

Israel

Tourism in the economy

Tourism accounts directly for 2.8% of Israel's GDP and about 3.5% of total employment. The combined total of direct and indirect tourism jobs is estimated at 230 000, representing just over 6% of total employment.

In 2016, there were 2.9 million international tourist arrivals, 3.6% more than in 2015. There were also 169 800 same-day visitors. Domestic tourism accounted for about 62% of all person/nights in all types of accommodation.

International tourism receipts are estimated at USD 4.7 billion. Israel's most important international source markets are, in decreasing order of size, the United States, the Russian Federation, France, the United Kingdom and Germany, together accounting for 54% of all tourist arrivals.

Revenues from incoming tourism are estimated to account for 15% of services exports and 5% of total exports in 2016. In the first half of 2017 international tourist arrivals increased by approximately 25% compared with the first half of the 2016, mainly due to the positive effects of geopolitical stability in the region and intensive marketing effort, specifically in Europe.

Tourism governance and funding

Tourism policy, marketing and development of the tourism sector are handled by the Ministry of Tourism, assisted by several other ministries, with a focus on infrastructure and site development, rural and agro tourism, SME development, and job training. These ministries 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 regional and local organisations promoting tourism in Israel. The regional and local authorities have the following powers and responsibilities:

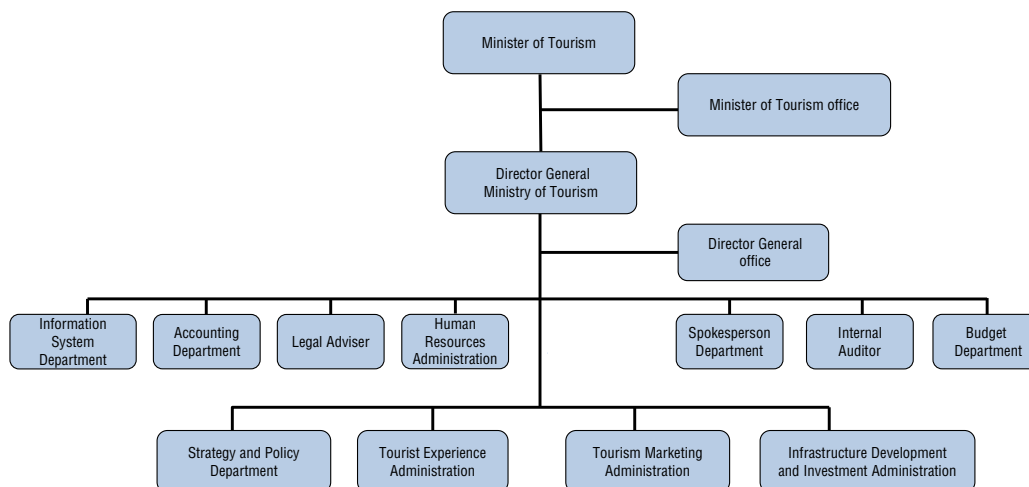
- Examination by local planning committees of all building projects within their jurisdiction, including hotels and other tourism projects, and forwarding recommendations to the National Planning Committee, of which they are members,
- Issuing construction permits,
- Collecting local taxes, although during a crisis, or as means of encouragement, the tax burden on tourism projects may be eased,
- Maintaining tourist sites,

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.

- Operating projects as joint ventures with the Ministry of Tourism, including: constructing tourism infrastructure (e.g. beach promenades and bike routes); domestic marketing campaigns; and organising and promoting local events and festivals.

In the resort cities and regions of Acre, Eilat, Jaffa, Jerusalem and Tel-Aviv, the Government has established Government Development Companies.

Israel: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Tourism, 2018.

In 2016, the general budget of the Ministry of Tourism was ILS 930 million. Of this total, some 43% was allocated to marketing, 24% to investment incentives, and 23% to public tourist infrastructure. All funding comes from the Government's general budget. Marketing and infrastructure are funded by the Government and local authorities, while accommodation is funded by the private sector, although, sometimes with the support of government grants.

Tourism policies and programmes

The main issues and challenges for tourism in Israel are:

- Diversification and improvement of the product and intensification of the tourist experience, including development of public infrastructure for tourism,
- breaking into and development of new markets while preserving existing markets and visitor flows,
- Creating and providing easy access to tourist information,
- Adapting the product to visitors from new and emerging source markets.

Policy priorities include:

- Expansion of hotel supply through investment,
- Raising the competitiveness of tourism, in particular by lowering vacation prices through easing hotel regulations and promoting alternative types of accommodation,
- Marketing and promotion, mainly through incentivising airlines to include Ben-Gurion, Ovda and the new Ilan Ramon (to open in 2018) Airports in their itineraries in order to

increase the number of flights to Israel; and co-operation with on-line (OTA) and off-line travel agents, offering incentives according to the extent of increase in purchases of packages to Israel,

- Improving the tourist experience, making information accessible on a digital level and supporting the creation of new tourism smartphone applications,
- Developing new tourist products, such as the Desert Tourism product in the Negev area (Box 1.10).

Policies aimed at addressing these challenges and priorities include:

- Placing emphasis on the tourist experience, building specific facilities (such as bicycle tracks and provision for camping), lowering prices and upgrading information bureaux,
- Encouraging investment in tourism, including identification of, and engagement with, entrepreneurs,
- Supporting negotiations with a range of OTAs and airlines,
- Diversifying the types of accommodations, and increasing the number of hotel beds,
- Streamlining innovative technological work,
- Improving marketing activity: conducting familiarisation trips, hosting visits by journalists and others of influence, and increasing Ministry activity with digital campaigns,
- Consolidating research tools and programs, and monitoring performance.

Statistical profile

Table 1. Israel: Domestic, inbound and outbound tourism

	2012	2013	2014	2015	2016
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	6 997	7 130	7 300	7 946	8 183
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	16 260	16 452	16 413	17 066	17 315
Hotels and similar establishments	13 360	13 564	13 762	14 368	14 549
Specialised establishments	1 026	1 043	983	965	984
Other collective establishments	967	991	1 013	1 012	1 080
Private accommodation	906	854	655	720	703
Inbound tourism					
Total international arrivals	3 520	3 540	3 251	3 109	3 070
Overnight visitors (tourists)	2 886	2 962	2 927	2 799	2 900
Same-day visitors (excursionists)	635	578	325	309	170
Top markets					
United States	584	597	686	637	672
France	263	292	289	300	293
Russian Federation	526	405	411	415	285
United Kingdom	165	173	165	198	197
Germany	158	160	162	198	180
Nights in all types of accommodation	11 249	11 485	10 921	9 973	10 412
Hotels and similar establishments	10 541	10 804	10 276	9 335	9 713
Specialised establishments	..	..	..	..	..
Other collective establishments	306	307	254	287	340
Private accommodation	76	57	55	48	62
Outbound tourism					
Total international departures	4 349	4 757	5 181	5 891	6 781
Overnight visitors (tourists)
Same-day visitors (excursionists)
Top destinations					
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TOURISM RECEIPTS AND EXPENDITURE, MILLION USD					
Inbound tourism					
Total international receipts	6 068	6 498	6 495	6 490	5 722
International travel receipts	5 334	5 729	5 766	5 794	5 722
International passenger transport receipts	734	769	729	696	..
Outbound tourism					
Total international expenditure	5 009	5 758	6 534	7 507	6 844
International travel expenditure	3 909	4 542	5 189	6 012	6 844
International passenger transport expenditure	1 100	1 216	1 345	1 495	..

.. Not available

Source: OECD Tourism Statistics (Database).



StatLink  <http://dx.doi.org/10.1787/888933640386>

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

	Number of establishments	Number of persons employed				
	2016	2012	2013	2014	2015	2016
Total	..	122 100 e	120 000 e	..	..	..
Tourism industries	21 521	118 100 e	..	..	..	..
Accommodation services for visitors	1 585	38 800 e	39 000 e	..	..	..
Hotels and similar establishments	388	..	..	..	..	..
Food and beverage serving industry	13 697	12 500 e	..	..	..	..
Passenger transport	..	17 000 e	..	..	..	..
Air passenger transport	..	12 500 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	1 451	14 900 e	..	..	..	..
Cultural industry	..	..	..	..	..	..
Sports and recreation industry	..	9 500 e	..	..	..	..
Retail trade of country-specific tourism characteristic goods	4 400	18 400 e	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
Other industries	..	4 000 e	..	..	..	..

.. Not available; e Estimated value

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888933640405>Table 3. **Israel: Internal tourism consumption**

Million ILS

	2014		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	21 291	19 518	40 809
Tourism characteristic products	19 021	15 326	34 347
Accommodation services for visitors	6 381	4 195	10 576
Food and beverage serving services	1 240	2 252	3 492
Passenger transport services	..	..	..
Air passenger transport services	5 084	3 053	8 137
Railways passenger transport services	20	..	20
Road passenger transport services	644	879	1 523
Water passenger transport services	..	..	..
Passenger transport supporting services	..	..	..
Transport equipment rental services	1 831	1 314	3 145
Travel agencies and other reservation services industry	2 631	1 128	3 759
Cultural services	758	368	1 126
Sports and recreation services	..	..	..
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	432	2 137	2 569
Other consumption products	2 270	4 192	6 462
Tourism connected products	2 270	4 192	6 462
Non-tourism related consumption products	..	..	..
Non-consumption products	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888933640424>



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