

Hard Times for Tunisia's Tourist Industry

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Fears of violence mean foreigners stay away, and lack of cash slows recovery.

In the handicrafts market of Hammamet, 60-year-old Ahmed Nasri stands outside his shop, which specialises in traditional Tunisian pottery. Wearing a "chechia hat" with jasmine flowers behind his ear, he tries to persuade passing tourists to take a look at his wares.

Nasri, known to his fellow merchants as Uncle Ahmed, speaks several foreign languages, although it is not always clear which he is using. But the smiles of tourists show he using his sense of humour to entice them into his shop.

Uncle Ahmed began helping his father run the shop when he was 17. After his father's death, he took over as manager.

"My six children are grateful to this shop," he said. "With its income, I have been able to give them a decent life and they have been successful with their studies. They are now doctors, lawyers and teachers."

The tourist industry he works in has been badly affected by the Tunisian revolution.

"2011 was a year to forget, because there were almost no tourists due to the deteriorating security situation in the country," Uncle Ahmed said. "But 2012 saw a growth in tourism, a slight improvement on 2011. As for this year, the situation is better than 2011 and 2012. Still, the flow hasn't yet reached the levels we had before the revolution."

With a smile, Nasri noted that this year had brought more tourists, but little profit.

"They walk around, but they don't buy anything," he said. "It seems to me they come from the poor of Europe."

KEY SECTOR IN DOLDRUMS

Tourism is a pillar of the Tunisian economy, contributing about seven per cent of gross domestic produce and accounting for over half the country's foreign-currency receipts. The industry attracts investments of up to 200 million US dollars a year, with 15-20 per cent of this from abroad.

The tourist trade provides 400,000 workplaces and over two million more indirect jobs, for example in handicraft manufacture and transport service. In other words, it employs 15 per cent of the Tunisian labour force. Hotel capacity nationwide currently stands at 220,000 beds, and there are plans to increase this to 400,000 by 2016.

Tourist numbers plummeted after the January 2011 revolution that toppled President Zine El Abidine Ben Ali and his administration. Industry professionals say the future will look uncertain as long as Tunisia remains unstable.

Those fears are founded on hard facts. Figures from the Tunisian tourism ministry show that the number of visitors collapsed from seven million in 2010 to just 4.8 million in 2011. The following year, numbers recovered slightly to around 5.8 million. From January through August 2013, 4.2 million tourists came to Tunisia.

The downturn has had a big impact on the wider economy. Tunisia's central bank has repeatedly warned that falling tourism receipts (which count towards export revenue) are widening the trade deficit and eating into the nation's currency reserves. At the end of September 2012, Tunisia had enough currency reserves to cover 95 days of import costs – a standard measure – compared with 116 days at the same point in 2010.

As hotel owner Fathi Dali explained, the industry has been forced to look elsewhere.

"The falling tourist flow from traditional markets known for spending money and looking for quality services – the French market fell by 30 per cent – pushed hotel owners to go for mass tourism and attract other nationalities, mostly from eastern Europe," Dali said. "We opted for mass tourism so that we wouldn't have to close our hotels and fire our employees. We aren't looking to make a profit. All we want is to be able to pay our employees' wages and cover the various bills."

Dali said the official figures indicating a recovery needed to be seen in this context.

"The tourism ministry talks about the large number of tourists who have visited Tunisia this year," he said. "It doesn't put those figures into context; it doesn't point out that these tourists are paying less than the standard fares."

SECURITY CONCERNS A POWERFUL DETERRENT

Industry experts say the challenges stem first from immediate worries about security and unrest, and second from underlying structural and quality issues.

"Because of fears of terrorism and violence, tourists refuse to leave the hotel and go on sightseeing tours to the desert, museums or the mountains, or to other cities in the interior of the country," tour bus driver Mohammed Aloui explained. "The tourists are reluctant to go out of their hotels, and would rather leave them just to fly back home. "That affects the income of service providers like car and bus owners, restaurant managers and handicrafts shops on the tourist trail."

Interior ministry spokesman Mohamed Ali Laroui insisted that his agency was looking after the resorts with "a precise, targeted security plan overseen by highly experienced security officers". He pointed out that Tunisia had not suffered serious terrorist attacks.

Despite such assurances, travel agency owner Mourad Dammak says the threats are real.

"In various countries around the world, terrorism is seen as the enemy of tourism and tourists, because any terrorist act will foster the idea that the state is unable to protect foreigners who come for tourism or as investors. In consequence, terrorism undermines the national economy as a whole," he said.

According to Dammak, incidents like the 2012 attack on the United States embassy, the assassinations of politicians **Chokri Belaid** and **Mohamed Brahmi** in February and July, respectively, and a **militant attack on Mt Chaambi** in late July in which eight soldiers were killed have all had a negative impact on tourism.

Things have not been helped, Dammak said, by "the numerous visits by Middle Eastern preachers to tourist cities like Sousse, Hammamet, Kairouan and Djerba, where they hold religious rallies and demonstrations, where the al-Qaeda is raised and anti-Western slogans are chanted."

"These visits created a negative image of tourism in Tunisia, particularly with the sensationalist Western media coverage which scares tourists," he added.

In June, Tourism Minister Jamel Gamra raised concerns with Prime Minister Ali Laarayedh about repeated visits by Egyptian preachers to Hammamet, where they held religious rallies on the beach.

Laarayedh promised to take steps to stop this happening.

At a press conference in September, Gamra said the continuing political crisis sparked by Brahmi's assassination was threatening what remained of the tourist season. He urged all political parties to settle their differences.

Dammak acknowledges that the quality of hotel and other services has declined markedly since the 2011 uprising. He puts this down to falling incomes – hotel managers just do not have the money to provide better service.

Helen Maude, an Italian tourist visiting Hammamet, said hotel standards, food and leisure activities had all got worse since she last visited Tunisia in 2006..

"Had I known that the services would be so poor, I would have never come to spend my holidays in Tunisia," she said.

Financial expert Moez Joudi says there is less new money coming into the tourist industry.

"As a result of political instability and the unclear political situation, the volume of foreign investment in tourism has fallen by 30 per cent," he said. "Investors always look for a stable political and security environment in any country where they plan to invest. If there's no stability, there's no investment."

The secretary-general of the federation of Tunisian travel agencies, Dhafer Letaif, says the industry is crippled by debt. Before the uprising, he said, hotel owners collectively owed 600 million dinars (365 million dollars). That figure has now topped three billion dinars (1.8 billion dollars). One fifth of the sum is actual debt, and the rest outstanding interest on loans.

Tunisian governments have been examining the debt problem since 2003, and international consultants have submitted suggestions and recommendations to various ministerial meetings. These were approved but were never implemented, Letaif said.

Hotel owner Neji Ouakil complains that new taxes introduced under the 2013 Finance Act will just add to

the mounting debts. Most of these taxes are going to be impossible to raise, he argues, pointing to a tax on hotel accommodation, increased levies on tourist facilities and restaurants, and a higher tax calculated per passenger in tourist vehicles. The price of alcohol has also gone up, while electricity and related costs are now 18 to 20 per cent higher.

Lassaad Najjar, who teaches at a government-run training institute for tourism, believes the industry needs to find new directions if it is to survive.

“Tourism in Tunisia has traditionally relied on sun and sea. It hasn’t looked for innovation,” Najjar said. Instead, he said, government and industry professionals should be trying to create a “real revolution” in which new, more diversified forms of tourism will contribute to regional development.

“We should not rely exclusively on seaside tourism,” he said.

The tourism ministry says it is aware of all the difficulties and challenges facing the industry faces, and it has a strategy in place to restore its vitality. In August, minister Gamra announced the launch of promotional campaigns designed to win back tourists who had been put off by the country’s political turmoil. In addition, he revealed plans to market Tunisia in new places, with tourist offices opened in Saudi Arabia and Istanbul.

Promising to set aside over ten square kilometres for new tourist facilities, the minister predicted strong growth in investment over the next two years.

Leading economist Mansour Moalla is optimistic that the Tunisian tourist industry’s underlying strengths will see it through.

“Despite the great difficulties the tourism industry has experienced since the revolution, it remains sound. It is in a position to take off again and recover its former position as long as we ensure security and political stability,” Moalla said.

He said the Tunisian uprising could even become a selling-point.

“Tunisia has become known internationally as a free country that rebelled against dictatorship. It has asserted its right to democracy and freedom, like those developed countries that represent the major market for Tunisian tourism. We need to value this new image,” he said.

Moez Hrizi produced this story after attending an IWPR training workshop in Tunis in September 2013.

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