

Country: Lebanon

Ten Years in Review in Spending Behavior for Tourist from:
Saudi Arabia, United Arab Emirates, Kuwait and Qatar



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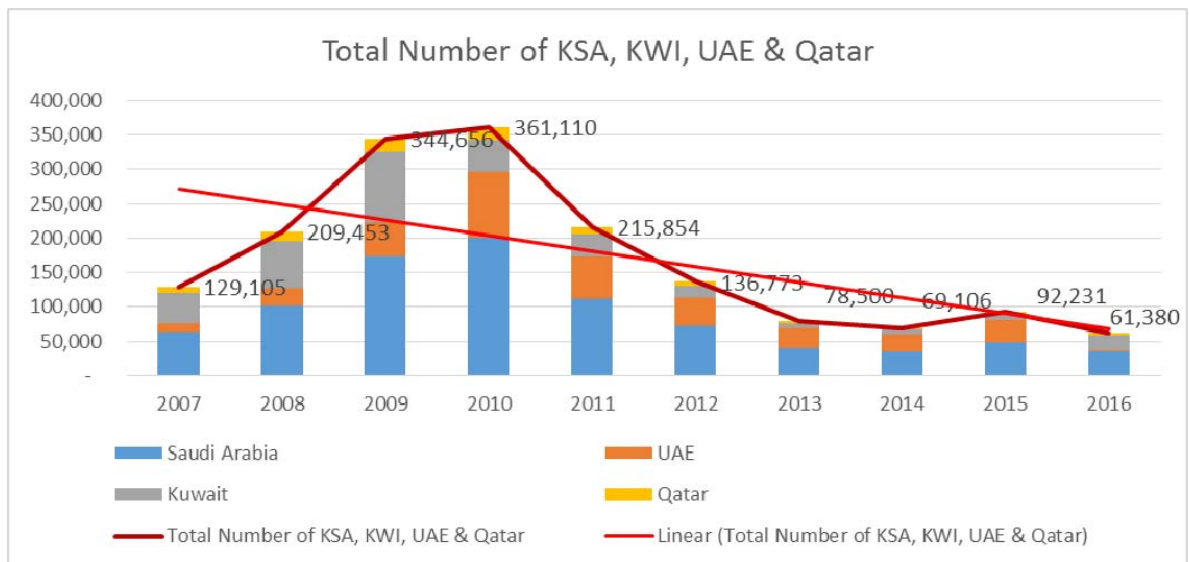
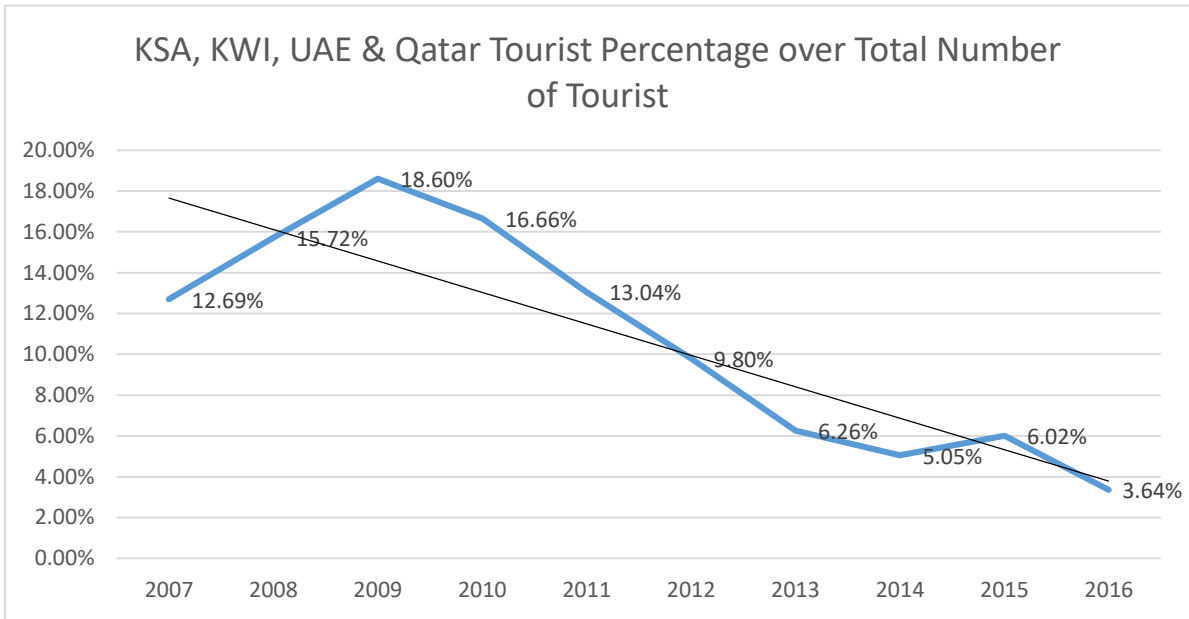
Contents

1.	INTRODUCTION	3
2.	KEY FACTS AND FIGURES	4
2.1.	World Travel & Tourism Council sources	4
2.2.	Global Blue Lebanon Sources	4
3.	YOY SPENDING EVOLUTION (GLOBAL BLUE SOURCE)	5
3.1.	In Terms of spending evolution	5
3.2.	In Terms of Number of Refund Forms Evolution	5
4.	TOTAL TOURIST SPENDING (GLOBAL BLUE SOURCE) VS ECONOMIC GROWTH IN LEBANON (WORLD BANK SOURCE)	6
4.1.	Tourist total spending evolution for the last 10 years	6
4.2.	Economic Growth in Lebanon (World Bank Source)	6
4.3.	Correlation	6
5.	CONCLUSION	7

1. INTRODUCTION

Tourists' arrivals from Gulf area, and especially from Saudi Arabia, United Arab Emirates, Kuwait and Qatar, represented 19% of the total number of the incoming tourist to Lebanon in 2009. However this percentage did tremendously decrease to reach nearly 4% of the Total number of tourists in 2016 after the unrest in the Middle East and especially in Syria (figures from Lebanese Ministry for Tourism).

- Most of them were coming by Land before the critical situation in Syria, due to low cost of travel.
- Unrest in Lebanon in the last couple of years due to terrorist activities.
- Syrian refugees reached a percentage of 30% of the Lebanese population



This report aims to explain the position of these market segments in terms of spending behavior, why it is important to have them back to Lebanon and how it will affect directly on the Economic Growth in the Country.

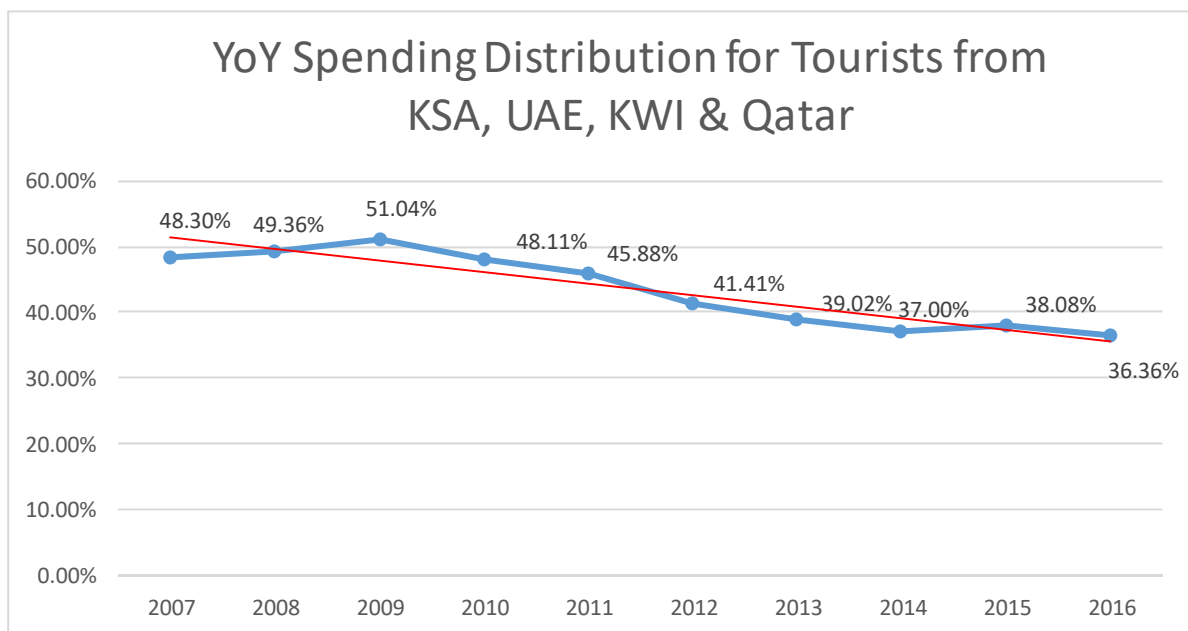
The figures published by Global Blue Lebanon throughout this report represent purchases done by KSA, UAE, KWI and Qatar tourists in Lebanon whose VAT was claimed, and it gives a fair view about tourists' shopping trends.

2. KEY FACTS AND FIGURES

2.1. World Travel & Tourism Council sources

- The spending pattern of Tourist abroad has an average as follows:
 - o Accommodation 36.10%
 - o Shopping 24.50%
 - o Eating out 22.00%
 - o Travel 8.00%
 - o Service etc 7.10%
 - o Entertainment 2.3%
- Tourism industry, directly contributes to 8.1% of the country's GDP and indirectly to around 22.1%.
- Tourism industry is one of the largest employer in the country: generating 120,900 direct jobs in 2015 and 326,800 direct and indirect jobs in total (7.9% and 21.3% of total employment respectively).

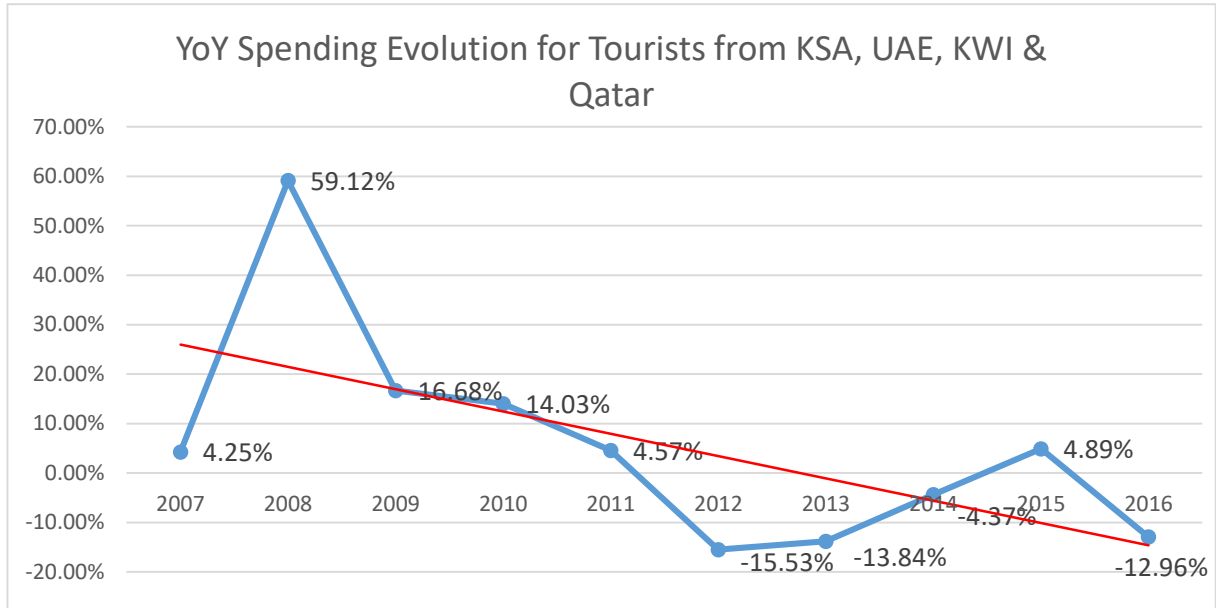
2.2. Global Blue Lebanon Sources



- YoY (Year on Year) spending distribution for tourists coming from KSA, UAE, KWI and Qatar reached 51% of the total tourist spending in 2009 and start decreasing until registered the lowest number for the last 10 years of 36%, by losing 15 percentage point.
- Although number of tourist coming to Lebanon did grow with an average of 9% annual growth over the last 3 years, according to the Lebanese Ministry for Tourism, but unfortunately it was coming from nationalities that have low spending in shopping or no spending at all.

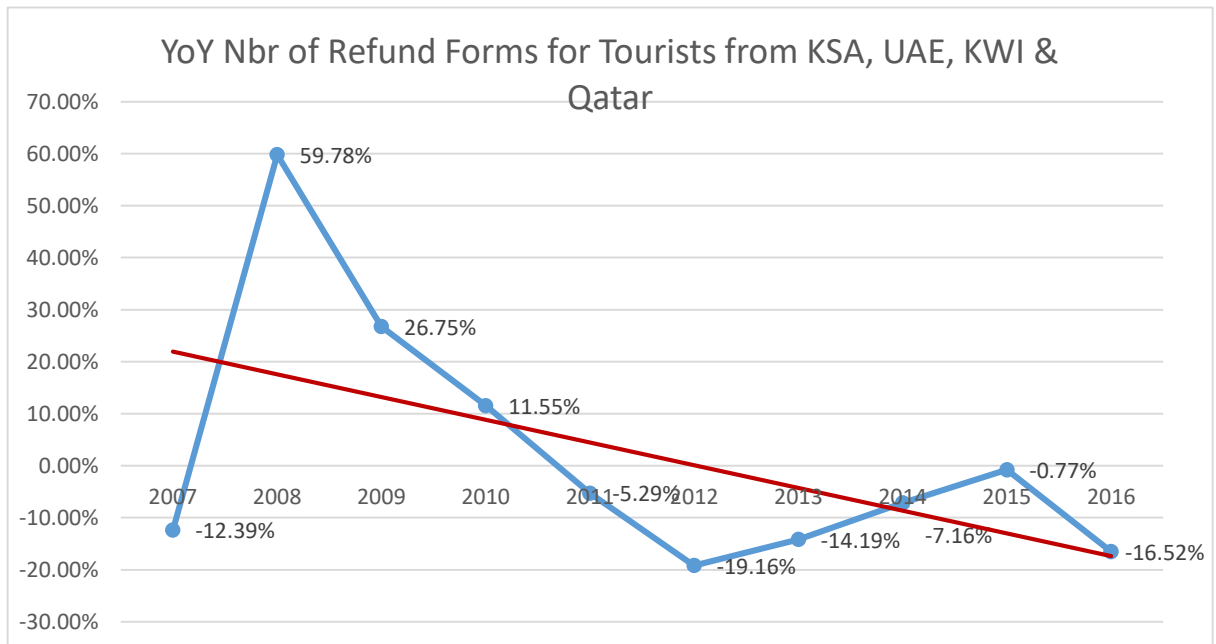
3. YOY SPENDING EVOLUTION (GLOBAL BLUE SOURCE)

3.1. In Terms of spending evolution



According to the above chart, the YoY spending evolution did decline from 59% in 2008 comparing to 2007 and reached -13% in 2016 comparing to 2015, with average decrease of - 8 percentage point YoY.

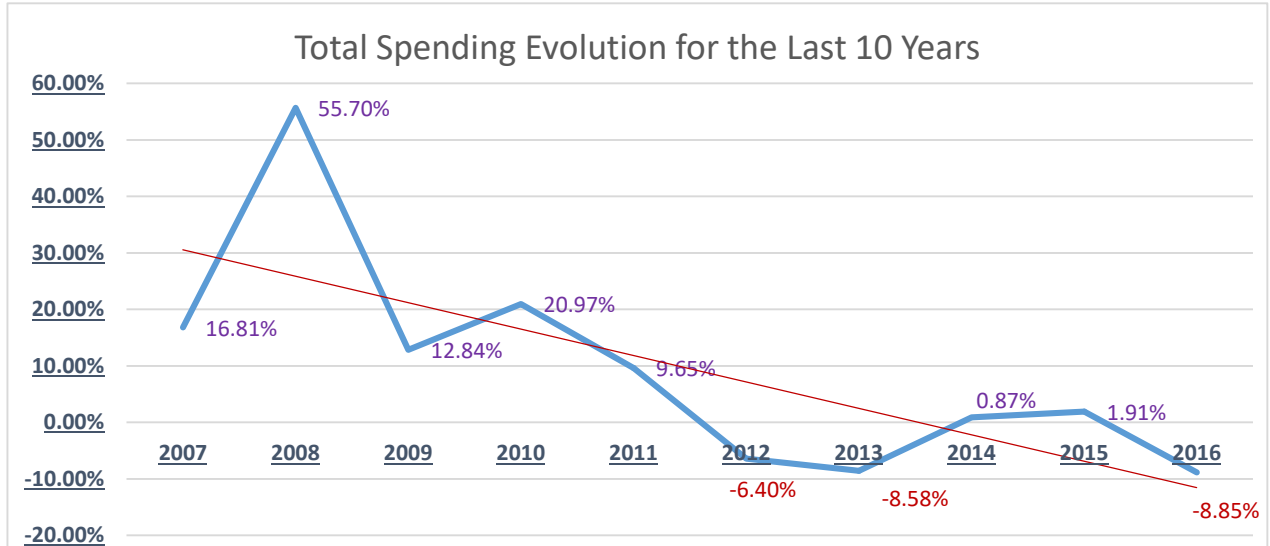
3.2. In Terms of Number of Refund Forms Evolution



According to the above chart, the YoY number of refund forms evolution did decline from 60% in 2008 comparing to 2007 and reached -17% in 2016 comparing to 2015, with average decrease of - 8 percentage point YoY.

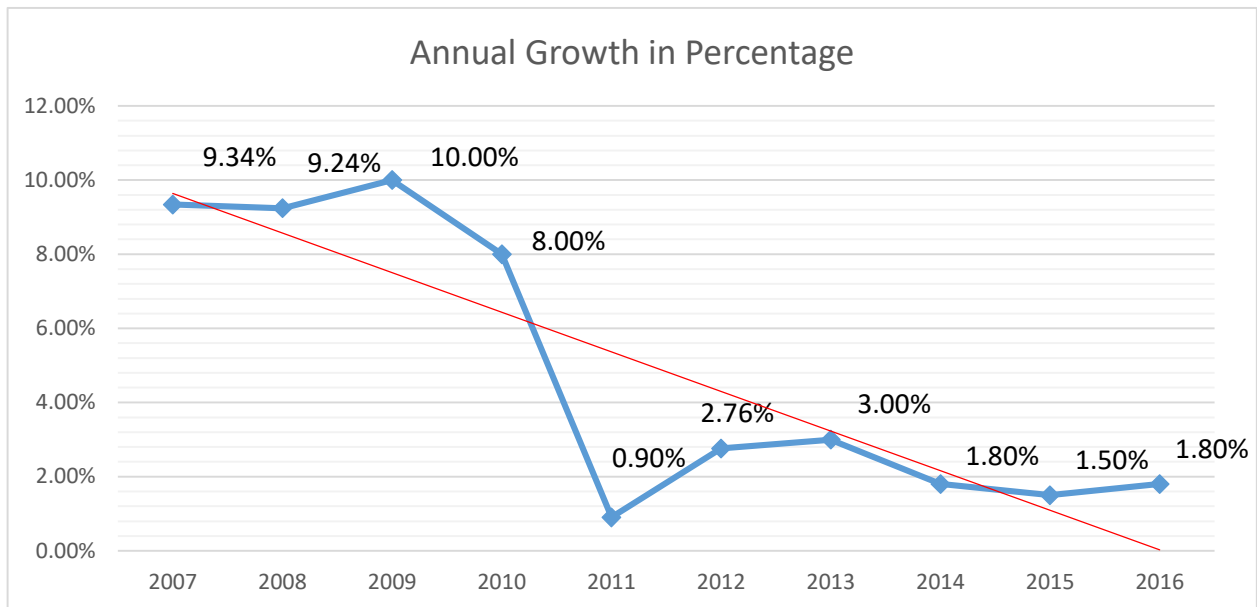
4. TOTAL TOURIST SPENDING (GLOBAL BLUE SOURCE) VS ECONOMIC GROWTH IN LEBANON (WORLD BANK SOURCE)

4.1. Tourist total spending evolution for the last 10 years



The YoY Tourist total spending evolution did decline from 56% in 2008 comparing to 2007 and reaches -9% in 2016 comparing to 2015, with average decrease of - 7 percentage point YoY.

4.2. Economic Growth in Lebanon (World Bank Source)



4.3. Correlation

This shows how much the spending for tourist from Saudi Arabia, United Arab Emirates, Kuwait and Qatar, affect in a straight line on the total tourist spending in Lebanon and consequently have a direct impact on the annual growth in the country.

5. CONCLUSION

Tourism is a very important contributor to Lebanon's economy, accounting for almost 20 percent of the GDP, and this sector has been suffering lately because of the unstable political situation that has left Gulf citizens reluctant to visit the country. The government needs to get on board with this idea because the way things are looking, the tourists from the Gulf area who once spend millions of dollars into the nation's tills, most likely, aren't returning any time soon.