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## Tourism: Reaping the rewards

Lebanon's tourism industry performed well in 2003 despite the war in Iraq and a stagnant world economy, with a little over 818,000 visitors in the first three quarters of the year. This is compared with almost 775,000 for the same period last year (see [Table 1](#) on the following page), or an increase of 5.6%.

March, April and May saw a drop in the usual tourism activity (falling by 32%, 23% and 5.3% respectively) as the world was observing events in the Middle East with uncertainty and travellers in the region held back, planning their vacations as late as possible. However, by June, tourism figures rebounded and August saw a 23% increase from 2001.

As expected, the majority of visitors in 2003 were from Arab countries, making up 45% of the total. More specifically, visitors from Saudi Arabia comprised almost 38% of Arab visitors in September, with 15,543 arrivals, followed by Jordan with 22.6% and Kuwait with 11.1%.

Travel from Europe also improved by approximately 6% from the previous year, totalling a little over 200,000 visitors, or one quarter of international visits. The majority came from France, Germany and England.

### Tourism spending and revenues

While figures on average tourist expenditure for 2003 have not yet been released, estimates for 2002 reached \$1,200 per visitor. As shown in [Table 2](#), the daily expenditure per tourist was in the region of \$400, up from \$333 the previous year. As a percentage of the total economy, tourism's contribution to the GDP in 2002 reached an estimated 7%, or revenues of \$1,150 million. This is a 37% rise from the 2001 figure of \$837 million, as shown in [Graph 1](#).

### Occupancy

According to Pierre Achkar, president of the Lebanese Hotel Association, this summer was good, especially for Beirut. In line with the drop in international arrivals, Achkar states that occupancy for the months of March, April and early May bottomed at 2-5% owing to the Iraq war, but quickly rebounded between May and June. However, Beirut reaped the most benefits, which Achkar attributes to a new generation of Arabs that are looking for sea-side urban resorts, rather than mountain resorts.

### Accommodation and infrastructure

There are currently 308 hotels in Lebanon with approximately 15,599 rooms, or 26,275 beds. Out of those, 71 hotels, or 5,762 rooms are situated in the Beirut area. In comparison, there are 88 furnished apartments across the country, with a total 3,013 rooms available (see [Table 3](#) for details).

### Ministry of Tourism budget

The 2003 budget for tourism promotion and advertising expenditure was \$2.4 million, equivalent to 42.8% of the ministry's total allocated budget of \$5.6 million. This is in comparison to the 2002 budget, which had overseas tourism and advertising promotion expenditures of \$2.2 million. In addition, \$3.9 million from the Council of Minister's budget was allotted for the same purpose, compared with \$5.6 million in 2002.

As shown in [Graph 2](#) on the following page, overseas tourist offices took up the bulk of the budget this year at \$796,000, falling from \$860,000 the previous year. In addition, advertising expenditures, which stood at \$950,000 in 2002 dropped to \$531,000 this year.

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