional market representative (one-year term contract starting from a minimum of 2-3 years) or opening its own promotion office. ONTT's approach should be narrowly based and focus on special interest niches for which advanced research will reveal the preferred marketing channels. This type of market intelligence [see "Niche" Markets proposal above] will be relevant in devising a phased strategic approach to investing in new markets.

7.4.2 Measures for Improved Promotion and Information Delivery

The following measures indicate ways to improve promotion through specific tools of information delivery. They are oriented both to the travel trade as well as to the public. ONTT is primarily responsible for all of these measures, but must arrange outside expertise for some of them.

MP5 Introduction of a New Set of Promotional Materials and Site Information (2006)

In order to elevate Tunisia's tourist image both overseas and at home to what she really deserves, ONTT needs to replace the obsolete and unfocused promotion materials currently used (size, format and content) with a wholly new set of modern print materials. They should be edited with specific purpose/target in mind such as general promotion, travel trade use or site guidance.

Table 7.4.2 summarizes the category and type of the materials required. Hiring of professional editor(s) well-versed in modern graphic editorship other than the in-house designer/printer now employed is recommended in the production of new materials. CD versions and downloadable versions [PDF] of some materials will also need to be developed in versions for travel trade use and general public use.

MP6 Introduction of a New Format Sales Mission, "Traveling Workshops" [in French *Les Forums Commerciaux*] (2006)

ONTT needs to introduce a new format for more effective sales missions in major European market centers to support "Niche Market Approach." One such model format is detailed in Table 7.4.3, an example of Scandinavian Tourist Board "Traveling Workshop Autumn 2000" in Japan. ONTT can organize a fact-finding mission to the big player destinations in Europe (e.g., France, Germany, the UK) to determine how to best organize this type of sales missions/workshops in close collaboration with major national tourist industry partners. In later stages, it can apply the same approach in more distant markets where it has identified promising niches.

Table 7.4.2 A New Set of Desired Printed Materials – Promotion and Site Information

Category	Size and Format	Language	Target	Content	Produced By
General Promotion by Themed Products	1 sheet folds 10x21 cm Full-color	Major West/East European, Arabic Japanese	General Public Travel Trade Fair	Motivation/promotion brochures according to themes : Beach, Culture, Sahara, Islamic Heritage, Folklife, etc.	ONTT
Gateway Information for Major Entry Points (gateway cities)	1 sheet folds 10x21 cm Full-color	Major West/East European, Arabic Japanese	General Public Travel Trade Fair	Map with practical information (hotel, transport, dining, shopping, tourist attractions): Tunis, Sousse-Monastir-Mahdia, Hammamet-Nabeul, Jerba, Tozeur-Douze-Nefta, etc.	ONTT and shared participation by Syndicat d'Initiative
General Promotion for Arts/Crafts and Dining/Entertain-ment	10x21 cm Cover/part of content in color 10-15 pages	Major West/East European, Arabic Japanese	General Public Travel Trade Fair	Introduction/motivation for souvenir purchase Practical information on dining and entertainment	ONTT and shared participation by sponsors
Posters and Calendar focused on theme products	Appropriate size	Major West/East European, Arabic	General Public Travel Trade Fair	Themes and motives focused on featured products for annual sales promotion	ONTT
Travel Trade					
Tour Planner - Sales Manual	A-4 Cover/part of content in color 30-40 pages	Major West/East European, Arabic Japanese	Tour Operators, Organizers, Clubs/Associat-i ons, Travel Media	Product listing, model tour routes, events/activities, service directory (hotel, transport, ground service operators), etc.	ONTT
Newsletter	A-4 1 or 2 sheets Part color	Major West/East European, Arabic Japanese	Tour Operators, Organizers, Clubs/Associat-i ons, Travel Media	For travel trade publicity and promotion Monthly or bi-monthly	ONTT
Sales Guide by Theme Products - Culture, Sahara, Oasis, Folklife, etc.	A-4 Cover/part of content in color 6-8 pages	Major West/East European, Arabic Japanese	Tour Operators, Organizers, Clubs/Assiciat-i ons, Travel Media	Concise version of Tour Planner – Sales Manual by product theme	ONTT
Site Information					
On-Site Pamphlet for Major Tourist Sites/Attractions	1 sheet folds 10x21 cm Mono-color basically (part color where necessary)	Major West/East European, Arabic Japanese	General Public	Map, recommended circuits and concise introduction to the site: Carthage, Tunis Medina, Bardo Museum, Sousse Medina, Kairouan, Dougga, El Jem, Sbeitla, Matmata, Mountain Oasis, Gorfas around Tataouine, etc.	Jointly by AMVPPV and ONTT

Source: JICA Study Team

Table 7.4.3 A Model Example of New Format Sales Mission "Traveling Workshop"

One model example of a productive sales mission format is the "Joint Workshop" annually organized by Scandinavian Tourist Board for the Japanese market.

- Scandinavian Tourist Board consists of Denmark, Norway, Sweden and Finland, four smaller destinations in Europe compared to the big ones like UK, France or Germany. In order to compete with the big ones and yet to highlight their market exposure, these four destinations join forces (resources, fund, know-how) and have been successfully promoting their products over the past many decades. They have one joint promotion office in Tokyo, with branch representatives in four other key market centers in Japan.

Besides day-to-day promotional activities deployed throughout the year, they have been successfully organizing "**Scandinavian Joint Workshop**"(a mini travel mart focused on introducing new Scandinavian products) according to the format in the Table below:

- Workshop is strictly focused on business. **No frills are offered** such as commonplace country-by-country tourist video showing or speeches of representative dignitaries.
- **Most major destinations in Europe** (e.g., UK, France, Germany and Switzerland) have been successfully holding **focused workshops under the similar format annually** at fixed times of the year, for many years now.

Venue and Timing	Target Buyers (Tour Operators) in the target market (Japan)	Workshop Format	Participating Sellers (tourist service suppliers) from Scandinavia	Products and Themes Introduced and Discussed
- Hire of a banquet hall of respectable hotels in major market centers in the market (Tokyo, Osaka and Nagoya) - Time of the year when TOs program the next year's tour catalog (September).	Tour Operators, Organizers, Clubs and Associations	- From1000 to 1800 in one city - Business talk between potential buyers and sellers by advance appointment through a floor coordinator, allocating an average of 15minutes to each buyer in order to ensure a minimum time slot for holding a down-to-earth , effective business dialogue.	A total of 42 suppliers represented, consisting of: - 4 national tourist boards (Denmark, Norway, Sweden and Finland) - 2 national airlines (SAS and Finnair) - 4 capital city tourist offices (Copenhagen, Oslo, Stockholm and Helsinki) - 10 municipal tourist offices and convention bureaus - 9 hotels/hotel chains (SAS Radisson included) - 8 tour service operators - 3 craft, artisan and souvenir makers (Royal Copenhagen Porcelain included) - 1 museum - 1 airport authority (Copenhagen)	New products, new themes, new attractions supported by most up-to-date and purpose-edited sales materials such as: - Product Manual, - Travel Agent Manual, - New Attractions and Tour Circuits, - Event Calendar, - deas for Technical Visit (MICE promotion), - Stopover Packages, All materials contain concrete substance for practical use and updated/ detailed contact addresses in the destination.

Note: Places, Months, Suppliers quoted in parenthesis ( ) are those in the case of "Joint Workshop 2000" in Japan.

MP7 Improved Internet Promotional Outreach (2006)

ONTT can improve the marketing value of the existing website in several ways in the near term. National versions customized for the key markets [Germany, France, UK, Italy, Spain, et cetera] needed to be added progressively highlighting the relevant themes for that market. All sites need to be fully registered with the main search engines. Travel trade versions need to be developed for each major country to serve travel agents and tour operators with marketing information and materials, equipped with hotlinks to Tunisian and foreign tour operators actively selling Tunisia. The full calendar of cultural and sporting events for two years needs to be posted and kept current, with full ticketing information. Although both versions will be in the English language, the UK and USA travel trade versions will be quite different reflecting different marketing strategies, targeted niches and their totally different tour operating industries. Websites for future web-literate markets like Canada, Japan or Australia/New Zealand can be inexpensively added in the short term. A fully meaningful Internet website will help reduce the hesitation persons have to travel to the Arab world or to Africa.

MP8 Efficient Information Delivery to Visitors [2006]

The traveling public needs complete and accurate information at gateway airports, city centers and at the main tourist attractions. ONTT can operate joint offices with the syndicats d'initiative to share staff and broaden service hours to eliminate lunch-time closings. Adoption of the internationally-known "i" symbol marking information locations is recommended. At major cultural sites, joint offices can be opened at the visitor centers if coordinated with AMVPPC. Clear, well-light posting of the most practical information is indispensable for visitors to see during closed hours. Finally, the full calendar of cultural events nationwide including ticket prices and sales points, needs to be available at all information offices [as well as posted on the websites].

7.4.3 Measures for Building Differentiated Images

These measures are intended to build unique and differentiated images of Tunisian tourism, based on the country's intrinsically rich tourism resources and products (culture, history, life, tradition, Saharan life, and natural landscape) as perceived by past visitors and European marketers. ONTT is primarily responsible for these measures, with assistance from distinguished advertising agency/ies.

The key element of these measures is the use of *unified approach*; ONTT needs to have a unified view on the uniqueness and differentiated aspects of Tunisian tourism and on the most important images and messages to be delivered to the market. Consistency and repeated dissemination of these images and messages are needed for building market perception that is consistent and durable.

MP9 Consolidating external assistance to promotion and advertising in the source market (2006)

For building unified and consistent images of Tunisian tourism, ONTT can hire a single, if not, a few internationally distinguished advertising agent(s) that will undertake promotion and advertising all across the world and Europe, thereby enabling the delivery of Tunisia's unique and differentiated images toward the entire world in a consistent fashion.

This approach will also contribute to the efficient use of scarce resources available for national publicities, by exploiting economies of scale in promotion. Consolidating external assistance is expected to economize on the promotion budget as well as increase the effectiveness of national publicities through delivering consistent messages, as opposed to the fragmented approach of promotion undertaken in the past which has relied on many advertising companies in the source market, each building the images of Tunisian tourism separately.

MP10 Setting up a "Task Force" for image and message creation (2006)

Close communication and coordination among those engaged in promotion and marketing is needed for establishing unified views on desirable images and messages Tunisia should deliver to the market.

For this purpose, ONTT can establish a "Task Force" to be composed of representatives from departments responsible for promotion, marketing, communication, and other relevant activities.

Proposed tasks of the task force:

- Work very closely with the advertising agencies hired,
- Devise promotion, marketing and communication strategies, and determine the most effective ways of appealing to the entire market, including building of differentiated and unified images of Tunisian tourism, and effective and efficient use of foreign media,
- Establish unified views on the images and messages Tunisia should deliver to the market, and disseminate them across ONTT including its overseas offices,
- Evaluate the effectiveness of the actions made on promotion, marketing and communication as objectively as possible, e.g., assessing all the media exposures including TV spots, journal/newspaper articles and TV programs produced by foreign media, and feedback the results to devising more desirable actions.

Close communication within the administration and attempts to generate innovative ideas by fully exploiting the international expertise in promotion and advertising will be the crucial elements to be pursued by the task force.

7.5 TOURISM INDUSTRY VITALIZATION PLAN

A variety of measures are designed to improve the business environment for specific industries. They are indicated in groups, those supporting specifically the lodging industry, those supporting other industries and those specified for ONTT and other public entities. ONTT is the main actor in getting these programs and reforms accomplished. For ONTT this is the difficult work of orchestration in which it must strive to get other agencies to adopt reforms favoring the different tourism industries.

The Tourism Industry Vitalization Plan is composed of the following groups of measures, and each is described below:

Tourism Industry Vitalization Plan

- Measures for the Lodging Industry
- Measures for Other Industries
- Measures for Public Entities

7.5.1 Measures for the Lodging Industry

The following measures rely on the increasing opening or *globalization* of the commercial real estate industry in Tunisia so that it can access foreign capital and project *savoir-faire* derived from project partners in Europe and America. The purpose is to get more Tunisian investors working with internationally reputable financiers, design partners and hotel management companies. The culture of Tunisia’s development community needs to be enriched by experienced partners. ONTT with FTH can facilitate this process. It simply mirrors the economic opening path of the general economy per its GATT and EU trade commitments.

RI1 New Public-Private Partnership Mechanism For Beach Resort Development (2006)

This reform program is to introduce for AFT “a highly competitive process” for planning and development of tourist zones or smaller-scale beach resort (or inland) sites in order to create well-conceived world-class resorts targeting the up-market. This will be accomplished by infusing the world’s most sophisticated expertise for resort development, which has been still under-exploited in Tunisia. This program is expected to symbolically create an image of drastically improved quality of Tunisia’s beach product as well as contribute to maximizing the return from the investment given the limited amount of coastal land available for resort development.

a) Specifically, the following competitive processes should be adopted with the assistance from experts (consultants) selected through *international competition*:

- select the coastal areas that best suit these high-end resorts and are attractive enough to the world's most sophisticated resort developers and operators; and draw up a development framework and plans appropriate for such development.
- conduct a selection of potential developers (as master developers) *internationally* with proven track records to undertake detailed designing of the zones/sites, financing arrangements, and land and infrastructure developments; evaluate their proposals (both design and financial), and select the most capable developers on a *competitive* basis
- undertake foreign investment promotion in order to attract well-recognized *international* resort designers and operators
- reform the investment approval process toward making it more *competitive*, and establish zone-specific approval criteria in line with the development strategies and guidelines, based on which the evaluation of the investment applications for hotels, entertainment, commercial and other facilities will be undertaken

b) Set zone and site specific strategies for resort development. AFT can better match sites with targeted segments [up-market, mid-market, domestic, etc.] and the appropriate density of rooms. It can then better evaluate competing bids for development rights of resort sites in order to select the strongest options.

c) Officials from AFT and FTH can make visit and inspect other beach resorts in the world including Asian and American destinations to evaluate strengths and weaknesses of different development patterns that might be a adopted for future hotel zones. They will need to observe other types of urban planning, reflecting different densities and building codes, other types of architecture, and other types of tourism and leisure businesses in addition to lodging.

RI2 Hotel Industry Globalization Seminars (2006)

A major solution for modernizing and adding variety to the character of hotel capacity is unrelated to regulation and relies on the globalization of Tunisia's real estate development community. This means an opening on the part of Tunisia's developers to standards, design innovations and financing mechanisms in use abroad that may not yet be in wide use in Tunisia. ONTT and FTH can serve the hotel community, by bringing in foreign expertise to conduct periodic seminars to cover several areas as listed below. These seminars are for the benefit of owners and developers. The FTH can enter into an arrangement with the International Hotel Association or the American Hotel & Motel Association [or comparable society] which has a major hotel management training institute, to secure the experts necessary for these seminars.

a) Internationalized Capital Sources

With the restructuring under way of the financial sector and entry of Tunisia into the European and international trading systems, foreign capital sources such as investment banks, pension funds and insurance companies will be more willing to make long-term loans to tourism projects. This includes not only Arab but European and even American sources. It is indispensable that Tunisia's developers learn the financial *savoir-faire* in evaluating risk and in formulating projects for their review. Experts from firms like HVS of London, Pannell Kerr Forster or from Europe's investment banks specializing in tourism projects, can hold a seminar each year in Tunis to update the investment community on the latest trends in hotel and resort financing. This knowledge will educate not only Tunisian hotel owners but also Tunisian bankers. An additional topic to cover is capital availability from semi-official sources like the International Finance Corporation, African Development Bank, European Investment Bank among others.

b) Design Innovation

Tunisia's investors also can benefit from learning about different resort styles and products that have been successful in other parts of the world. Topics to cover in seminars include: architectural themes, building height, density, landscaping, upgrade strategies for old hotels, historic or charm hotels, eco-hotels and park lodges, desert resorts, self-catering types of lodging [villas, apartments], and sales innovations like time-share or interval sales. Further topics include village designs, marinas and lagoon communities. Experts from proven architectural firms or architecture and urbanism universities can stage these seminars.

c) World Class Operating Companies

Tunisia's investors need to formulate projects up to standards that will attract distinguished international hotel operating companies specialized in up-market tourism. Most 4 and 5-star European and US chains are absent from Tunisia, like Loew's, Holiday Inn, Starwood, Steigenberger, Le Meridien[5], Four Seasons, to name a few. Companies like these do not deal heavily with Europe's mega-tour operators who are dominant in Tunisia. They rely on internal and other marketing channels that produce higher spending tourists. From the early stage of project conception they can assist in designing and operating high standard hotels. Recognized hotel industry experts can conduct seminars yearly in Tunisia to update owners on trends in the hotel business and educate owners in the art of negotiating fair management contracts with mechanisms for rewarding risk-taking and high performance.

d) Private Sector Rating Systems

Hotel owners need to understand that international tourism relies on several sources for selecting hotels, if not using a tour operator, and generally not on

[5] Its former hotel in Tunis is now under another chain.

the Tunisian classification system. These include the guide books [Michelin, Gault-Millau, Fodor, Thomas Cook, Baedecker], mainstream press and television, travel journals, and increasingly Internet services. They have their own rating systems and rankings which the hotel owners need to know about. Some indicate distinctive certifications like Green Seal for environmentally responsible hotels, and an ISO rating for management excellence. A seminar can inform owners in the marketing and management value of such ratings, and the required procedures in applying.

e) Adoption of The Uniform System of Accounts for Hotels

As Tunisia's owners deal more frequently with foreign financiers and hotel companies, they will note the widespread use of the accounting system in widest international use, designed specifically for hotel and resort management. In the world of real estate finance this is the accepted accounting standard. The nation's more progressive owners will convert to this system either voluntarily, because their financiers require it, or because hotel chains that they hire already use it. A representative from a hotel school or society for hotel accounting in Europe or the USA can conduct a seminar on the purpose and main features of the system.

RI3 Foreign Investment Promotion (2006)

As an integral part of the efforts to create world-class resorts, active investment promotion should be undertaken by ONTT in order to attract foreign investors, well-recognized international resort developers and operators. This program is to consist of the following:

- make the entire process of investment procedures fully transparent, thereby protecting investors' interests and establishing their confidence
- prepare a guide for tourism investment in Tunisia (in languages that should include English) in a visually attractive and easy-to-read format
- hold investors seminars at major investment capitals in Europe and the Middle East (possibly in the United States as well) as well as in Tunis to publicize this information as well as the information on beach resort sites and their plans attractive to potential investors, announcing the strategies and innovations for creating beach resorts of international standard
- use the internet-based tool (a web site) to disseminate this information
- set up a help desk within AFT to swiftly respond to the inquiries on tourism investment in Tunisia

[ONTT, FIPA]

RI4 Reforms for Investment Incentives (2006)

In view of the importance of quality improvement in the hotel industry today (as discussed in Appendix), it is recommended that incentives for hotel investment be changed to increase their impact on the quality of the hotel industry, specifically in terms of the following:

a) Equal treatment among promoters old and new

First, any preferential treatments that might potentially lead to lower quality than otherwise should be avoided. Currently, specific incentives for new domestic promoters are provided for hotel investment as well. However, it is recommended that this special treatment be eliminated in the case of hotel investment, and that these promoters be treated equally to other promoters (local or foreign) who can still qualify for the standard set of incentives as well as specific incentives for regional development.

While the privileges for new domestic promoters should be partly for encouraging those with innovative ideas (though less experienced) to invest in the tourism sector, thereby vitalizing it, it is reasonably considered that for the hotel industry the “infant” stage has already been passed with a significant amount of investment having been made over decades, and that the industry is already in a stage where the quality of investment is among the crucial issues. In addition, this differential treatment is not desirable in view of the international norm of treating local and foreign investors equally (as is done in other countries including Egypt and Turkey).

However, it is recommended that this type of preferential treatment be maintained for smaller scale tourism-related activities such as restaurants and entertainment activities that should be developed more actively in Tunisia.

b) Retaining and strategically using specific incentives for regional development

It is necessary to retain the provision of more generous incentives for regional development (than the common incentives) to steer investment into the areas where tourism development will strategically be undertaken. These areas include, as currently specified, the Sahara area (for Saharan tourism) and the South (for mountain tourism and tourism for Berber life and culture), both of which are among the important target areas for development proposed in this study.

It is strongly recommended that these privileges be used strategically particularly for creating high-standard hotels with architectural design symbolically representing these areas (e.g., Sahara, oasis, typical natural landscape for the Sahara area, with a good example being Tamerza Palace; and Berber culture, magnificent natural landscape typical to the area, and unique and magnificent feature of Ksar, e.g., those on the top of mountains, for the South), which themselves can be a tourist attraction, and can attract high-paying tourists. These accommodations are expected to significantly contribute to the areas’ development, and drastically improve the quality of tourism in these areas.

One measure is to provide some of the specific incentives only for the investment in these types of hotels (e.g., subsidies for investment cost) while others (e.g., generous tax incentives) to be granted for all types of hotels.

Desirably, direct monetary subsidies should be minimized to the extent possible (as other countries do) in order to avoid potentially excessive investment going beyond the optimal level (which will also help the government use its scarce resources as productively as possible), but may be justified (as proposed above) for the nation's strategic objective to create high-standard accommodations that symbolize the areas which will actively be developed.

c) Increased incentives for tourism development in Medinas and other tourist sites

Though this is not only for hotel investment but for tourism activities in general, it is recommended that generous incentives and privileges be provided in order to steer private investment to the creation of distinctive inns and lodges (e.g., those in traditional architectural style that can be created by converting existing buildings) and other tourist-related facilities and services in Medinas as well as those in old towns, near cultural sites, and in other important sites such as Sidi Bou Said. These areas are generally not covered by the specific incentives for regional development (except for the sites located in the regions designated for regional development). These investments are expected to significantly enhance the attractiveness and entertaining atmosphere in and around Medinas and other well-known sites.

Along with these incentives, preparation of a catalog of buildings is recommended, which shows distinctive buildings in key Tunisian towns that are suitable for conversion to commercial uses.

RI5 Withdrawal from Hotel Classification and Restaurant Rating Systems (2016)

One of the major complaints made by foreign visitors is a significant mismatch between the current hotel classification and the actual quality and services provided. The hotel classification also puts a severe administrative burden on the ONTT officials responsible for supervising the hotel industry. Likewise, the restaurant rating system does not seem to provide a substantive advantage or a particular strongpoint in promoting restaurants to foreign visitors.

The tourism administration and the hotel industry have been making efforts to improve the classification/rating systems, and the new classification for hotels is now being implemented as a measure to improve quality. However, rating systems usually follow trends, not do not set or promote them. They prove to be of little use to visitors who rely on other information sources.

In the medium term, however, it is advisable for the tourism administration to review the hotel classification and restaurant rating systems in favor of shifting these functions to commercially-oriented entities. Private rating systems can use more market-based rating methods, which are expected to minimize the mismatch between the classification and the actual quality and services provided.

7.5.2 Measures for Other Industries

RI-6 Modernization of Travel Agencies (2006)

This program is intended to modernize and strengthen the Tunisian tour operators and travel agencies in order to enable them to provide quality services satisfying the needs of foreign tourists. The program will be a joint undertaking of the public and private sectors, primarily including the development and improvement of essential skills required (which are still lacking in the industry), globalization of the industry, and strengthening the functions of ONTT for supervising the industry, specifically as follows:

a) Provision of professional training programs

Professional training programs for tour operators and travel agencies are proposed, which are to be undertaken jointly by ONTT and the Federation of Tunisian Travel Agencies (FTAV), including business development and strategies, development of tours, arrangement of tours and transport services, marketing, brochure development, and leasing arrangements. It is strongly recommended that training programs be provided for trainers capable of teaching these skills.

b) Travel industry globalization seminar

International tourism business has been increasingly dominated by global airlines, hotel chains and tour operators, having strong bargaining power against the travel industry in destination countries. Under this environment, Tunisian tour operators need to globalize themselves and actively form an alliance with partners in the source market, thereby acquiring expertise available internationally as well as professional skills and utilizing the marketing channel developed by the globally acting players.

For tour operators, forming an alliance with foreign tour operators, both general and specialized, is essential as currently practiced by several Tunisian tour operators. In order to satisfy as many clients as possible and attract a greater number of visitors, incessant efforts for quality improvement are needed, actively getting feedback from tourists and foreign partners and responding to the clients’ needs in earnest. The partnership should not be limited to cooperation in tour operation, but should be extended to competitive product development and marketing.

ONTT and FTAV can serve the Tunisian travel industry, by bringing in foreign expertise to conduct seminars to educate leaders in the industry and widen their views, particularly in terms of the globalization process undergoing in international tourism, the advantages of globalization of Tunisian tour operators, strategic options available for them, and the use of modern information and communication technologies in connection with the various forms of horizontal, vertical and diagonal integration.

c) Regulatory change

It is recommended that the regulatory environment facing Tunisian tour operators and travel agencies be improved, toward raising the qualifications, simplifying the licensing approval processes, and imposing more strict penalties and sanctions for the failure to meet the operational requirements), and re-defining the responsibility of ONTT regarding the supervision of the industry. As a measure to raise qualifications and strengthen their financial capacity, it is also worthwhile to consider introducing a license for tour operating managers and requirement of guaranty money deposit for licensed tour operators and travel agencies.

d) Establishing funds for training programs

In order to secure financial resources for conducting training programs and seminars for tour operators and travel agencies, FTAV and ONTT can consider establishing the fund with the contribution from licensed tour operators and travel agencies. While this is not common internationally, some countries adopt this system in order to raise professional skills of tour operators.

Though this relates to corporate strategies rather than government policies, increasing the firm size of tour operators and vertical integration or cooperation inside Tunisia are also important for reducing the proportion of fixed costs in their cost structure, for providing a bundle of services smoothly and at lower costs, and for increasing bargaining power against foreign tour operators. Currently, most of the Tunisian operators are of very small scale, being faced with disadvantages in terms of service quality, operating efficiency and financial capacity. This seems partly because this industry is still at a developing stage, with a number of new entrants still coming into this business. However, the existing industry leaders as well as new entrants into tour operating business should be aware of the advantage to increase the firm size, particularly in the face of increasingly powerful and demanding foreign tour operators.

As for the training and seminar programs, the assistance of the training institute of the American Society of Travel Agents, or European equivalent association, can be secured in developing these training programs. [ONTT, FTAV]

RI-7 Promoting Automobile Tourism (2006)

a) Short term measures

High car rental costs in the country are considered to be among the major factors for foreign vacationers not moving around by renting cars as well as a major obstacle to developing apartment-type hotels in the country. This program is intended to bring down the prices and increase the supply through further liberalizing the auto rental market, including the possible measures as follows:

- reduction in the customs duties imposed on imported vehicles for rent

- liberalization of the vehicle import control

It is recommended that a study be carried out on the appropriateness of the above measures as well as other issues including the insurance coverage, its affordability, and other financial and legal aspects of the auto insurance (e.g., the applicability of credit card coverage for liabilities guarantees), availability of 24-hour roadside assistance nationwide to ensure safety, scheduling patterns on ferry services to Tunisia. In addition a study team will examine the economics of the nation's auto rental industry to identify tariffs, business practices or regulations that might be keeping costs unusually high.

b) Longer term measures

As auto rentals become increasingly common among foreign visitors through the short-term measures described above, it will be more promising and effective to implement measures for promoting automobile tourism by allowing foreign vacationers to bring their own cars less costly by sea. There are several issues that need to be addressed, including the following:

- provision of ferry services to more ports across the Mediterranean Sea
- provision of increased capacity at major terminals (particularly the port of La Goulette)
- potential need for the reduction in the charges for use of ferries and other relevant fees and taxes
- need for auto insurance to provide coverage in Tunisia together with the legal support associated with the insurance
- potential for facilitating (and simplifying) the immigration procedures and vehicle clearance procedures
- establishing the most effective distribution channels for ferry tickets in potential major source countries

[ONTT and various other bodies such as the Touring Club]

RI-8 Restructuring and Strengthening the Airline Industry (2006)

Improving the performance of the country's airline industry is extremely important not only for better serving international travelers at competitive prices, but also for avoiding a potential danger of future government bailouts.

Under these circumstances, a review of the structure of Tunisia's airline industry is needed particularly to determine if the present policy on international and domestic air traffic rights is optimal. There is also a need to examine any restructuring of the government-affiliated carriers, Tunisair and Tuninter, considered to be inefficiently operated, toward improving their operating efficiency, establishing strategic alliances and/or joint operation with foreign carriers, network expansion, and developing stronger and more effective marketing channels. One of the effective measures is to increase the private shareholdings for Tunisair to make it more profit-oriented and responsive to the market through more attentive outside monitoring of the airline.

As a first step, it is recommended that a team of international airline experts be hired to study major issues and come up with the most effective strategies and measures to strengthen the commercial air service for the country. [transport ministry]

RI-9 Introduction of Duty Free Zones (2006)

As an immediate and effective way to boost foreign tourists' spending, it is recommended that duty free zones be established in major tourist destinations, through specially designated duty free shops offering foreign visitors both imported and locally produced, free of any tax or duty.

This is a well-established system in both developed and developing world to better draw foreign visitors and increase foreign currency receipts for the host country. This system would be particularly effective in Tunisia, given the limited duty-free shopping opportunities for Europeans where airport duty-free has been restricted. In implementing this measure, a quality control system should also be established in order to maintain the quality of products sold in the zones. There may be ready populations in Libya and Algeria as markets for zones near those respective borders.

Major tourist destinations can provide good locations for duty free zones. Jerba could become known as a shopper's heaven in the Mediterranean, known for excellent duty-free shopping, and for its extensive offer of prestige-labeled luxury items. This would represent a valuable new attraction at Jerba, which while it has Houmt Souk, generally is lacking in urban amenities and non-beach entertainment. Of course any such innovation is recommended only as consistent with the country's standing commitments with GATT and the EU regarding trade liberalization.

RI-10 Souvenir Development (2006)

This program is intended to develop innovative, high-quality souvenirs and handicrafts that are attractive and marketable to discerning foreign tourists, which is considered to be among the promising ways to increase spending of tourists for souvenirs and handicrafts in Tunisia. A "demand-driven" approach should be employed to satisfy their needs and preferences.

It is recommended that the program (to be implemented primarily by ONAT) should include the following:

- undertaking analyses on the types of products that can be attractive to foreign visitors, particularly the traditional and cultural features of the existing Tunisian souvenirs and handicrafts
- infusing the international expertise of product development (e.g., well-known foreign designers, possibly together with the use of celebrities for marketing), mixed with locally available technologies, in order to develop quality and attractive products
- providing technical assistance to local producers and sellers of souvenirs and

handicrafts for developing and producing quality products as well as for marketing and distributing those products in an effective fashion. Experts will evaluate the existing range of products and train craftsmen in skills of quality control, salesmanship and merchandising. [ONAT]

RI-11 Liberalization of Food and Beverage Imports for the Food Service Industry (2006)

The main purpose of this program is to promote the establishment of a greater number and variety of restaurants and bars to serve foreign visitors as well as local people, primarily through the trade liberalization for:

- alcoholic beverages
- luxury food items and foodstuffs to be used extensively by new types of restaurants

Particularly, it is recommended that a substantial reduction in the customs duties on imported alcoholic products be implemented earlier to better serve foreign visitors. Again this plan does not recommend any action contrary to existing trade liberalization commitments. It does recommend earlier liberalization in anticipation of such commitments where feasible.

RI-12 Deregulation for Casinos and Bars (2006)

One effective way to promote more entertainment attractions for foreign tourists is to deregulate the Casino business as currency liberalization sets in, and facilitate the process to open bars and night clubs serving alcohol.

For Casinos, it is recommended that the upper ceiling on winnings allowable for the exchange into foreign currencies be raised substantially, from the current level of about US$ 1,000 in order to enhance its attractiveness for foreign visitors.

For bars and night clubs, it is recommended that the approval process for serving alcohol be simplified and facilitated, coupled with the trade liberalization for the import of alcoholic products mentioned above, expected to better serve foreign visitors by promoting these services.

RI-13 Restaurant Business and Entrepreneurship Development (2006)

This program is intended to contribute to developing business skills of (potential) restaurant investors, which is seriously needed for promoting the establishment of a greater number and variety of restaurants in major tourist destinations. The program is to consist of the following:

- to provide programs for (potential) investors in restaurant business, including nurturing innovative ideas, market analysis, business planning and preparation of business plans (partly for fund raising purposes), marketing, and financial and operations management
- to hold seminars to disseminate good practices of restaurant business by local and foreign successful promoters

7.5.3 Measures for Public Entities

To build up marketable destinations for cultural and nature-based segments of tourism, facilities for MICE tourism and be responsive to market needs, ONTT must rally the cooperation of a variety of government and private sector players as well as improve its operational efficiency.

This task is much more difficult than developing resources for beach tourism because of this large number of players. All of the following activities attempt to improve the environment for ONTT's own productivity, with many of these being proposed based on the assessment made in Chapter A9: Administrative Systems (Volume III). All relate to the short term time frame [2006]. In many areas ONTT can draw on resources in Tunisian and foreign agencies and even NGOs.

RI14 Strengthening of Inter-Agency Cooperation (2006)

Further development of the cultural tourism depends heavily on more efficient collaboration among ONTT, the Ministry of Culture, INP, AMVPPC, the National Cultural Committee and the Regional Cultural Committees. Each of them should recognize its roles to play. AMVPPC, in particular, should be strengthened in terms of cultural site management, provision of appropriate tourist facilitation and so forth. For development of nature-based tourism, closer collaboration with MA and MEAT in the design and development of national parks and protected areas is indispensable.

RI15 Innovations for Public Awareness Programs (2006)

Activation of the private sector, Tunisian hospitality, safety and good preservation of tourism resources including cultural heritage shall be guaranteed through the nation's understanding of importance of tourism. Programs may include activities such as the following.

- Publishing literature explaining the role of tourism in the national economy, the importance of cultural development and preservation for tourism, its connection to good environmental management, and even the function of tourism relationships contributing to world peace efforts.
- Holding meetings at the local community level in order to educate and explain how tourism affects their economic situation both publicly privately, the relationship between tourism and their daily life, and improving tourist services, tourism and their economy and job opportunities, etc.
- Involving school education to teach the relationship between tourism and Tunisian economy, history, culture, etc. in coordination with the Ministry of Education
- Encouraging school trips to tourist sites, archeological and cultural sites.

ONTT does not need to create much material but can rely on abundant materials of this kind already produced by organization like the OMT, WTTC and NGOs like Conservation International.

RI-16 Ongoing Program for Seasonal Visitor Surveying (2006)

ONTT needs to devise a permanent surveying system to track visitor satisfaction levels in different segments, and to produce useful behavioral profiles of visitor behavior and spending needed for improved economic analysis of the industry. High and low season versions are needed. Data needs to be analyzed regarding the socio-economic profiles of tourists, their preferences, the degree of their satisfaction, any complaints and so forth. It must be compared with the World Travel Monitor survey or similar surveys. Further assistance in program definition from WTO or the European Travel Commission or similar organization is recommended.

RI-17 Selected Reforms for ONTT

a) Strengthening ONTT Council of Administration (2006)

The collaborative role of ONTT in the future needs to be strengthened. For better coordination among concerned agencies, sub-committees or task forces for specific issues should be established. They can meet more frequently and the Council of Administration makes decisions. ONTT can act as secretariat of these sub-committees and task forces to coordinate the related agencies and organizations.

b) Decentralizing ONTT's Organizational Structure (2006)

With the centralized organizational structure of ONTT (see Chapter A9 in Volume III for ONTT's organization and major organizational issues), the tasks of the Director General seem to be exceeding the optimal level, tending to cause inefficiency of ONTT's operations and hamper responsive and effective actions.

A desirable direction for making the entire organization more efficient and responsive is to reduce its centralized features by delegating responsibilities for various matters to lower levels of management, particularly to directors of departments.

Decentralizing the organizational structure will contribute to the following:

- enhancing operational efficiency by quickening decisions, particularly those on operational matters for which consultation with, and approval by, the director general are not essentially needed
- enabling the director general to concentrate more on strategic issues and visions about the tourism sector by reducing his time to be spent for operational issues

Currently (as of March 2000), ONTT is preparing a organizational restructuring plan, the contents of which are still under discussion within ONTT. Decentralization is one of the crucial issues considered in this process, and its implementation is highly recommended.

c) Improving Internal Communication within ONTT

A lack of communication and coordination between different departments and among the central administration, CRT (ONTT's regional offices) and overseas offices is well recognized by a number of ONTT officials regardless of their level in the organization, and their improvement is needed to make its operation efficient and responsible to the market needs.

For this purpose, organizational changes as well as several measures can be implemented by ONTT, which include the following:

- Along with decentralizing the organization as recommended above, create a level or a position for coordination between the director general and the existing departments, the level to be responsible for coordinating different departments
- For specific, important issues requiring coordination, set up, on an ad-hoc basis, a committee or a task force composed of directors or appropriate representatives of concerned departments and sections (as well as representatives from relevant agencies and industry leaders as appropriate)
- Create internal newsletters or other communications tools to facilitate internal linkages

d) ONTT Staff Capacity Strengthening Program (2006)

Strengthening the ONTT functions is important for better operations resulting in better service. Measures include increased overseas training at various levels and invitation of foreign experts to participate in staff training in relevant fields.

e) Computerized Statistical Analysis by ONTT (2006)

To give clear management information for public and private players, ONTT needs to produce computerized statistics fully in compliance with WTO norms and consistent with the practices of the international hotel industry.

- Creation of a database according to WTO standards, including i) market segments by motivation or theme, ii) tourist activities and length of stay, iii) number of visitors to each tourist site, and iv) performance of hotel industry in terms of room occupancy.
- Creation of data at each regional office and reporting the data to the ONTT headquarters
- Analysis of regional data at regional offices
- Creation of a MICE database on past events and sponsoring organizations
- Establishment of on-line computer network among ONTT and regional offices
- Expansion of computer use for other purposes (financial affairs, information provision, supervision of tourism industries under ONTT's jurisdictions, etc.)

ONTT will have to collaborate with the immigration police, FTH, TCB and others to raise the standard of its statistics. This is part of the globalization process that ONTT needs to lead.

f) Designation of Several ONTT European Offices for MICE Promotion (2006)

Some ONTT offices in Europe will be designated as a MICE Coordination Office. The Offices will collect information, analyze data, and develop strategies. This function will gradually be expanded to all the ONTT representative offices abroad.

RI-18 Public-Private Cooperation for MICE

Cooperation between ONTT and TCB is essential to promote the MICE tourism. Coordination between ONTT and TCB at head offices and with designated field offices in Europe is essential. Measures include:

a) Institutional Strengthening of TCB (2006)

TCB needs to be strengthened to fulfill its role. The institutional strengthening of TCB will be conducted by appointing additional capable staff who can collect information both in Tunisia and abroad and analyze data, in collaboration with ONTT overseas offices.

b) Organization of Seminars by TCB (2006)

Seminars at ONTT for Tunisian meeting planners will annually be held by TCB to fully explain MICE business and its current trends (e.g. new development of MICE, strategies of European countries) with participants of both private and public sectors.

c) Establishment of Database of MICE Records (2006)

MICE handling records are very important to grasp the recent trends (e.g. the number of participants, average length of stay, preferred excursions, preferred meals, etc). A database detailing past business captured is to be created by TCB with ONTT assistance as needed. It will help future sales efforts and be analyzed to determine the future MICE policies and the directions.

d) Establishment of TCB Regional Offices (2006)

TCB should establish its regional offices in the major resorts areas like Sousse or Jerba where MICE facilities are available and volume is developing. (beyond 2006)

RI-19 Public-Private Cooperation for Human Resource Development

Training by professionals with extensive knowledge of the hotel and tourism industries will greatly contribute to update the students' skills at hotel and tourism schools. Cooperation and coordination between ONTT, MFPE and the private sector, such as FTH and FTAV should be strengthened.

a) Cooperation between ONTT and FTH (2006)

Hotel staff will be invited as a teacher to training institutes. It is effective, therefore, for students to learn directly from hotel professionals regarding the frontline tasks and handling. At the same time, hotel facilities such as kitchens, bars, reception, rooms, etc. can further be utilized for training purposes. Students can learn practical skills by using actual hotel facilities and observing professional guest handling. In addition, the hotel federation can obtain knowledge on professional certifications to convey to Tunisian professionals, from the international hotel associations.

b) Cooperation between ONTT and FTAV (2006)

Training at travel agencies will surely provide students with practical handling skills. Member travel agencies of FTAV can enhance opportunities for their potential employees. In addition, the FTAV can convey knowledge to Tunisian professionals on professional standards and certifications promoted by the travel trade associations in Europe and America.

c) Cooperation between ONAT/MFPE and the private sector (2006)

New and high-quality product can be developed by upgrading craftsmen' skills. This can be realized by holding training courses for craftsmen at MFPE training centers.

RI-20 Public-Private Cooperation for Tourist Information Provision (2006)

ONTT information centers should supply tourist information including restaurants, souvenir shops, travel agencies and their tours, etc. while the private sector should provide ONTT with necessary and updated information. This will require closer cooperation with local chambers of commerce and other business groups.

RI-21 Public-Private Cooperation for Facility Concessioning (2006)

Large-scale entertainment/amusement facilities (e.g. Sahara Camelback Trekking Center) can be established by the public sector and can be operated and managed by the private sector with similar experience. The concession procedures should be clarified by the public sector and presented to the private sector to compete for awards at cultural sites and national and local parks. This needs to be made clear at investment promotion venues both in Tunisia and abroad. [AMVPPC , Chamber of Commerce]

RI-22 Enhancement of Roles for NGOs (2006)

ONTT's collaboration with business NGOs such as Syndicats d'Initiative should be enhanced in order to boost their local programs [promotions, information delivery, etc.] related to the improvement of the regional tourism. ONTT can also spearhead ties between Tunisian organizations and a number of foreign NGOs that are influential in the areas of cultural tourism and environmental management. Examples include Conservation International, the World Wide Fund for Nature, the National Trusts for Preservation [several countries], National Geographic Society [USA] and the Agha Khan Trust for Culture. Organizations like these offer international experience in product development and can support ONTT and other Tunisian agencies. ONTT officers need to participate in such organizations and secure their services.

7.6 HUMAN RESOURCE DEVELOPMENT PLAN

Table 7.6.1 shows the estimation of employment increase when the proposed National Plan is implemented (scenario A, refer to Chapter 9, Volume I). According to this scenario, training need, in terms of quantity, exceeds 5000 (i.e. restaurant: 1000, hotel: 4000 that include management: 80, administration: 350, reception: 300, cuisine: 600 restaurant/bar: 1050, housekeeping: 770, others: 850) per year while the current training capacity at public schools is approximately 1550. It indicates the necessity to enhance the training capacity together with private schools. In order to train, for instance, about half of the future employees at public schools, training capacity should be enhanced by more than 1000.

Table 7.6.1 Estimates of Impacts of National Plan Implementation on Employment

		1999	2006	2011	2016
Scenario A					
Direct employment		90,216	119,511	145,719	173,146
Hotel		68,637	90,714	110,470	130,891
Category	Management	1,373	1,814	2,209	2,618
	Administration	6,177	8,164	9,942	11,780
	Reception	5,491	7,257	8,838	10,471
	Cuisine	10,296	13,607	16,571	19,634
	Restaurant/Bar	17,846	23,586	28,722	34,032
	Housekeeping	13,041	17,236	20,989	24,869
	Others	14,414	19,050	23,199	27,487
Restaurants		15,159	19,957	24,304	28,796
Other tourism		6,420	8,839	10,945	13,459
Indirect employment		233,737	298,109	354,138	421,019
Total employment		**323,953**	**417,619**	**499,857**	**594,164**

Source: JICA Study Team

Quality being one of the National Plan's core themes, the improvement of human resources is a key element of the National Plan. In order to upgrade service quality, training for the existing labor force is extremely important and should be repeatedly conducted particularly in terms of regular/day-to-day activities/services that every tourist experiences at reception, lobby, restaurant and so forth. The satisfaction level of tourists will never improve without proper provision of such basic requirements, as they are the major part of the services. At the same time, new training needs arise to meet the diversified demands. Table 7.6.2 is a summary of the proposed subjects, their objectives and contents. The table focuses on relatively new subjects and does not include widely conducted training in Tunisia.

Table 7.6.2 Proposed Subjects

Subject	Objective	Contents/Lectures on
MICE	i) To enhance more profitable type of tourism ii) To reduce seasonal fluctuation	i) Necessary facilities and equipment ii) Proper staff allocation iii) Meals and beverages
Computer and Internet	i) To facilitate reservations through internet ii) To widely advertise hotels and relevant tour products	i) Internet reservation ii) Creation of web-sites
Amusement Events Management	i) To enhance options available especially at hotels	i) Sports activities at hotels ii) Entertainment activities (e.g. music, dance) at hotels iii) Specific event operations such as sound & light show
Food Materials and Wine	i) To deal with new/foreign food and wine ii) To enhance variety of cuisines	i) Food processing of new cooking materials ii) Characteristics of various wines and tasting
Souvenir Development	i) To produce quality and attractive souvenirs and handicrafts of international standards ii) To diversify souvenirs and handicrafts	i) Products of competing countries ii) Trial creation of new products iii) Production of new souvenirs and handicrafts iv) Product marketing
Hotel Industry Globalization	i) To comprehend hotel designs of neighboring countries on the Mediterranean ii) To understand financing mechanisms iii) To understand relevant international regulations and to possibly adjust Tunisian ones	i) Internationalized capital sources ii) Design innovation iii) World-class operating companies iv) Private sector rating systems v) Adoption of uniform system of accounts for hotels
Naturalist/Guides Training	i) To promote eco-tourism ii) To prevent tourists from damaging environment	i) Local nature ii) Recycle operation systems

Source: JICA Study Team

The following set of measures relates to skills in ONTT as well as in the private sector hotel and tourism industries. It strives to develop a labor force that can work more productively to expand the industry while upgrading quality of service. All of the measures are for the short term, and can be implemented by ONTT (excepting the INP listing for curators). Further evidence of globalization is reflected in expanded collaboration with foreign training institutions and tourism associations to get the benefit of their standards.

DH1 Selective Training for ONTT Staff

a) ONTT Staff Capacity Strengthening Program (2006)

Strengthening the ONTT functions is important for better operations resulting in better service. Measures include i) provision of WTO training courses at various levels, ii) provision of training courses in countries with well-developed tourism industries, and iii) invitation of foreign experts to participate in staff training in relevant fields. Urgent content fields include: market research, database management, hospitality skills and community relations. The WTTC and other NGOs can provide course materials already in French and Arabic language.

b) ONTT Information Center Staff Training (2006)

Improving the information provided by ONTT is essential for the convenience of tourists. Measures include, i) establishment and management of an information database, ii) preparation of printed materials (e.g. brochures), iii) provision of training on tourist services, and iv) provision of English language training courses, especially at regional offices.

DH2 Curator Training by INP (2006)

Curator Training should be conducted to improve the management, exhibition planning, and display ability of museum staff. For this purpose, current curators should be dispatched to foreign museums for on-the-job training or inversely foreign experts conduct training in Tunisia. Effective methods of presentation, such as interpretation signboards, should be carefully studied.

DH3 Innovations for Hotel Staff Training

a) Enhancement of Seminar Program (2006)

FTH and ONTT have been cooperating in holding seminars to update the existing hotel personnel and such efforts are welcomed by the hotel sector. Considering still relatively large number of complaints to hotel staff, however, enhancement of such programs especially in areas like food and beverage, basic engineering and front office, is considered appropriate and especially required for operational personnel. Training programs for managerial personnel have been very limited up to the present due largely to the lack of instructors. Programs by foreign experts in hotel management should be planned and conducted on regular basis. The following courses are considered appropriate.

- International hotel management

  Hotel management consultants can give seminars regarding facilities and services according to hotel class and category, different management system, appropriate labor-management relations and so forth.

- Tourism services management

  This is largely related to the below component b). International service standards, appropriate compensation system, effective staff allocation in different seasons, staff training during low seasons and so forth.

- MICE

As discussed in Volume II and III, MICE tourism has a great potential. European MICE experts can give lectures regarding necessary hardware (facilities, equipment, etc.) and software aspects (staff allocation, etc.) to prepare and handle this relatively new tourism for Tunisia.

Apart from the above subjects, specific seminars targeting hotel owners are discussed in Section 7.5.

b) Professional Certifications for Staff (2006)

Skills and qualifications required for hotel personnel are not clarified at any professional levels. The lack of clarity can decline staffs' motivation to set up their target task levels and accordingly upgrade their skills, which will possibly result in their promotion. The hotel industry needs to inculcate a total career planning mentality clearly showing the long-term benefits of career building so that staff of each category and level precisely understand their tasks to maintain their current position as well as additional tasks to be conducted for promotion. It needs to encourage staff to obtain additional skills and valuable certifications boosting their productivity. Options include seminars mentioned above, on-the-job and distance learning courses, available even by Internet. The FTH in coordination with Sidi Drif Institute can make available all options to staff members during all training events.

c) International Staff Exchanges (2016)

Staff exchanges can be an effective tool in order to broaden the skills of middle management and operational staff. Exchange programs need to be established/enhanced with foreign hotel chains at various staff levels, possibly arranged through foreign hotel institutes. This is a common practice at many international chains and would place Tunisian staff abroad for practical training and likewise bring foreign staff to Tunisian hotels. International staff should include Japanese, Eastern European and North American in order to meet the diversified demands.

DH4 Innovations for Hotel and Tourism Training

a) Tourism Training Improvements

Tunisia's tourism training institutes need upgrading through more foreign assisted teacher training and facility updating. Major target shall be teachers of public and private hotel and tourism schools. Measures include enhancement of invitation of short-term and long-term instructors not only from Europe but from Asian (e.g. Japan, Singapore) and North American (e.g. USA, Canada) countries. These programs are required especially for those who teach hotel management courses since a source of trainers in this field is quite limited in Tunisia.

Regarding technical training, Tunisia's public school has relatively high ratio of work-based practical training (refer to appendix Table 8.2.3). Such training is further required and should be enhanced with a cooperation with FTH (refer to RI19). Schools (programs) with high reputation generally provide sufficient practical training. Table 7.6.1 shows an example of OHAP (the Oriental Hotel Apprenticeship Programme).

Table 7.6.3 Practical Training at OHAP

Major	Duration	Practical Training at Hotel	% of Practical Training
Cuisine	48 weeks	40 weeks	83%
Restaurant	48 weeks	40 weeks	83%
Patisserie	48 weeks	40 weeks	83%
Reception	24 weeks	20 weeks	83%
Housekeeping	24 weeks	20 weeks	83%

Source: OHAP

Facilities, which were generally introduced when hotel schools were established, are mostly functional, however, they should be reviewed according to the actual needs of the hotel industry. In tourism-advanced countries, training facilities are usually updated in every five to seven years. Kitchen facilities at some Tunisian training institutes have been used almost for 20 years and are getting obsolete.

b) Increased Reliance on Private Sector Sources (2006)

Industry self-help is an ethic to be strengthened. Professionals from within the industry can be an indispensable resource to update and stimulate students' skills at hotel and tourism schools. In Tunisia, however, experience in utilizing professionals as practical teachers has been very limited. Regular training programs will be organized by professional staff of hotels, travel agencies and restaurants with cooperation of the private sector. Such programs will be especially effective for operational staff. The relevant Tunisian and foreign trade associations can provide complete course materials, often at very low cost, and hotels can provide on the premises teaching space to provide low cost or free-of-charge training for staff.

c) Computer and Internet Training (2006)

Computer training will be compulsory at hotel and tourism schools in two years in Tunisia. Computer skills have been getting required for hotel personnel and larger hotel groups have gradually been introducing an internet system for reservations as well as creation of their web-sites. Computers shall further be introduced at training institutes especially for reception and management courses. Computer systems will also facilitate accounting procedures and internal and external communications. A strong relationship is recommended with a European or American institute to facilitate this major improvement in training.

d) Strengthened Continuing Education Capability (2006)

A number of tools for professional training can be further publicized to encourage individual initiatives for self-improvement. Night courses, distance learning by correspondence or even by Internet, and short courses during vacations or in the off-season are the main options available. In the hotel and restaurant fields the scope of choice is broad. ONTT needs to vigorously publicize to staff in these industries the choices available in their fields. It also needs to encourage employers to bear part or all of the costs of such training. Any tax incentives for owners need to be continued and publicized.

e) Development of Training in Para-tourism Fields (2006)

Demand-driven training have been conducted to meet the current needs, especially the following fields.

- Amusement/Entertainment
- Events management
- Food and wine

Amusement/Entertainment courses (e.g. events, sport activities) can be established/enhanced at such institutions as national sports/physical education or fine arts/theater/music schools, considering the specific needs for activities in the tourist industry. Events management is another growing field wherein events are designed from the start to have a focused international appeal. A relationship with a foreign institute providing such training is strongly recommended.

In addition, Tunisia plans to gradually reduce the customs duties imposed on food and beverages such as wines. Resulting broader availability of imported food and beverages will necessitate study and training sessions especially for cooks, waiters and wine advisors (sommelier). Relevant courses can be established both for students and the existing hotel and restaurant staff.

DH5 Reinforcement of Other Skills Areas

a) Measures for Improved Tour Guide Training (2006)

Continuous improvement of tour guide skills is important in order to reduce the high number of complaints on guide quality and to better serve more tourists. At present, there is no systematic and regular tour guide re-training system in Tunisia. Skill management program should be prepared in order to improve tourists' satisfaction level mainly by updating tour guides' knowledge and improving their language command.

A tour guide quality upgrading program will require i) preparation of the tour guide manuals, ii) organization of regular seminars or courses to update tour guides' knowledge on the major issues, iii) issue of newsletters for tour guides on the current issues, iv) provision of foreign language and customs courses by foreign instructors, v) establishment of exchange program with other countries, especially emerging markets in Europe, vi) set up of the system within ONTT to regularly monitor the quality of tour guides. The assistance of a guild or guide association in Europe is strongly recommended in designing this program.

b) Improved Outreach to Local Communities (2006)

To raise community awareness regarding issues like hospitality, foreign customs and behavior, salesmanship, cleanliness, basic foreign language vocabularies, and the real life benefits of expanding tourism, ONTT officials both from Tunis and in the CRTs can be trained in skills of community relations relying on course materials supplied by foreign organizations. NGOs can also supply course materials, often in French and Arabic languages, for these purposes. Trained officials can hold some training session for local people who desire to be a spot-guide for tourists. After successful completion of the training sessions, ONTT can issue a license for local people to engage in guide activities.

7.7 INFRASTRUCTURE DEVELOPMENT PLAN

Since the country's transportation infrastructure is in good condition, only selected transport activities are included, all relating to auto travel. Additional measures cover waste management activities.

The Infrastructure Development Plan is composed of the following groups of measures, and each is described below:

- Infrastructure Development Plan
  - Tourist Transport-Related Measures
  - Other Types of Measures

7.7.1 Tourist Transport–Related Measures

DI-1 Selected Road Network Improvements

Even though the general condition of the Tunisian road network is quite good, some selective improvements are required to meet the growth of tourism. In the south some road links between growing destinations are identified for upgrading.

a) Ksar Jemaa – Toujane route with a distance of 40 km (2006)

This scenic road shall be improved by 2006. This route has not been paved but offers significant scenery and connects two interesting potential tourist sites of Berber heritage i.e. Ksar Jemaa and Toujane. This will promote smooth tourist flow between Matmata and Tataouine, which contributes to a formulation of Berber heritage cultural circuit.

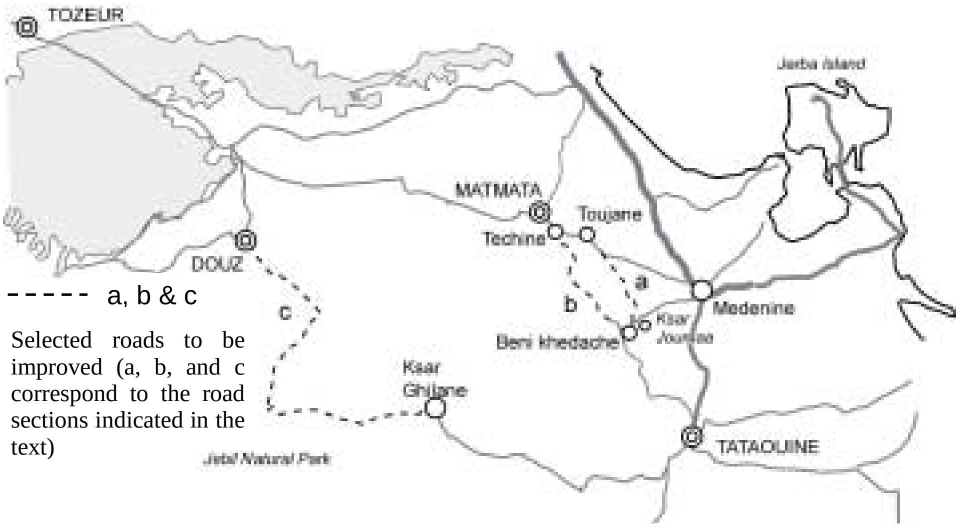
b) Beni Kheddache – Techine with a distance of 43 km (2016)

This hilly road shall be paved for tourist vehicles by the year of 2016. Once the Berber heritage cultural circuit is promoted, tourist flow between Matmata and Tataouine will be rapidly growing. This second route would offer an attractive alternative to the Matmata route from the southern part of Berber homeland.

c) Road connection of Douz and Ksar Ghilane (2016)

The national park with planned desert eco-museum is 40 km away from Douz to the south. However, there are no proper access roads and visitor facilities for the park. A road between Douz and Ksar Ghilane, if implemented, will offer an excellent opportunity of Sahara adventure to tourists. It is proposed to develop a desert trail that connects Douz with the future Jebil natural park and Ksar Ghilene for formulation of more convenient road network.

Figure 7.7.1 Selected Road Network Improvements



Source JICA Study Team

d) A study on bridge or Tunnel Connection Of Jerba Island (2006)

The existing, high-frequency Jorf-Ajim ferry crossing is a critical path of the transportation to and from Jerba island. Replacing this ferry service with a bridge or tunnel connection will probably lead to a boost in the pace of development on the island as well as further strengthen its linkages with the southern hinterland. A feasibility study should be undertaken as a first stage.

e) Selected Access Road Improvements (2006)

Even though Tunisia has a well developed road network over its territory, many of the archeological destinations and mountain villages in the south are located at some distances from the main highways. Very often the access roads to tourist sites do not meet the expected standard for motor coaches or tourism automobiles. Upgrading works including roadway improvement and signage are recommended at places such as the following:

- Dougga and Thuburbo Majus
- selected Berber heritage villages (Ksars and Mountain villages such as Ksar Jumaa and Gurmessa have only 4x4 access now insufficient for vans or coaches)

f) Selected Traffic Signage Improvements (2006, 2016)

The traffic signage meeting international standards shall be installed to guide tourist traffic to the major points of interest in both urban and rural areas. Three languages i.e. English, Arabic, and French are used for this type of signage. This type of signage will greatly improve conditions for self-driving tourists mainly using rented automobiles, a form of tourism to be heavily stimulated. Tourist traffic signage for some selected cultural sites are furnished by 2006 to formulate cultural circuits (reffer to Vol. II, 5.3 Cultural

Circuit Developemnt). Those for all the major tourist sites should be provided by 2016.

[Min. Equipement, ONTT for signage]

DI2 Car parking round Tunis Medina (2006)

The Municipality of Tunis has the development plan for large scale parking at the following downtown sites and around the Medina. Reliance on the automobile is rising in Tunisia and for the city center to maintain its economic vitality parking is essential. These projects should be encouraged and implemented very soon, together with appropriate controls of illegal parking and guidance system.

- Medeg El Halfa (Planned capacity:300 vehicles)
- Moktar Attia (Planned capacity:600 vehicles)
- La Fayette (Planned capacity:800 vehicles)
- Port de France (Planned capacity:600 vehicles)
- Chraibi (Planned capacity:600 vehicles)

[Municipality and private sector]

DI3 Inter-city Deluxe Bus Services (2016)

The rising number of independent tourists who shun group travel will seek international standard long distance bus services between the major cities and tourist destinations. There will be growing demand for deluxe bus operations in areas having no passenger rail service, creating the need for upgraded bus terminals, with air-conditioned waiting room, ticketing offices, toilets, kiosks. Incentive programs for private bus operators can be applied to encourage the effort of private firms to innovate and upgrade their service standards including international runs to neighboring countries. [private sector]

DI4 Bus Loops in Tourist Areas (2006)

Convenient transportation in and between tourist destinations will improve the tourist satisfaction, extend their visiting time at the attractions, and reduce the traffic congestion. Private operators already operate some such services in Tunisia. Different ticketing formulas can match the different needs of visitors, and in some cases operators can provide information and commentary, always highly appreciated by visitors. ONTT can promote introduction of additional services in high-volume tourist sites as they become feasible. Seasonal operations may become feasible before year round operations. Some suggested sites include:

- Inside of Carthage Heritage park
- Shuttles extending from Sidi Bou Said to La Goulette cruise terminal
- Around Kairouan Medina
- Among Kairouan Medina, Sousse Medina, and El Jem coliseum
- Linking Tozeur hotel zone with town and oasis
- Linking Douz hotel zone with town and oasis

[private sector]

7.7.2 Other Types of Measures

DI-5 Study on water supply system for Sahara/Oasis region

Water is a crucial issue if Sahara tourism is to be promoted as this Study estimates the visitor-nights of the Sahara area be 4.4 million in 2016. This volume suggests that the tourism demand for Sahara will be more than tripled from the figure of 1999 (1.2million). According to SONEDE, the water consumption for tourism sector in the city of Tozeur reached 359,000 (m^3/year) in 1999 and accounts for about 12% of the total 3,029,000 (m^3/year) consumption of the city. Considering the fact that the total water supply to city is 3,689,000 (m^3/year) and the present margin is only 660,000 (m^3/year), this allowance might be absorbed by the tourism sector alone by 2016 if the industry grows as expected.

Due to the difficulty of developing further underground water resources, SONEDE has a preliminary idea that water for Tozeur shall be distributed from the resources located in Sidi Saad and El Haouareb near Kairouan. The south's existing water supply plan needs to be carefully examined with respect to long-term needs. Moreover, a study evaluating the long-term water supply outlook in the Sahara/Oasis region is required to clearly clarify if any limits will hinder tourism expansion beyond the 2016 time frame. Finally, the study must identify any innovations such as water recycling that can be progressively introduced in the south to cut the hotel industry's high water consumption rate. [SONEDE]

DI-6 Innovations in Solid Waste Management

a) Innovations for Medinas (2006)

In order to improve the appearance and sanitary conditions of the country's outstanding old quarters, it is proposed to provide a practical system of trash receptacles and street cleaning. ONTT with municipal officers and Medina preservation officers can meet with community groups to work out civic collaboration methods for this problem. In addition, the larger private businesses can also play a role in cleaning some streets and in trash collection. This program could include the Medinas of Tunis, Sousse, Hammamet, Kairouan, Monastir, Mahadia, Le Kef, Sfax, and Tozeur.

b) Innovations for Desert Areas (2006)

The above project for improved solid waste management is also proposed for relatively remote sites of the south and interior, especially in the scattered mountain villages and Berber heritage sites (examples being Matmata, Chenini, Ksar Hadada). There will also be a need to introduce local sewage treatment systems adapted for desert terrain. As national parks are developed in the south, waste treatment systems will need to be provided from the earliest stages of their development. [municipalities, MEAT]

8 IMPLEMENTATION PROGRAM FOR 2016

8.1 STRUCTURE PLAN

This plan includes future tourism development in Tunisia up to 2016. Figure 8.1.1, Figure 8.1.2, and Figure 8.1.3 indicate the spatial development process in 2001, 2006, and 2016 respectively.

The figures indicate the following aspects:

1 Development of tourism cores including various products, facilities and services,
2 Formulation of integrated cores,
3 Development of major tourist sites, and
4 Development of tourism transport network and gateways.

(1) Current Situation

Currently, almost all the major tourism cores (except Tozeur) are located along coastline, and the past development efforts were focused mostly on increasing the capacity of each of these cores independently with less attention being paid to linkages and integration between them (except the biggest beach holiday cores of Sousse, Monastir, and Mahdia). In addition, the development of each core has been focused largely on beaches rather than other types of tourism.

Consequently, major tour type is beach holiday, and itinerant touring is much less developed. Concept of integration between tourism cores or major tourist sites is still not well recognized. Tourism transport network, though generally good, is not sufficiently provided in certain part of the inland areas, e.g., road network in the South, and infrequent flight schedule at the Tozuer international airport.

(2) Year 2006

In 2006, as a result of the short-term measures proposed in this study, tourism development takes account of integration between major tourism cores and is directed toward culture and Sahara much more than before. Major beach cores continue to expand with more variety of products, including those targeting the up-market.

These development patterns result in the increase in circuit tourists as well as beach holiday vacationers at major coastline tourism cores who visit the inland attractions. Tunisia is acknowledged as a destination for cultural and Saharan tourism besides an affordable beach holiday destination.

Tunis becomes a capital famed for culture, history and business, and starts to receive a significant number of MICE visitors. The Sahara region becomes a distinguished tourist core with a greater number and variety of attractions. Kairouan and Tataouine are increasing their attractiveness as a major cultural tourism core.

Linkage between tourism cores of Greater Tunis and Central Region is accelerated, partly due to a newly opened airport at Enfidha. Two major tourism cores are being established in the inland South, and the tourist flow between the Sahara area (Tozeur and Douz) and Jerba through Tataouine is growing rapidly.

(3) Year 2016

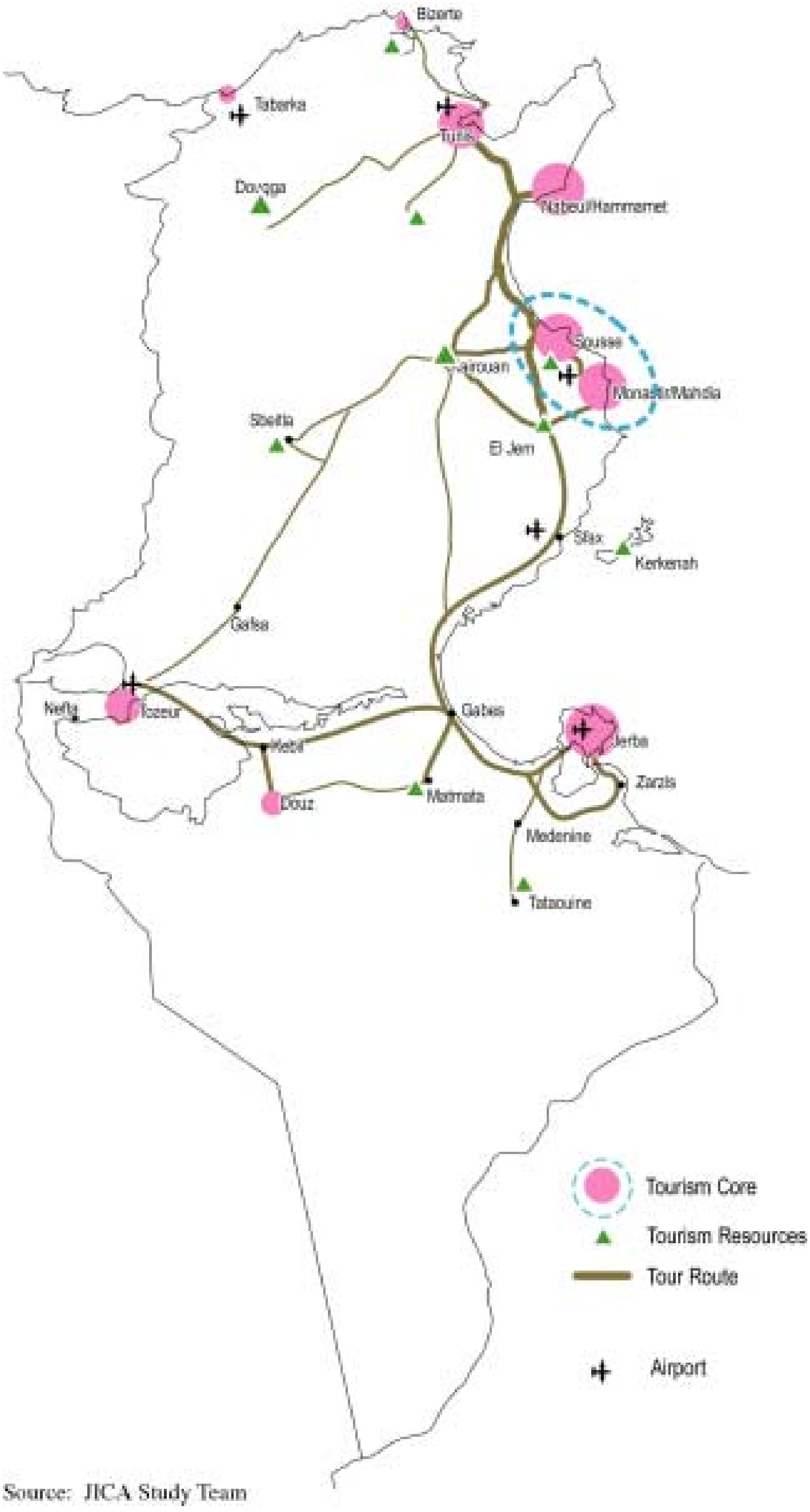
In 2016, major tourism cores are established as an internationally competitive destination with a wide-range of tourist sites and attractions, and are integrated with each other much more than in the year 2006. In addition to the major tourism cores, secondary cores are being developed and growing, thereby strengthening the linkages between major cores. Major beach destinations provide differentiated products ranging from quality mass tourism products to value-added beach resorts primarily targeting higher spending tourists.

Three major types of tourist flows characterize the country’s tourism at this time. One is beach holiday primarily staying at major beach cores, with a number of options of excursions and circuit touring available to beach holiday vacationers. Second is circuit touring nationwide, visiting significantly improved sites located across the country. A greater variety of attractions and accommodations are available in each of the major sites.

Third is a tourist flow that is growing substantially at this time, intensively touring certain parts of the country. One major flow is taking place in the combination of the northern and central parts, including the areas of Tunis, Hammamet, Sousse, Monastir and Tabarka, forming regional touring networks linking significantly improved sites and increased attractions located in and around these areas. “Agglomeration” of each tourism core in terms of the number, variety and quality of attractions adds value to each other.

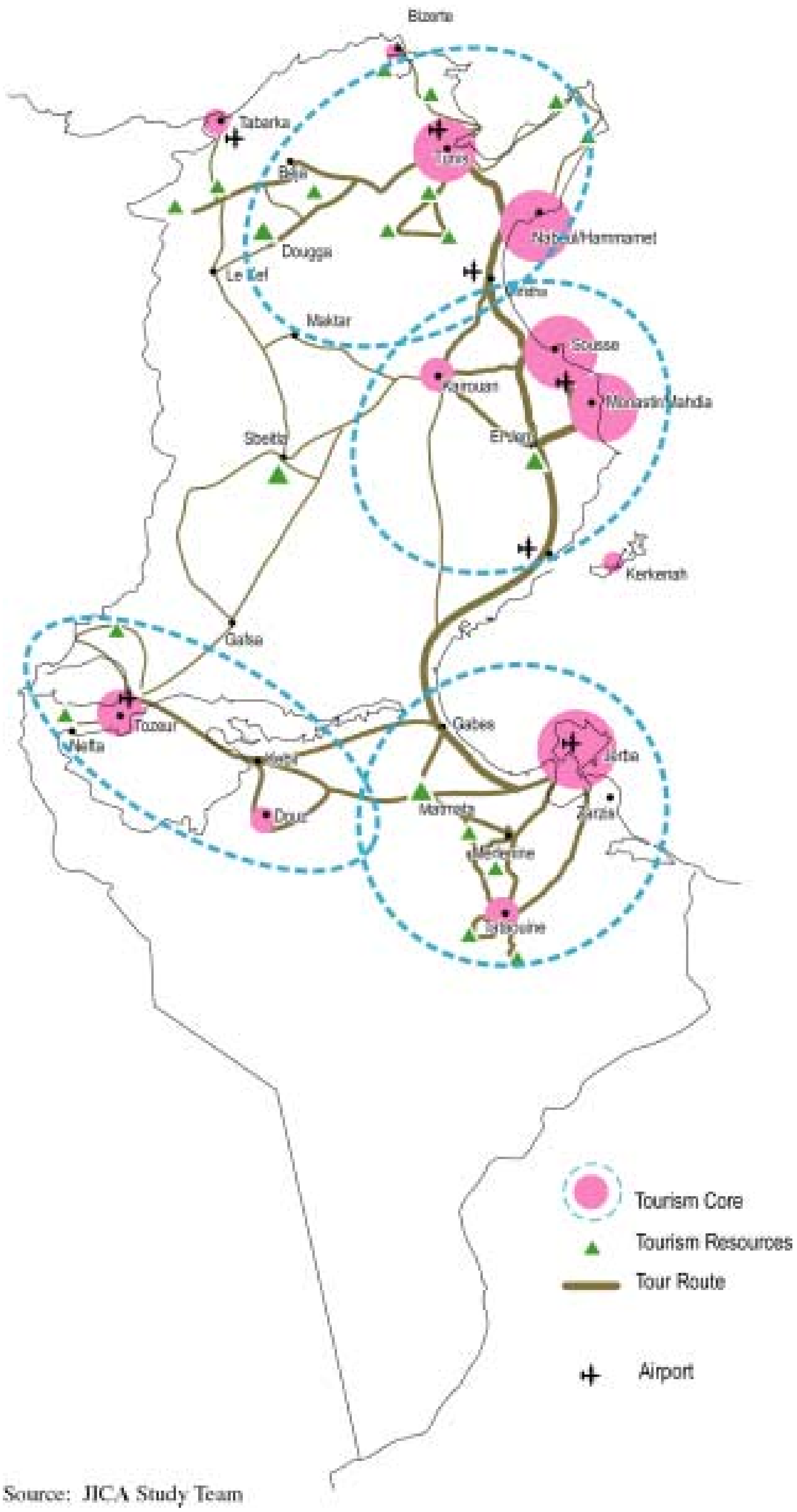
The second major regional flow is taking place in the South, with diversified attractions and activities and a greater variety of accommodations. By this time, the Sahara region has already established its status in the international market with a significant number of tourists coming directly to the international airport at Tozeur, many of them enjoying their holidays specifically in the South. In addition, the majority of the Sahara visitors as well as a significant portion of beach holiday vacationers at Jerba Island go for a trip to the home land of Berber culture, i.e., Matmata and Tataouine area. By this time, tourism has benefited the South with the increased number of tourists and their longer length of stay.

Figure 8.1.1 Spatial Tourism Development Structure (2001)



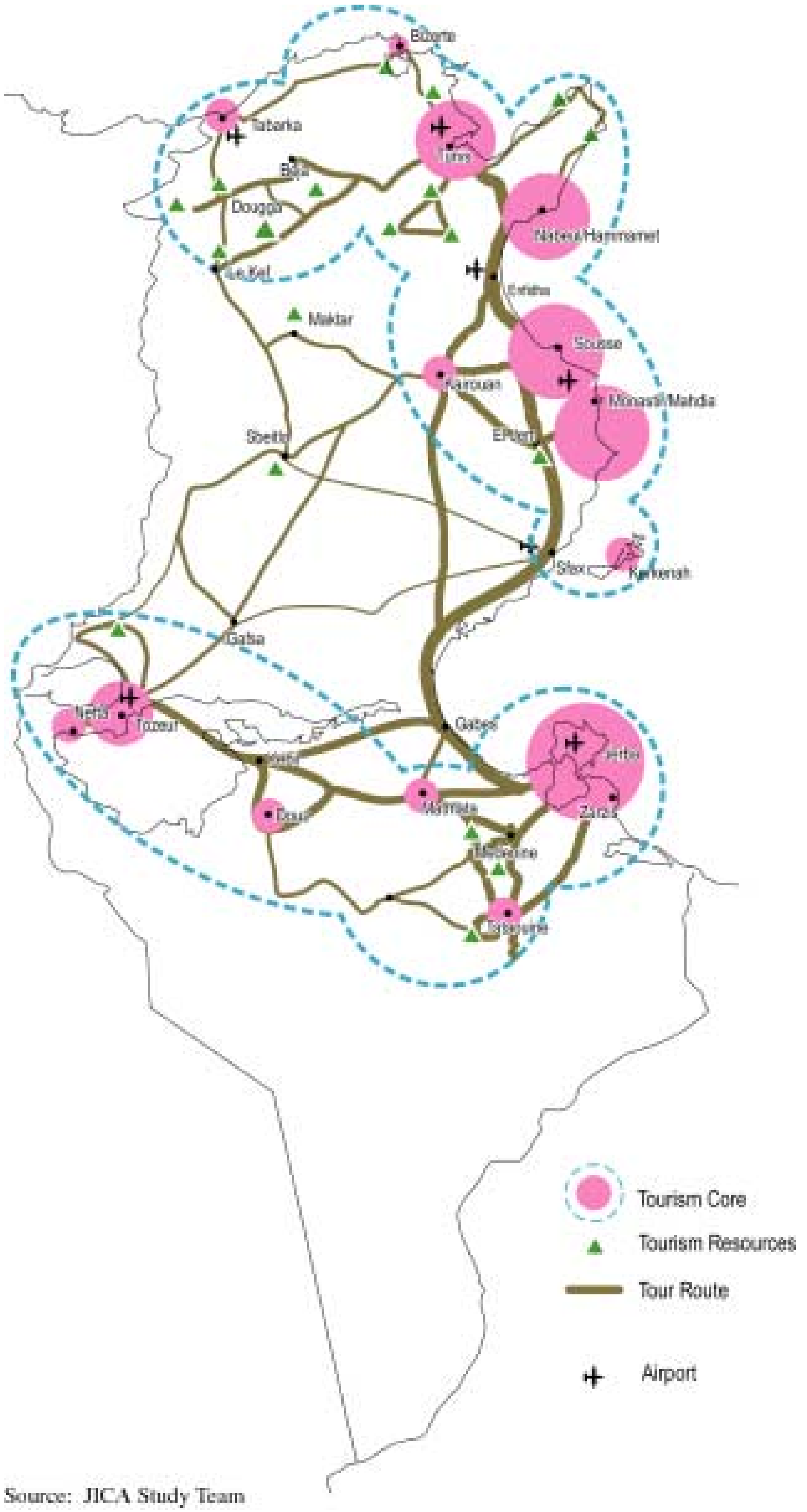
Source: JICA Study Team

Figure 8.1.2 Spatial Tourism Development Structure (2006)



Source: JICA Study Team

Figure 8.1.3 Spatial Tourism Development Structure (2016)



Source: JICA Study Team

8.2 PROPOSED IMPLEMENTATION SCHEDULE

Table 8.2.1 summarizes tourism development component plans with the implementation schedule by the year 2006 and by the year 2016. Component items correspond to those mentioned in the previous Chapter 7.

Indicative cost for each component plan is also indicated in Table 8.2.1. The list below shows the cost required for each of 6 component plans by the year 2016. These costs correspond to the proposed national tourism development plan, and are intended to be expended by the public sector.

1	Tourism Product Development Plan	TD 670.2 million
2	Tourism Resource and Environment Preservation Plan	TD 110.5 million
3	Marketing and Promotion Plan	TD 58.9 million
4	Tourism Industry Vitalization Plan	TD 105.5 million
5	Human Resource Development Plan	TD 32.6 million
6	Infrastructure Development Plan	TD 224.8 million
	Total	TD 1,202.5 million

These costs do not include private investment (e.g., investment for accommodation development). The projection of hotel investment needed to meet the projected visitor arrivals is made in section 9.1.1 as part of the analysis of hotel profitability in the coming years.

Table8.2.1 Implementation Schedule and Cost of Component Plans (1/3)

Component Classification		Component Plans (by2006)	Cost (million TD)	Component Plans (by2016)
Tourism Product Development Plan	Cultural Product	PT-1 Museum Construction and Improvement	15.0	PT-1 Museum Construction and Improvement
		1) Water Circuit Museum, Carthage		2) Kairouan Arab-Islamic Art Museum
		PT-2 Innovative Use of Cultural Heritage Sites	9.6	3) Presentation Upgrading of the Bardo Museum, Tunis
		1) The Barbary Coast Castle Entertainment Complex, Tunis-La Goulette		4) Presentation Upgrading of the Sousse Museum
		2) Punic Ports and Salambo Beach Redevelopment Plan, Carthage-Salambo		PT-2 Innovative Use of Cultural Heritage Sites
		PT-3 Audio Visual Interpretive Presentations	11.6	3) The Queen Elissa Promenade, Carthage waterfront
		1) High impact films in the Acropolium, Carthage		4) Punic & Roman Historic Ship Replicas, Carthage waterfront
		2) Roman Theater Sound & Light Spectacle, Carthage		PT4 Facilitation Improvement of Cultural Heritage Sites
		3) Antonine Baths Orientation Audio-visual, Carthage		2) Tourist Amenities
		4) Coliseum Sound & Light Spectacle, El Jem		5) Audio-phone rental system
		PT4 Facilitation Improvement of Cultural Heritage Sites	92.0	7) Observattion Decks
		1) Walking Tour Circuit at Major Cultural Sites		8) Illumination of Zaghouan Aqueduct
		2) Tourist Amenities		
		3) Interpretation Boards		
		4) Site presentation with Advanced Technology		
		6) Safety Improvements		
		PT5 Development of Cultural Circuits	1.8	
	Sahara/Desert Products	PT6 The Sahara World Gateway Park, Tozeur	55.8	PT9 Preservation & Redevelopment of Ksour and Gorfas, South Tunisia
		PT7 The Sahara Camelback Trekking Center and Field Museum, Douz	1.5	
		PT8 Desert Sports Promotion Program	2.9	
	Nature-Based Products	PT10 Desert and Marine Parks for Nature-oriented Tourism	0.6	PT10 Desert and Marine Parks for Nature-oriented Tourism
		1) Technical Assistance for Parks Management		2) Marine Parks Development – Selected Locations
		PT11 Spa Resort Feasibility Study	0.7	3) Desert Parks Development - Jbil and Chebika-Redeyef
		PT12 Sports and Active tourism	0.8	PT12 Sports and Active tourism
		1) Water sports in Central Region		2) Development of Golf Courses in the Great South
		3) Expansion of Marina Capacity, Greater Tunis		
	Accommodation	PT13 Recommended Guidance for Future Hotel Developers	N/A	PT13 Recommended Guidance for Future Hotel Developers
	Other Measures	PT15 MICE Tourism Promotion	1.3	PT14 Beachfronts Improvement Program
		1) Support for MICE tourism (2006)		PT19 Study on Additional Rail Excurtions
		2) World-class convention centers (2006)		
		PT16 Cruise Tourism Development (2006)	0.3	
		PT17 Arts and Crafts Centers, Tunis and Kairouan Medinas	6.6	
		PT 18 Tourist Inforamtion Centers	28.7	
		1) Improvement of Gateway Information Center		
		2) Visitor Center Construction		
		Cost of the Tourism Product Development Plan (by 2006)	229.2	Cost of the Tourism Product Development Plan (2007-2016)
				Cost of the Tourism Product Development Plan (2002-2016)
Tourism Resources and Environment Preservation Plan	Urban-related Measures	RE1 Medina Rehabilitation Works	15.1	RE1 Medina Rehabilitation Works
		1) Medina Rehabilitation Works, Tunis		3) Medina Rehabilitation Works, Sousse and continuation in other cities
		2) Medina Rehabilitation Works, Kairouan		RE3 Computerized Inventory of Heritage Structures (continuation)
		4) Medina Rehabilitation Works, Mahdia		RE5 Urban Beautification
		5) Medina Rehabilitation Works, Sfax		1) Street and Parks Beautification
		RE2 Restoration Incentives for Heritage Buildings, Tunis	4.0	
		RE3 Computerized Inventory of Heritage Structures	1.8	
		RE4 Hotels Environmental Awareness Campaign	0.5	
		RE5 Urban Beautification	16.6	
		2) Oases Beautification, Tozeur & Nefta		
	Natural Environments	RE6 Shoreline Rehabilitation and Stabilization Program	1.5	RE10 Improved Environmental Assessment System for Project Planning
		RE7 Study of Environmentally Optimal Land Use Plan for Coastal and Desert Z	0.7	RE11 Capacity building for Environmental Management
		RE8 Guidelines for Nature-Based Tourism	0.3	
		RE9 Development of Naturalist-Guides for National Parks	1.0	
		Cost of Tourism Resource and Environment Preservation Plan (by2006)	41.5	Cost of Tourism Resource and Environment Preservation Plan (2007-2016)
				Cost of Tourism Resource and Environment Preservation Plan (2002-2016)

Source: JICA Study Team

Table8.2.1 Implementation Schedule and Cost of Component Plans (2/3)

Component Classification		Component Plans (by2006)	Cost (million TD)	Component Plans (by2016)
Marketing and Promotion Plan	Measures for Improved Marketing	MP1 Consolidation of Traditional European Markets	0.3	Continuation of Measures for Marketing
		MP2 Cultivation of East European/Russian Markets	1.5	
		MP3 Development of Special Interest/Thematic 'Niche' Markets	0.1	
		MP4 Formulation of Market-Opening Strategies	1.5	
	Measures for Improved	MP5 Introduction of a New Set of Promotional Materials and Site Information	3.8	Continuation of Measures for Promotion
		MP6 Introduction of a New Format Sales Mission, "Traveling Workshops"	10.0	
		MP7 Improved Internet Promotional Outreach	0.5	
		MP8 Efficient Information Delivery to Visitors	1.0	
		MP9 Consolidating external assistance to promotion and advertising in the sour	0.1	
		MP10 Setting up a "Task Force" for image and message creation	0.1	
		Cost of Marketing and Promotion Plan (by2006)	18.9	Cost of Marketing and Promotion Plan (2007-2016) Cost of Marketing and Promotion Plan (2002-2016)
Tourism Industry Vitalization Plan	Measures for the Lodging Industry	RI-1 New Public-private partnership mechanism for beach resort development	3.9	RI-1 New Public-private partnership mechanism for beach resort development (c
		RI-2 Hotel Industry Globalization Seminars	1.4	RI-2 Hotel Industry Globalization Seminars (continuation)
		1) Internationalized Capital Sources		1) Internationalized Capital Sources
		2) Design Innovation		2) Design Innovation
		3) World Class Operating Companies		3) World Class Operating Companies
		4) Private Sector Rating Systems		4) Private Sector Rating Systems
		5) Adoption of The Uniform System of Acounts for Hotes		5) Adoption of The Uniform System of Acounts for Hotes
		RI-3 Foreign Investment Promotion	1.3	RI-3 Foreign Investment Promotion (continuation)
		RI-4 Reforms for Investment Incentives	0.2	RI-5 Withdrawal from Hotel Classification and Restaurant Rating Systems
	Measures for Other	RI-6 Modernization of Travel Agencies	0.6	RI-7 Promoting Automobile Tourism (continuation)
		RI-7 Promoting Automobile Tourism		2) Long term measures
		1) Short term measures	0.4	RI-9 Introduction of Duty-Free Zones (continuation)
		RI-8 Restructuring and Strengthening the Airline Industry	0.6	RI-10 Souvenir Development (continuation)
		RI-9 Introduction of Duty-Free Zones	5.6	RI-12 Deregulation for Casinos and Bars (continuation)
		RI-10 Souvenir Development	1.0	RI-13 Restaurant Business Entrepreneurship Development (continuation)
		RI-11 Liberalization of Food and Beverage Imports for Food Service Industry	0.5	
		RI-12 Deregulation for Casinos and Bars	0.3	
		RI-13 Restaurant Business Entrepreneurship Development	0.7	
	Measures for Public	RI-14 Strengthening of Inter-Agency Cooperation	0.3	RI-14 Strengthening of Inter-Agency Cooperation (continuation)
		RI-15 Innovations for Public Awareness Programs	1.0	RI-15 Innovations for Public Awareness Programs (continuation)
		RI-16 Ongoing Program for Seasonal Visitor Surveying	1.5	RI-16 Ongoing Program for Seasonal Visitor Surveying (continuation)
		RI-17 Selected Reforms for ONTT	1.5	
		RI-18 Public-Private Cooperation for MICE	2.0	RI-18 Public-Private Cooperation for MICE (continuation)
		RI-19 Public-Private Cooperation for Human Resources Development	10.0	RI-19 Public-Private Cooperation for Human Resources Development (continua
		RI-20 Public-Private Cooperation for Information Delivery	1.2	RI-20 Public-Private Cooperation for Information Delivery (continuation)
		RI-21 Public-Private Cooperation for Facility Concessioning	0.2	
		RI-22 Enhancement of Roles for NGOs	1.3	RI-22 Enhancement of Roles for NGOs (continuation)
		Cost of Tourism Industry Vitaliztion Plan (by2006)	35.5	Cost of Tourism Industry Vitaliztion Plan (2007-2016) Cost of Tourism Industry Vitaliztion Plan (2002-2016)
Human Resources Development Plan		DH1 Selective Training for ONTT Staff	0.5	DH1 Selective Training for ONTT Staff (continuation)
		DH2 Curator Training by INP	0.3	DH2 Curator Training by INP (continuation)
		DH3 Innovations for Hotel Staff Training	6.2	DH3 Innovations for Hotel Staff Training (continuation)
		1) seminars for management		1) seminars for management
		2) professional certifications for staff		2) professional certifications for staff
		3) international staff exchanges		3) international staff exchanges
		DH4 Innovations for Hotel and Tourism Training	2.5	DH4 Innovations for Hotel and Tourism Training (continuation)
		1) Tourism Training Improvements		1) Tourism Training Improvements
		2) Increased Reliance on Private Sector Resources		2) Increased Reliance on Private Sector Resources
		3) Computer & Internet Training		3) Computer & Internet Training
		4) Strengthened Continuing Education Capability		4) Strengthened Continuing Education Capability
		5) Development of Training in Para-tourism fields		5) Development of Training in Para-tourism fields
		DH5 Reinforcement of Other Skills Areas	0.5	DH5 Reinforcement of Other Skills Areas (continuation)
		1) Measures for Improved Tour Guide Training		1) Measures for Improved Tour Guide Training
		2) Improved Outreach to Local Communities		2) Improved Outreach to Local Communities
		Cost of Humen Resource Development Plan (by2006)	10.0	Cost of Humen Resource Development Plan (2007-2016) Cost of Humen Resource Development Plan (2002-2016)

Source: JICA Study Team

Table8.2.1 Implementation Schedule and Cost of Component Plans (3/3)

Component Classification		Component Plans (by2006)	Cost (million TD)	Component Plans (by2016)
Infrastructure		ID1 Selected Road Network Improvements	34.0	ID1 Selected Road Network Improvements
		1) Ksar Jemaa-Toujane		2) Beni Kheddache-Techine
		4) A Study on bridge or tunnel connection for Jerba Island		3) Douz-Ksar Ghilane
		5) Selected Access Road Improvements		6) Selected Traffic signage Improvements
		6) Selected Traffic signage Improvements		ID3 Intercity Deluxe Bus Services
		ID2 Central Tunis Car Parks	27.0	ID4 Bus Loops in Tourist Areas
		ID4 Bus Loops in Tourist Areas	8.5	
		ID5 Study on Water Supply Systems for Sahara/Oasis Regions	0.5	
		ID6 Innovations in Solid Waste Management	0.8	
		1) Innovations for Medinas		
		2) Innovations for desert areas		
		Cost of Infrastructure Development Plan (by2006)	70.8	Cost of Infrastructure Development Plan (2007-2016)
				Cost of Infrastructure Development Plan (2002-2016)
		Total Cost (for components by 2006)	405.9	Total Cost (for components by 2016)
				Grand Total Cost

Source: JICA Study Team