

INSS Insight No. 1144, March 7, 2019

Tourism to Israel and National Security

Shmuel Even and Sason Hadad

In 2018, a record 4.1 million tourists visited Israel from all over the world. The figure is particularly impressive, given the security incidents in this period, the extensive coverage of security-related events by the foreign press and social media, and the BDS campaign. While global tourism between 2007 and 2018 increased 60 percent, tourism in Israel in the same period rose 100 percent. This figure reflects Israel's strong international standing and indicates that for now, tourists regard the Israeli security situation as solid. The scale of tourism to Israel is an achievement that should be cultivated given its political, social, and economic importance; it should also be considered as it relates to security matters.

Tourism has been on the increase for years throughout the world and figures among the vital economic drivers of many countries. Tourism to any destination is generally determined by the goal of the visit (sightseeing, family, religious pilgrimage, business, medical treatment) and by the options that countries offer tourists in terms of price, infrastructure, a welcoming atmosphere, attractions, and personal security. Tourism is among the parameters for assessing a country's foreign relations, and an indication of the extent to which it has achieved normalization with other countries. Tourism also constitutes a national security challenge, because of the need both to safeguard tourists and prevent the infiltration of hostile actors among the tourist flow.

Security incidents are liable to have an extensive impact on the scope of tourism. The September 11, 2001 terrorist attacks on the United States, for example, hit tourism worldwide. Some terrorist groups - in Egypt, for instance - target tourists in order to weaken the economy and the regime, and some take tourism into account as part of their operational planning. In his speech of August 2006, after the Second Lebanon War, Hezbollah Secretary-General Hassan Nasrallah explained that he was surprised by Israel's harsh response to the abductions launched by his organization, inter alia because of the tourist season that he knew was underway in Israel. His remarks implied that the Lebanese tourism season is a consideration for him, to be weighed against escalation.

Tourism to Israel before 2017

In 2000, 2.67 million tourists visited Israel (not including one-day visitors), compared to 1.1 million in 1990. The increase in tourism in the 1990s can be credited to both the Oslo accords with the Palestinians and the peace treaty with Jordan.

The second intifada, which erupted in September 2000, overturned this trend. The number of tourists to Israel plummeted to 1.12 million in 2001 and 862,000 in 2002 (a 68 percent decline from 2000). Recovery from this low began in 2005, which saw 1.78 million tourists. While there was a reduction in the number of tourists during the Second Lebanon War (July-August 2006), a total of 1.74 million tourists came to Israel that year. In 2007, the number of tourists rose to 2.06 million and in 2008 to 2.57 million. Operation Cast Lead (December 2008-January 2009) was presumably among the causes of an overall reduction in 2009 to 2.32 million tourists. In 2013, the number of incoming tourists reached 2.96 million. While tourist traffic fell during Operation Protective Edge (July-August 2014), 2014 the number of tourists that year reached 2.93 million.

Tourism to Israel in 2017-2018

In 2017, the number of tourists reached 3.61 million, compared to 2.9 million in 2016. A Central Bureau of Statistics (CBS) survey of incoming tourists that year found that their main reasons for coming to Israel were: sight-seeing and leisure (42 percent); visiting relatives and friends (25 percent); religious pilgrimage (19 percent); business (9 percent); and other (5 percent). According to the survey, 22 percent of tourists were Jews, 68 percent Christians, and the rest Muslims, adherents of other faiths, or those professing no religion. Jews made up 76 percent of tourists from France, 40 percent of tourists from the United States, and 36 percent of tourists from Great Britain.

Israel's incoming tourism reached a record high in 2018. According to the CBS, 4.1 million tourists came to Israel, representing a 100 percent increase from 2007 to 2018. The increase in tourism occurred despite the intermittent strengthening of the shekel against the dollar during 2018 and the relatively high hotel tariffs (according to 2017 data, a hotel room in Tel Aviv cost on average \$332 a night, compared to \$384 in Paris, \$161 in Barcelona, \$110 in Berlin, and \$91 in Istanbul). CBS data also found that the number of tourists in 2018 increased by 22 percent through May compared to the same period in 2017, while the increase for the months June through December was only 8 percent (compared to the same months in 2017). It is possible that security tensions (the confrontations at the Gaza Strip border and the terrorist attacks in the West Bank and in Jerusalem) tempered the rate of increase.

The highest number of tourist entries in 2018 was from the United States - 898,000 (15 percent more than in 2017) - and from France, with 346,000 (up 12 percent). The record increase in tourism was from Poland - 152,000, 56 percent more than in 2017, with part

of the growth linked to direct winter tourism to Eilat - and from Italy, with 151,000 (up 40 percent). By contrast, 316,000 tourists came from Russia (5 percent fewer than in 2017), 137,000 tourists from Ukraine (down 6 percent) and 105,000 tourists from China (down 15 percent).

Tourism to Jerusalem burgeoned by 37.5 percent in 2018, making it the top-growing tourist destination that year.

Tourism revenues are also on the rise. To judge from the partial data available, Israel's revenues from incoming tourism in 2018 exceeded \$6 billion (without factoring in outlay on foreign workers in Israel). According to CBS findings, these revenues reached \$5.68 billion in 2017, \$4.82 billion in 2016, and \$3.76 billion in 2010. Tourism also makes sizeable indirect contributions to the economy, for example in investment and commercial exports, as some tourists are businesspeople.

Significance

Though fluctuations in tourism are prompted by a range of factors (some of them seasonal) the number of incoming tourists can be viewed as an indicator of tourists' sense of security in Israel. The scale of tourism is also a gauge of Israel's attractiveness and the normalization of Israel's relations with various countries. The dramatic increase in the scale of tourism over the last decade, despite the security situation - and the tourist community is generally highly sensitive to security incidents - and the BDS phenomenon, may attest both to tourists' sense of security in Israel and to a BDS failure in this realm. The figure is also remarkable given its disparity with the widespread feeling in Israel that the security situation is highly volatile.

An overview of the multi-year graph of tourism to Israel suggests that limited security incidents like the Second Lebanon War, Operation Cast Lead, and Operation Protective Edge had an impact on tourism that was limited in terms of duration and damage. Thus, most tourists apparently believed that Israel was not in significant danger, *inter alia* because the focus of operations was in the north or the south of the country while the main tourism centers - Jerusalem, Tel Aviv, the Dead Sea, and Eilat areas - were not under apparent threat. Recovery from such events is not automatic, because tourists tend not to investigate security incidents deeply and presumably are swayed to a large degree by the media. By contrast, during the second intifada, which saw a protracted conflict that included the country's central areas, there was a major impact on tourism that entailed long term recovery.

The increase in the number of tourists from the United States and France reflects the good relations between Israel and these countries and importance of the ties between the

Jewish communities of these countries to Israel. It is possible that the increase in tourism from France to Israel is also an effect of the increase in anti-Semitism there and in Europe generally. In other words, some of the tourists are French Jews who may feel far safer in Israel and may even be thinking of possible immigration to Israel.

The scale of tourism to Israel is an achievement that deserves to be examined given its political, social, and economic importance; it should also be considered as it relates to security matters. Ongoing investment in security for special events (like the 2019 Eurovision in Tel Aviv in May) has a part to play. By the same token, when a war or large scale operation is launched, the anticipated damage to tourism to Israel should not be ignored.