

Israel

Tourism in the economy

Tourism contributes 2.8% to Israel's GDP and about 3.5% of total employment, counting only direct tourism jobs. The combined total of direct and indirect tourism jobs is some 210 000, or just over 7% of total employment.

There were 2.9 million international tourist arrivals in 2014 (1% less than in 2013), plus 324 500 same-day visitors. International tourism receipts amounted to USD 6.4 billion. Israel's most important international origin markets are, in order of size, the United States, the Russian Federation, France, the United Kingdom and Germany, accounting together for approximately half of all tourist arrivals.

Revenues from incoming tourism in 2014 are estimated to account for 13% of service exports and 5% of total exports by Israel. In the first half of 2015 international tourist arrivals fell 16% compared with the first half of the previous year, due to some negative effects from the geopolitical situation in the region.

Tourism governance and funding

Policy, marketing and the development of the tourism sector are handled by the Ministry of Tourism, which is assisted by several other ministries in the fields of building infrastructure, site development, rural and agro tourism, SME development and job training. These include the Ministry of Environmental Protection, the Ministry for the Development of Negev and Galilee, Ministry of the Economy and the Ministry of Agriculture.

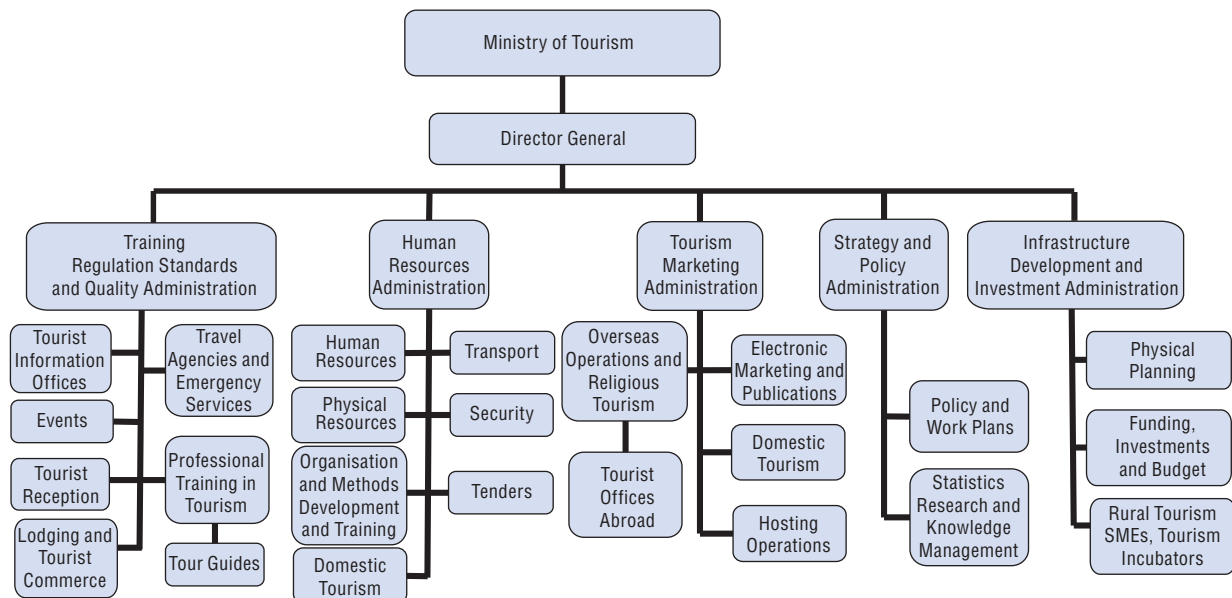
There are also many local organisations promoting tourism in Israel. The regional and local authorities have the following powers and responsibilities:

- Examination by local planning committees of all building projects within their jurisdiction, including hotels and other tourism projects, and forwarding recommendations to the National Planning Committee, of which the regional and local authorities are members;
- Issuing construction permits;
- Collecting local taxes. During a crisis, or as means of encouragement, this tax burden on tourism projects may be eased;
- Maintaining tourist sites;
- Operating projects in joint venture with the Ministry of Tourism including: building tourism infrastructure e.g. promenades along the beaches, bike routes etc.; marketing campaigns for the domestic tourism market; and organising and promoting local events and festivals.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

In a few resort cities/regions, namely Acre, Dead Sea, Eilat, Jaffa, Jerusalem and Tel-Aviv, the Government has long ago established Government Development Companies.

Israel: Organisational chart of the tourism bodies



Source: OECD, adapted from the Ministry of Tourism, 2016.

In 2014 the general budget of the Ministry of Tourism was ILS 710 231 million. Some 33% of this was allocated to marketing, 28% to investment incentives and 26% to infrastructure investment. All funding comes from the Government's general budget. Marketing and infrastructure are funded by the Government and accommodation by the private sector (sometimes with government grants).

Tourism policies and programmes

The current main issues and challenges in Israel are:

- Developing low cost alternative products for holidays in Israel, including Bed and Breakfast hotels, camping and motor-home grounds, and bicycle trails,
- Working with the local industry and different regulators to lower the existing operation costs which make Israel an expensive destination,
- Expanding the volume of accommodation available for tourists, using investment incentives to attract entrepreneurs,
- Renovating and upgrading traditional regional resort destinations (Dead Sea, Eilat, Tiberias) in order to restore and increase their competitive edge.

The main national policy priority areas in relation to tourism are raising the competitiveness of tourism and supporting inclusive growth, among others, in peripheral regions and in SMEs.

The Ministry of Tourism is currently implementing and funding a hotel rating project, using the European Hotelstars system. The Hotelstars system has been adjusted slightly to accommodate Israeli conditions and is based on 270 physical and service criteria which are used to assess each hotel. The system is based on co-operation and dialogue with the

hoteliers and allows them to make necessary improvements. Inspections will be used by the Hotel Commissioner at the Ministry of Tourism to set each hotel's final classification. A list of classified hotels, classification criteria and more information will be posted on the Ministry of Tourism website. Hotels can join the classification program on a voluntary basis.

This project may support increased customer confidence, a reliable reflection of service quality according to uniform and international standards, and improved hotel marketing in Israel and abroad. The Ministry of Tourism believes that this project will benefit hotel owners, domestic and foreign tourists, the tourism industry and the state of Israel.

The Ministry of Tourism also implements the following actions in order to support sustainable development:

- Prioritising grants for new hotel construction where entrepreneurs commit to build according to green standards,
- Developing tourist infrastructure (e.g. promenades, beaches, visitor centres etc.) using green building standards,
- Supporting the development of tourism within local communities and minority villages specifically in peripheral areas such as Galilee and Negev,
- Co-operating with the Ministry of Environmental Protection and the Ecotourism Israel association in different activities, e.g. developing an evaluation tool for green tourism initiatives, to be posted on the Ministry's website.

Statistical profile

Table 1. Israel: Domestic, inbound and outbound tourism

	2010	2011	2012	2013	2014
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	6 412	6 711	6 997	7 130	7 300
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	15 901	15 865	16 260	16 452	16 413
Hotels and similar establishments	12 931	12 952	13 360	13 564	13 762
Specialised establishments	1 081	1 051	1 026	1 043	983
Other collective establishments	953	973	967	991	1 013
Private accommodation	936	888	906	854	655
Inbound tourism					
Total international arrivals	3 444	3 362	3 520	3 540	3 251
Overnight visitors (tourists)	2 803	2 820	2 886	2 962	2 927
Same-day visitors (excursionists)	641	542	635	578	325
Top markets					
United States	620	581	584	597	686
Russian Federation	551	494	526	405	411
France	287	269	263	292	289
United Kingdom	181	168	165	173	165
Germany	179	180	158	160	162
Nights in all types of accommodation	11 292	11 390	11 249	11 485	10 921
Hotels and similar establishments	10 573	10 699	10 541	10 804	10 276
Specialised establishments	..	..	..	..	..
Other collective establishments	346	306	306	307	254
Private accommodation	65	66	76	57	55
Outbound tourism					
Total international departures	4 269	4 387	4 349	4 757	5 181
Overnight visitors (tourists)
Same-day visitors (excursionists)
Top destinations					
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TOURISM RECEIPTS AND EXPENDITURE, MILLION USD					
Inbound tourism					
Total international receipts	5 825	6 030	6 178	6 452	6 448
International travel receipts	5 106	5 305	5 446	5 666	5 691
International passenger transport receipts	719	725	732	786	757
Outbound tourism					
Total international expenditure	4 726	4 936	4 852	5 177	5 583
International travel expenditure	3 707	3 838	3 753	3 961	4 238
International passenger transport expenditure	1 019	1 099	1 100	1 216	1 345

.. Not available

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Source: OECD Tourism Statistics (Database).


StatLink  <http://dx.doi.org/10.1787/888933320102>


Table 2. **Israel: Enterprises and employment in tourism**

	Number of establishments 2014	Number of persons employed				
		2010	2011	2012	2013	2014
Total	..	99 000 e	103 000 e	114 400 e	120 000 e	..
Tourism industries	17 585	..	..	110 400 e	..	..
Accommodation services for visitors	1 632	..	..	38 800 e	39 000 e	..
Hotels and similar establishments	366	..	..	..	..	..
Food and beverage serving industry	10 060	..	..	12 500 e	..	..
Passenger transport	..	..	..	9 300 e	..	..
Air passenger transport	..	..	..	4 800 e	..	..
Railways passenger transport	..	..	..	..	..	..
Road passenger transport	..	..	..	4 500 e	..	..
Water passenger transport	..	..	..	..	..	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	..	..	..	7 000 e	..	..
Travel agencies and other reservation services industry	1 494	..	..	14 900 e	..	..
Cultural industry	..	..	..	..	..	..
Sports and recreation industry	..	..	..	9 500 e	..	..
Retail trade of country-specific tourism characteristic goods	4 399	..	..	18 400 e	..	..
Other country-specific tourism industries
Other industries	4 000 e

.. Not available; e Estimated value

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Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888933320110>Table 3. **Israel: Internal tourism consumption**


Million ILS

	2012		
	Domestic tourism consumption	Inbound tourism consumption	Internal tourism consumption
Total	..	..	..
Consumption products	20 818	19 565	40 383
Tourism characteristic products	18 872	15 415	34 287
Accommodation services for visitors	6 045	4 305	10 350
Food and beverage serving services	1 182	2 230	3 412
Passenger transport services	..	..	..
Air passenger transport services	5 410	3 253	8 663
Railways passenger transport services	..	..	..
Road passenger transport services	596	871	1 467
Water passenger transport services	..	..	..
Passenger transport supporting services	..	..	..
Transport equipment rental services	1 890	1 301	3 191
Travel agencies and other reservation services industry	2 632	1 077	3 709
Cultural services	..	..	..
Sports and recreation services	747	350	1 097
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	370	2 028	2 398
Other consumption products	1 946	4 151	6 097
Tourism connected products	1 946	4 151	6 097
Non-tourism related consumption products
Non-consumption products

.. Not available

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Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888933320127>



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