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# IRAQ PRIVATE SECTOR GROWTH AND EMPLOYMENT GENERATION

July 16, 2007

## The Tourism Industry in Iraq



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## **DISCLAIMER**

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# I. Executive Summary

With 842 million international arrivals reported for 2006<sup>1</sup>, tourism is one of the world's fastest growing industries, an industry of choice for many emerging markets and post-conflict countries because barriers to entry are generally lower than for other industries. Tourism brings new revenue through visitor spending, stimulating employment, and potentially increased tax revenue, export earnings, and foreign investment. Increased tourism also acts a catalyst for other sectors since it is highly interdependent with nearly every part of an economy.

Tourism should be a high priority sector for jump-starting Iraq's economy when it can overcome key challenges:

- Safety and security is important in general, and specifically for visitors.
- Sufficient services and infrastructure development – hotel capacity, trained staff, airport capacity, and roads – are necessary to accommodate increases in tourism to currently accessible destinations.
- Protection of cultural heritage, especially archaeological sites, is vital to the country's future. Conservation of natural heritage, especially the Marshlands, is important for the country's ecotourism potential.
- Improving the image of those places that can currently be visited – Iraqi Kurdistan, Najaf and Karbala – is critical to help attract those who are likeliest to visit.

Key to the most successful destinations are investment, tourism/resource management, marketing, and quality products/services. A sustainable tourism industry requires government and industry working together on a strategy that prioritizes development and management of resources within the country based on accessible markets, funding and specific timeframes.

This report focuses on immediate, short/mid-term and long-term recommendations for domestic and international policy makers, indigenous private sector, and investors to stimulate Iraq's tourism industry. Immediate recommendations (within the next six months) include:

- Continue emergency funding for protection of sites and recovering stolen artifacts.
- Institute sufficient legal protection and enforcement policies for natural and cultural sites.
- Utilize the Internet to provide information on existing tourism and restoration activities.

Short- to mid-term recommendations (6-36 months) can move Iraqi tourism from a "protection and stabilization" phase into a pro-active development phase. Key recommendations include:

- Encourage USAID to serve as key resource for investors interested in current tourism-related projects.
- Conduct detailed tourism inventories in Iraqi Kurdistan, Najaf and Karbala.
- Upgrade hospitality services and skills of current tourism industry workers.
- Invest in and make infrastructure improvements to increase capacity.
- Cultivate the meetings market and religious tourism to Najaf and Karbala.
- Showcase Babylon as a world heritage destination and "anchor" destination to increase visitation.

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<sup>1</sup> World Tourism Organization press release, January 29<sup>th</sup>, 2007

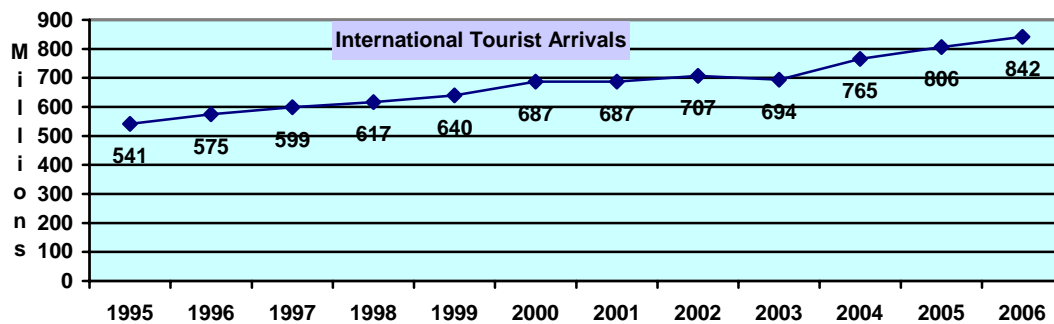
Longer-term recommendations (3-10 years) provide the foundation for growing Iraqi tourism into a viable, sustainable economic engine and regional competitor. These strategies include:

- Reestablish the regulatory and policy making authority of the Ministry of Tourism.
- Enhance staffing and expertise at the State Board of Antiquities and Heritage (SBAH) and cultural, historic and archaeological sites.
- Develop a Nature Preserve or UNESCO Geopark system to help conserve and preserve areas.
- Expand tourism product through appropriate development and enhancement.

## II. Tourism: A Global and Regional Perspective

### A. Profile of the Global Tourism Industry

The United Nations World Tourism Organization (UNWTO) reports that international arrivals increased from 25 million in 1950 to an estimated 842 million in 2006, for an average annual growth rate of more than 6 percent.<sup>2</sup> Tourism receipts also rose to a record high in 2004 of US\$633 billion (approximately EUR 509 billion), representing a 9.2 percent increase.<sup>3</sup>



In 2004, half of international tourist arrivals (383 million) were for leisure, recreation and holidays. Business travel accounted for 16% of the total (119 million) and another 26% (198 million) traveled for other motives such as visiting friends and relatives (VFR), religious purposes/pilgrimages, health treatments, etc. Almost half of all international tourists arrived at their destination in 2004 overland, either by road (44%) or rail (5%). Air transport represented 43% of arrivals in 2004 (an increase of 15 percent), and transport over water accounted for 7% (8% growth from 2003).

#### 1. Key Trends in Tourism

As countries embrace tourism as a catalyst for economic growth, competition is increasingly fierce to attract travelers and their spending. Even mature destinations must deal with the impact of technology on trip planning and purchasing, changing demographics of visitors, new motivations for travel, and the mechanisms required to capture greater market share (both volume and spending). Several trends emerge as the industry matures globally:

<sup>2</sup> UNWTO, Historical Perspective of World Tourism, <http://www.unwto.org/facts/menu.html>

<sup>3</sup> UNWTO Tourism Barometer, January 2007, p. 1

### **a. Long haul trips on the rise**

UNWTO defines long-haul trips as everything except intraregional travel (travel occurring primarily between countries of the same geographic region or economic zone.) Between 1985 and 1995, long haul arrivals in the Middle East exceeded intraregional arrivals for the first time.<sup>4</sup> By 2020, UNWTO projects there will be 18 million more long-haul arrivals in the region than intraregional ones. In fact, UNWTO states “long haul travel worldwide will grow faster, at 5.4 percent per year over the period 1995-2020, than intraregional travel, at 3.8 percent. Consequently, the ratio between intraregional and long haul travel will shift from around 82:18 in 1995 to around 76:24 in 2020.”<sup>5</sup> Substantial outbound long haul travel increases are expected in general due to the rise in low cost carriers and an affluent middle class.

### **b. Safety and security: a growing concern**

While tourism is resilient and demonstrates a strong capacity for economic recovery, tourism will not flourish to destinations in civil turmoil, at war, or where tourists’ health or security is perceived to be under threat.

UNWTO reports “Southern and Mediterranean Europe (+4%) suffered a slowdown in growth in 2006, exacerbated by the 7% fall in arrivals in Turkey. This can of course be attributed in part to increased political tension as a result of the Israel-Lebanon crisis, although Turkey has also suffered from terrorist attacks and threats, not to mention the turmoil caused by the Danish caricatures incident early in the year. The shift in tourism demand from the eastern shores of the Mediterranean to tried and tested destinations on the western shores, such as Spain (+4.5%), Italy (+11% up to October) or Portugal (+7.5% in overnights through November) continued in 2006 – also influenced by the Middle East crisis. This also explains the decline or slowdown for countries like Cyprus (-2.8%). One of the few markets that did well to Cyprus was Russia (up 17% in the first 11 months). However, arrivals from the UK, which supply more than half of Cyprus’s tourists, were down 2% over the same period.”<sup>1</sup> (Source: UNWTO Tourism Barometer, January 2007)

### **c. “High Value” specialized travel preferred for optimal benefits and experiences.**

Visitors and destinations are choosing “high-value” tourism because the segment yields richer experiences for which visitors will gladly pay premiums. “High value” can be what National Geographic defines as Geotourism: “tourism that sustains or enhances the geographical character of a place—its environment, culture, aesthetics, heritage, and the well-being of its residents.” According to the Centre for Future Studies, the relevant “high-value” or niche travel markets tipped to grow over the next five years include a) festivals and fiestas, b) wildlife and nature tours, c) sports tourism, and d) soft and extreme adventure tourism.<sup>6</sup> The religious tourism opportunities offered by Najaf and Karbala and Geotourism possibilities in Iraqi Kurdistan are potentially “high value” segments.

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<sup>4</sup> UNWTO World Tourism Market Trends 2005, p. 92

<sup>5</sup> UNWTO World Tourism Market Trends 2005, p. 92

<sup>6</sup> <http://www.travelmole.com/stories/1118268.php>

## B. Growing Tourism Segments

### 1. Cultural Tourism

According to UNWTO estimates, cultural tourism has been one of the market segments showing the highest rate of growth, representing one fifth of the tourism market. Examples abound worldwide of countries capitalizing on their cultural heritage as assets for building a tourism industry – Egypt and their Pharaonic, Coptic Christian and Islamic monuments; Mexico and their Aztec and Mayan monuments; and Peru and their Inca monuments. Given that certain source markets will be evolving, prospects for growth in cultural tourism look very promising.

#### a. Religious Tourism

Defined by UNWTO as part of cultural tourism, religious tourism usually includes two types of visits: 1) Pilgrimages and tours to sacred places for devotion, spirituality and worship; and 2) Architectural, cultural heritage or other general tours that include visits to religious buildings or sites as part of an educational or destination experience.

Religious Tourism <sup>7</sup>		
Activity	Country	Visitation
Pilgrimage for the Hajj	Saudi Arabia	2.5 million annually
Visits to the holy shrines of Najaf and Karbala	Iraq	5 million (2005) <sup>8</sup>
Pilgrimage to Kumbha Mela	India	75 million (2001)
Pilgrimage to Lourdes	France	6 million (2005)
Tours of Vatican sites	Italy	220,000 – 250,000 annually
Medjugorje	Bosnia-Herzegovina	800,000 – 1 million <sup>9</sup>

#### b. Historical and Archaeological Tourism

Travelers are increasingly interested in visiting sites with a story, sites with history. Tourism organizations and operators, as well as organizations such as the Smithsonian, National Geographic, and archaeological institutes around the world are latching onto this trend with special tours focused on historical places, especially archaeological sites. Iraq, with over 12,000 archaeological and historical sites, some of world heritage status and significance, has the potential to tap this trend. As an indicator of the popularity of historical and archaeological tourism, the online “Info Hub Specialty Travel Guide” ([www.infohub.com](http://www.infohub.com)) offers a list of “Culture and History Vacations” for nearly every country. Iran is listed, for example, with information from a local Iranian tour operator.<sup>10</sup> Another site, <http://www.specialtytravel.com>, lists over 60 tour operators specializing in archaeology and history tours.

<sup>7</sup> International Conference on Religious Tourism, October 2006: Yunis

<sup>8</sup> From Islamic Tourism online: [http://www.islamictourism.com/news\\_E.php?id=1857&search=najaf](http://www.islamictourism.com/news_E.php?id=1857&search=najaf)

<sup>9</sup> Tourism Association Bosnia-Herzegovina

<sup>10</sup> [http://www.infohub.com/travel\\_company/8758.html](http://www.infohub.com/travel_company/8758.html)

## 2. Nature-based and Ecotourism

Ecotourism is defined as “responsible travel to natural areas that conserves the environment and improves the welfare of local people.”<sup>11</sup> In 2004, UNWTO reported that ecotourism/nature tourism was growing globally three times faster than tourism industry as a whole.<sup>12</sup> This bodes well for ecotourism opportunities in Iraq, especially in the Marshlands and in Iraqi Kurdistan.

According to The International Ecotourism Society (TIES), the typical *ecotourist* is an experienced middle-aged traveler who is well educated and affluent. Destinations focusing on eco- or nature-based tourism often realize greater economic impact and minimal invasion on resources because of the high spending characteristics and motivations of the ecotourist. 80% of the money for all-inclusive package tours goes to airlines, hotels and other international companies. Eco-lodges tend to hire and purchase locally and therefore put a higher percentage – sometimes as much as 95% of money into the local economy.<sup>13</sup>

Bird-watching is a growing international “niche market” of eco-tourism. For example, Victor Emanuel Nature Tours, the largest birding tour company in the world ([www.ventbird.com](http://www.ventbird.com)) offers a Western Turkey Birds & History 12 day Tour for \$4465 per person. Another birding company, WINGS, with offices in US and UK offers a 14 day tour for \$5910 per person in Oman and an Egypt “Birds & History Tour” scheduled for April 2008. The BirdLife Global Partnership has over 10,000,000 supporters worldwide in over 100 countries.

## 3. “Sun & Sand” Tourism

While the sun and sand segment will continue to be a dominant segment, package holidays are declining in market share. To sustain this segment, operators and destinations are mixing the “sun/sand experience” with special niche experiences. Day-trips from beach vacations, for example, involving cultural and heritage activities are growing in popularity.

## C. Tourism in the Middle East

The Middle East posted impressive tourism results in 2004, with an arrivals growth rate of 21 percent mostly due to intraregional travel fuelled by investment in marketing and development. Receipts grew by nearly 12 per cent to US \$25.3 billion (20.3 billion euros) buoyed by increased disposable income in the region from rising oil prices.<sup>14</sup> Arrivals account for 4.7 percent of the total world arrivals and 4 percent of tourism’s total receipts. Almost two thirds of all travelers to the Middle East (62%) went for leisure, recreation and holiday purposes; “visiting friends and relatives, health, religion or other” represented a significant 25 percent market share.

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<sup>11</sup> The International Ecotourism Society (1990)

<sup>12</sup> World Tourism Organization, June 2004

<sup>13</sup> United National Environment Programme, “Economic Impacts of Tourism”, 2004

<sup>14</sup> UNWTO World Overview & Tourism Topics, Tourism Market Trends, 2005 Edition

Country	2005 Arrivals	Direct and indirect contribution to GDP <sup>15</sup>	Total Demand Econ activity (US\$ mn) (06)	% of Total Employment (2006)	Capital Inv. P-P % '06 total
Egypt	8.6 mn	15 % of GDP	18,878.5	12.6 %	US \$3.2 bn/16.5%
Turkey	21.1 mn	13.5 % of GDP	63,884.5	7.8 %	\$11.9 bn/ 14.5%
Saudi Arabia	10.4 mn	8.2 % of GDP	34,822.5	8.7 %	\$3.5 bn or 6.6%
UAE	6 mn (2004)	11.9% of GDP	33,920.0	11.3%	\$12.7 bn or 30.6%

The focus on tourism has required Middle Eastern countries to embrace new policies and practices to help grow the industry, attract private sector partners and investments, market more effectively, and manage resources. Over the past decade:

- The Dubai Government, in close coordination with its private sector, has implemented deliberate, proactive policies. In 2006, passenger traffic to Dubai Airport increased 16% to 28.7 million.<sup>16</sup>
- The Iran Cultural Heritage and Tourism Organization, which reports directly to the President, now manages Iran's tourism sector.
- Kuwait completed its tourism master plan and launched a five-year marketing plan.
- Syria continued development of specific tourism products: coastal tourism, desert tourism and ecotourism.
- Qatar focused on developing and marketing niche markets like sports and wellness tourism.
- Israel, Jordan and Egypt launched their first-ever joint campaign to promote their coastline region as the "Red Sea Riviera."
- Substantial tourism growth has driven infrastructure improvements:
  - New accommodation units under construction in Dubai, Kuwait (22 hotels with over 4,500 rooms), and Qatar (3,700 new rooms).
  - 14 new establishments in Oman opened in 2004.
  - Cyprus created incentives for low category accommodation providers to upgrade.<sup>17</sup>

## 1. Trends for Tourism in the Middle East

As the Middle East experiences a decrease in oil revenues during the next 20 to 30 years, many countries are developing tourism as an opportunity to offset the decrease and showcase their other natural assets, historic cultures and Islamic traditions. Fast growing destinations – like Dubai and Qatar – are encouraging authorities and investors to develop infrastructure and superstructure to accommodate the anticipated 81.4 million international tourist arrivals to the Middle East by 2020.<sup>18</sup> Although growth of long-haul tourism will outpace that of intraregional tourism, tourism between the Arab states will still grow at a rate of more than one-and-a half times that for all international tourism. Egyptian Tourism officials reported that 88,000 Saudi tourists visited Egypt last year for a 7.5% increase over 2005, representing 22% of all Arab tourists who visited in 2006.<sup>19</sup>

<sup>15</sup> World Travel & Tourism Council defines direct contribution as the supply-side contribution from traditional travel and tourism providers such as hotels, airlines and car rental companies. Indirect is defined as the upstream resident economy contributions from suppliers to the providers.

<sup>16</sup> UNWTO Tourism Barometer, January 2007, p. 38

<sup>17</sup> UNWTO World Overview & Tourism Topics, 2005 Tourism Market Trends Edition

<sup>18</sup> UNWTO World Overview & Tourism Topics, 2005 Tourism Market Trends Edition

<sup>19</sup> [www.Arabnews.com](http://www.Arabnews.com), Islamic Tourism Magazine, May 31, 2007

### **UNWTO Projections for Middle East Tourism: Year 2020<sup>20</sup>**

- Over 25 million (37%) of all arrivals to the Middle East will be from the region.
- 22 million arrivals (32%) in the region will be from Europe.
- Egypt will remain the region's top destination with 17 million international arrivals, a growth rate of 7.4% annually; Saudi Arabia will attract 12 million international arrivals.
- Dubai, Bahrain and Jordan will receive between 5 and 8 million international tourist arrivals.
- Oman, Lebanon and Syria will receive 3 - 4 million international tourist arrivals; Libya will reach the one million mark.
- Remaining destinations will grow below the region's average. As a consequence, the region faces decreased market share, although in absolute terms, all will see international tourist arrivals increase from almost threefold to more than fivefold.
- The UNWTO report did not include Iraq in its Year 2020 forecast, published in 2000.

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<sup>20</sup> UNWTO World Overview & Tourism Topics, 2005 Tourism Market Trends Edition

### III. Summary of Iraq's Existing Tourism & Potential Competitive Advantages

Iraq, as the cradle of civilization, the Biblical Fertile Crescent, has the potential of eventually being recognized as a tourism destination. The country is home to some of the greatest ancient sites in the world. The Tigris and Euphrates rivers have supported life in Iraq for more than five thousand years. In addition, the Iraqi landscape ranges from snowy northern peaks in winter to dramatic desert sands and marshlands that demonstrate little change from ancient times. Iraqi Kurdistan is gradually gaining recognition as a tourist destination distinct from the rest of Iraq and thus attracting increased tourism-related investment. The region is relatively peaceful, safe and stable.

“Cultural tourism,” according to UNESCO official Philippe Delanghe who helped preserve and protect the country's antiquities, “could become Iraq's second biggest industry after oil.”<sup>21</sup> Visits to archaeological sights and cultural monuments comprise the main form of cultural tourism for Iraq.

The country has recorded over 12,000 historical sites, but many of these sites are in desperate need of protection, preservation work, signage, and trained staff on-site. Cultural sites – specifically archaeological and religious sites – suffer from neglect, looting and serious deterioration. Because technical assistance and tools are lacking, Iraq's heritage sites have received conservation of inconsistent quality and authenticity. Almost no funding has been available for emergency intervention or on-going maintenance, causing a serious deterioration of sites across the country.

#### **Significant Religious, Historical and Cultural Assets**

Iraq has some of the most significant shrines in Shiite and Sunni Islam, along with sites associated with Biblical Judaism and Christianity. In the nineteenth and early twentieth centuries Iraq – like Egypt and the Anatolian areas of Turkey – was the location of some of the most famous archaeological excavations in history. Short-term, Najaf and Karbala offer the greatest potential for religious tourism; long-term, World Heritage Sites, such as Babylon, can help grow and sustain Iraq's tourism industry by attracting international visitors.

#### **Natural Attractions**

If the Marshlands can be safely visited, then the habitat restoration work that is being conducted and the variety of birdlife identified by Birdlife International offer a potentially competitive special interest niche of birdwatchers. The Marshlands are an ecotourism destination of great potential value. The mountains of Iraqi Kurdistan also provide year-round ecotourism and recreation potential. Developing the quantity and quality of services to support visitors will be essential to realize the market potential.

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<sup>21</sup> Quoted in the International Herald Tribune, April 13<sup>th</sup>, 2006, “UNESCO intends to put the magic back in Babylon.”

## A. Availability of Existing Tourism Assets

### 1. Cultural, Religious, Historic and Natural Attractions

Iraq is home to many sites that predate the Judeo-Christian-Islamic religions, including Babylon, Nimrud, Nineveh<sup>22</sup> (archaeological site) and Ur. There are other sites as well that are important to Islam, Christianity and Judaism.

The looting of sites, most notably the National Museum in Baghdad, following the invasion in March 2003, continues to this day. Many important Sumerian, Akkadian, and Babylonian sites are now virtually destroyed. These include the ancient capitals of Adab, Umma, Shuruppak, Isin, Ctesiphon, and Larsa, all of which are among Iraq's most important sites and have been the focus of major foreign or Iraqi expeditions. Other archaeological elements have been removed, including an entire wall at Nineveh and famous sculptured walls of Nimrud.

Within Irbil alone, there are over 500 archaeological and historic sites. Some of the main attractions include the 8,000 year old Citadel of Irbil, which claims to be one of the longest continuously inhabited walled cities, the Mudhafaria Minaret, and the Qayassaria Bazaars.

Outside Irbil, the city of Mosul has a rich history and a reputation as "God's City," which is well deserved given the many religious shrines, including mosques, churches and monasteries. The Minaret of Mosul is rapidly deteriorating and potentially will collapse in the coming years without immediate intervention. The roads surrounding Mosul are dangerous, as is the city itself. As of the first half of 2007, travelers were also reporting on Lonely Planet's Thorntree Forum that Mosul is to be avoided for now due to security concerns.<sup>23</sup>

Most of the sites south of Kurdistan, apart from Najaf and Karbala for Shiites, are not yet safe to visit. In the Kurdish north there are numerous churches and monasteries. They are visited mostly by Iraqi Christians, including from other parts of Iraq.

#### a. Religious assets

Shiites comprise the largest percentage of Arab Muslims in Iraq. The largest percentage of religious tourism today in Iraq is comprised of pilgrimages – 5 million – to holy places revered by Shiites.

#### Najaf

One of the holiest cities of Shiite Islam and the center of Shiite political power in Iraq, Najaf is about 160 km south of Baghdad. Najaf is renowned as the site of the tomb of Ali bin Abi Talib, the first Shiite Imam and fourth Caliph to succeed Prophet Mohamed. The city is now a great center of pilgrimage from throughout the Shiite Islamic world. It is estimated that only Mecca and Medina receive more Muslim pilgrims. The Imam Ali Bin Abi Talib Shrine is housed in a grand structure with a gilded dome and many precious objects in the walls. Nearby is the Wadi-as-Salam "Valley of Peace", claimed to be the largest cemetery in the Muslim world (and possibly the largest in the entire world), containing the tombs of several Prophets. Many of the

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<sup>22</sup> Nineveh, also known as Ninawa, is the name of the Province where the archaeological site is located.

<sup>23</sup><http://thorntree.lonelyplanet.com/messagepost.cfm?postaction=reply&catid=18&threadid=1285542&messid=11219067&STARTPAGE=1&parentid=0&from=1&iCountryId=73>

devout from other lands aspire to be buried here. Over the centuries, numerous hospices, schools, libraries and Sufi convents were built around the shrine to make the city the centre of Shiite learning and theology. Many of these were badly damaged during the rule of Saddam Hussein, with a highway being driven through the middle of the Wadi-as-Salam. Many great Shiite scholars both old and contemporary (such as Ali Al-Hussayni as-Sistani) studied in Najaf.

### **Kufa**

One of the important cities in Iraq and Muslim history, Kufa – in the Najaf province – is the first Muslim capital after Medina in the era of the fourth Muslim Caliph Ali Bin Abi Talib. It contains the house of Imam Ali and a tomb of many Sahabi. It is also of great importance for Shiite Muslims.

### **Karbala**

Karbala, which is south of Baghdad, is considered one of Iraq's wealthiest, profiting both from religious visitors and agricultural produce, especially dates. It is made up of two districts, "Old Karbala," the religious centre, and "New Karbala," the residential district containing Islamic schools and government buildings. At the centre of the old city is the tomb of Husayn Ibn Ali, considered a place of pilgrimage for many Shiite Muslims, especially on the anniversary of the battle, the Day of Ashura. Both Husayn and his half-brother were among the 71 buried by the local Bani Asad tribe at what later became known as the Al Haair Al Husayn. The city grew up around the tombs, and was greatly expanded by successive Muslim rulers, but suffered repeated destruction from attacking armies. The original shrine was destroyed in 850, but was rebuilt in its present form around 979, only to be partly destroyed by fire in 1086 and rebuilt yet again.

**Samarra**, north of Baghdad, is also considered a holy city of cultural and religious significance.

**Kadhimiya**, a neighborhood of Baghdad, is home to the tombs of Imam Musa al Kadhim and Imam Muhammad al Taqi, the seventh and ninth imams respectively. A shrine was built over the tombs of both Imams.

**Baghdad**, home to the tomb of the eighth century Sunni scholar and jurist Abu Hanifa, after whom one of the four accepted schools of orthodox (Sunni) jurisprudence is named. His school of jurisprudence dominates in such places as Turkey and the Balkans, Iraq, and on the Indian sub-continent, among others, so there was traditionally considerable pilgrimage traffic from those countries and regions to the capital city. Several famous tombs are also found here, including the famed mystic Abdulqadir Gilani.

There is also potential for religious tourism to Christian and Jewish sites, with visits to the Cave of Abraham near Babylon and the Tomb of Ezekiel in the village of Kiffle between Najaf and Babylon. Ezekiel's tomb is considered a holy site for both Jews and Muslims.

### **b. Natural Attractions and Ecotourism Potential**

Iraq's natural heritage is similarly threatened, albeit from the war and past environmental travesties such as the draining of the Marshlands. The areas with the greatest ecotourism potential include the Marshlands in the south and the mountains in Iraqi Kurdistan. The Marshlands are particularly important because of the diverse and extensive birdlife.

Forty-two "important bird areas", covering approximately 35,000 sq. km (8%) of the country have been identified by BirdLife International for potential designation as a protected area."<sup>24</sup> Most of the "important bird areas" are in and around the marshlands. An ecotourism destination focused on bird-watching is of great potential value for Iraqi tourism.

The mountains in Iraqi Kurdistan are another area with great ecotourism, as well as adventure travel potential. There are villages scattered throughout the mountains that are interesting to visit, but there is no marked or organized trail system in the mountains. Several mountain "resort" destinations all offer potential as bases for ecotourism and adventure travel:

- Salahuddin on Mount Pirman – 19 km from Irbil
- Shaqlawa on the slope of Mount Safin
- Gali Ali Beg – 50 km from Shaqlawa
- Zawita – 90 km from Mosul in a forested area
- Haj Omran – Mentioned as a potential ski area

### c. Recreational Activities

Lake Habbaniya and Lake Razzazah near Baghdad are two possible areas for future recreational activity development. **Lake Tharthar**, known in Iraq as **Buhayrat ath Tharthar**, is a lake situated 120 km north of Baghdad between the Tigris and the Euphrates rivers. The lake is deep and nutrient poor; there is very little vegetation except for sparse shrubs, some dense patches of growth and scattered *Ziziphus* trees. **Sawa Lake**, near the city of Samawah surrounded by desert, was one of the most popular natural locations in Iraq. For decades, tourists have visited this unique lake, but today it completely deserted with no visitors. After the invasion, the restaurants surrounding the lake were completely looted.

Dohuk is a popular destination with several possible attractions, including castles, tombs, archaeological sites, and rivers. The Sulaimaniyah region is also popular, especially the road between Irbil and Sulaimaniyah, Dokan Lake, Sarchinar and Darbandikan Lake.

## 2. State of Infrastructure

Quality, reliable and abundant transportation infrastructure facilitates access for both visitors and trade. This access in turn benefits tourism growth and thus the broader economy, especially employment. Accommodations, restaurants, retail – and services and suppliers for these businesses – are also required. Much of Iraq's infrastructure is in need of repair, restoration or complete reconstruction. The destruction has been severe; rebuilding is essential to help provide tourist access and services around the country.

### a. Transportation

#### Roads

A new or improved road or road system that facilitates access to tourism destinations can dramatically change a destination, often for the better. The Sinai Peninsula and Red Sea coast in Egypt have opened up to increased visitors and investment thanks in part to improved roads offering smoother and faster access. With a total of 45,550 km of roads, 38,399 km of which are paved, Iraq is no exception to the positive benefits of improving road infrastructure.

<sup>24</sup> [http://www.unep-wcmc.org/latenews/Iraq\\_2003/pareas.htm](http://www.unep-wcmc.org/latenews/Iraq_2003/pareas.htm)

### **Air Services – Airports and Airlines**

Air services are perhaps one of the most important catalysts to tourism growth. Marsa Alam in Egypt, Istanbul in Turkey, and Tirana in Albania demonstrate the importance of air services to tourism growth. With new or upgraded airports at these destinations, more airlines began offering service, more visitors started arriving, which in turn increased local spending on tourism, thus also directly and indirectly benefiting the local economy and generating more employment. Iraq has 110 airports with paved runways throughout the country. The airports in Baghdad, Basra, Sulaimaniyah and Irbil are able to accept international traffic.

The **Imam Ali International Airport** is currently under construction and could transform Najaf into a regional economic hub.

### **Rail**

As of 2005, Iraq had 220 km of standard gauge (1.435 m) railways. At one time, the Iraq rail system spanned the country as a key part of the country's transportation infrastructure. Today, most of the system is in disarray. Efforts to restore the system should be encouraged.

### **Waterways**

Iraq's historic rivers are its principal waterways – the Euphrates River in Iraq and Syria at 2,815 km, the Tigris River at 1,899 km, and the Third River (with its manmade navigable canal) at 565 km – totaling 5,279 km. Eventually both the rivers and Marshlands could be tourist destinations requiring far less infrastructure investment than for roads, rail and air transport.

## **b. Lodging**

### **Hotels**

In 2005, Iraq reported a total of 715 hotels with 22,206 rooms for guests. More than 2 million guests were hosted (2,002,607) with almost half (850,301) staying at Baghdad's 347 hotels. With a capacity to host 17,748,490 guests annually, Iraqi hotels are currently operating at a mean average of 22% occupancy, thus leaving substantial opportunity for more overnight visits. The majority of hotels (58%) are "popular" class, followed by two-star hotels (13%) and one-star hotels (12%). There are no five-star hotels currently operating in the country. The 2005 figures represent a 15% decline in accommodations open to the public and a five percent (5%) decline in number of rooms available in 2004.<sup>25</sup> (In 2000, there were 27,000 rooms in Iraq, an increase of 5,000 over 1999.<sup>26</sup>) Employment at Iraqi hotels also fell 15% in 2005, declining from 5,659 in 2004 to 4,789 total employees.

## **c. Tourism Businesses**

According to the World Tourism Directory, there are 48 travel agencies in Baghdad. It was not possible to confirm how many of these are still open. Most of the Baghdad-based agencies organize trips to northern Iraq, especially during holidays and the summer. They also arrange air tickets and visas for the UAE, Egypt and other countries. Before the war, several of the travel agencies also functioned as inbound tour operators, although today the security situation prevents tours south of Kurdistan, except to Najaf and Karbala.

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<sup>25</sup> Table 16/3 Number of Tourism Resorts by Governorate for the Years 2004 and 2005

<sup>26</sup> Compendium of Tourism Statistics, World Tourism Organization, 2001

## IV. Comparison between Iraq and Similar Destinations

The following section focuses on two country destinations:

- Saudi Arabia because of its status as an important Islamic pilgrimage destination and potential for increased domestic tourism.
- Cambodia because of its past legacy of conflict and insecurity and its status today as a fast growing tourist destination based on world class archaeological sites and cultural heritage.

### A. Religious Tourism: Saudi Arabia

As home of two of Islam's holiest cities, Mecca and Medina, Saudi Arabia can rightfully claim to be one of the world's oldest religious pilgrimages, thus tourism destinations. The country has been receiving Haj and Umrah pilgrims for more than 1,400 years. Realizing that the economy could not forever be dependent on oil, in 2000 the Kingdom made a strategic decision to diversify their tourism industry. Tourism based on the existing arrivals of pilgrims and an untapped domestic market are the priority markets for increased tourism, particularly to other destinations in Saudi Arabia, followed by development of the international market.

The Supreme Commission for Tourism (SCT) was established in 2001 to create a comprehensive sustainable tourism development strategy and plan.<sup>27</sup> The Saudi approach is based on a compilation of best organizational practices for tourism development and planning from around the world. The Kingdom financed the SCT planning and development without having to rely on public tax revenues, so financing has not been an issue for development. The SCT is placing an increased emphasis on segments such as ecotourism, cultural tourism and family-oriented tourism mainly for the domestic market. International marketing is gradually increasing, but it is still a very small part of the country's inbound tourism.

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<sup>27</sup> [http://www.mas.gov.sa/modules.php?name=Downloads&d\\_op=viewdownload&sid=111&cid=204](http://www.mas.gov.sa/modules.php?name=Downloads&d_op=viewdownload&sid=111&cid=204)

## 1. International Arrivals and Receipts Trends for Saudi Arabia

	1990	1995	2000	2001	2002	2003	2004	2005
<b>International Arrivals (mn)</b>	2.2	3.3	6.6	6.7	7.5	7.3	11	10.4
<b>Intl Tourism Expenditures (US\$ bn)<sup>28</sup></b>						3.4	6.5	5.2
<b>Receipts per visitor (\$)</b>						\$466	\$590	\$500

Source: UNWTO

For 2006, according to the World Travel & Tourism Council, travel and tourism were expected to generate US\$34.8 billion for Saudi Arabia's economy, a 1.4% increase over 2005. Also in 2006, the sector contributed US\$6.8 billion or 2% of GDP and generated 284,000 jobs, which is 8.7% of total employment. Total public and private sector investment in tourism amounted to almost US\$3.5 billion or 6.6% of total investment.

## 2. Lessons Learned

Saudi Arabia offers some key lessons for the development of tourism in Iraq. Tourism growth in the country has been affected by the following:

- Establishment of the SCT and regional tourism organizations based on close partnerships with the private sector has been critical to the development of Saudi tourism. From 2001 to 2006, the Government spent US\$133 million to develop tourism.
- Development of national and regional strategies, which included the establishment of a Tourism Information and Research Centre, were the first priorities of the public sector.
- Liberalization of aviation has been a top priority, both domestically and internationally. State-owned Saudia, the national carrier, ended its monopoly on domestic routes in March 2007, which immediately led to the establishment of two low budget carriers – Sama and National Aviation – and increased domestic routes. Internationally, Open Skies agreements have helped increase air arrivals by 23% during the 2001-2005 period.
- Pursuing a policy of product diversification into ecotourism and cultural tourism, such as tourism based on archaeological sites and cultural events such as festivals, is helping to preserve cultural heritage and increase revenue beyond religious tourism. It is also helping to expand domestic tourism.
- The Government recognizes that their strict visa policy is a constraint to tourism growth, so they began offering special group tourist visas and enabling travel agencies to arrange visas.
- Development has also been boosted by Government support, via the SCT, for increased tourism education and training.
- Frequent public-private sector meetings and conferences are organized in every governorate to help with implementation and changes in national and regional strategies and developments.
- Cooperation between the SCT and Ministry of Transportation and regional governorates is resulting in increased tourism-related road constructions, thus increasing access to sites.
- The domestic market should not be overlooked as an important audience. After 9/11, Saudi outbound travel and expenditures in other countries dropped by almost half from 7.9 million departures and \$7.3 billion in 2002 to 4.1 million and \$4.1 billion in 2003. For Saudi Arabia this meant \$3 billion stayed in the country.

<sup>28</sup> According to the UNWTO definition, tourism expenditures are the total consumption expenditure made by a visitor for and during his/her trip and stay at a destination. And international tourism receipts are defined as expenditures of international inbound visitors.

- Encouraging overnight stays in accommodations by both international and domestic visitors is critical to increasing the economic impact of tourism. Despite the fact that more Saudis traveled within their own country in 2003, they did not stay in accommodations (a lost opportunity projected at US\$3 billion in possible domestic spending.) Visits to family members probably comprised a majority of this travel, thus reducing the need for hotel stays.

## B. Post Conflict Tourism: Cambodia

Surrounded by the major tourism destination countries of Thailand and Vietnam, Cambodia is a small country, which has moved over the past 15 years from chaos and insecurity to becoming a growing tourism destination. There is very limited information available on tourism in Cambodia prior to 1970. The UNWTO has no statistics available online regarding tourism prior to 1990, but researchers Paul Leung, Terry Lam and Simon Wong wrote:

“In the 1960s, Cambodia was one of the fastest growing tourist destinations in Southeast Asia. It was perceived as a wonderland for Western tourists. During this Golden Age of the Cambodian tourism industry, Phnom Penh with its distinctive cultures, customs, and heritage – the legendary temples near Siem Reap and the Angkor Wat – were considered the major tourist attractions.”

Tourism in Cambodia suffered a near-complete collapse from 1970 to 1990 as a result of fighting and guerilla groups. In a 1980 report by the CIA available publicly online via Mekong.net, the conflict is estimated to have resulted in 2 million deaths from a pre-war population of 7.1 million. The report stated that the “estimated decline in the Kampuchean population between 1970 and 1979 is unprecedented in any national population since World War II. A decade of war, social revolution, and invasion has thrown the country into chaos.”<sup>29</sup>

There are reports that limited numbers of adventure-seeking tourists visited Angkor Wat in the 1980’s, but no data is available. Numbers were so low that “in November 1991, when a team of 22,000 peace-keepers from the UNTAC arrived in the country, hotels and guest houses received an unprecedented boom in business.”<sup>30</sup> Much of the Cambodian national heritage suffered irreversible damage from the war, civil strife, and robbery. The historic sites were plundered and robbed, which resulted in the loss of priceless irreplaceable artifacts.

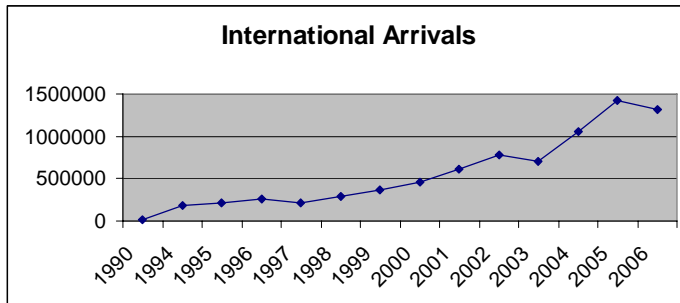
Under the Paris Peace Agreement of 1991, the United Nations Transitional Authority in Cambodia (UNTAC) used 16,000 troops and 5,000 civilians to monitor a ceasefire, help commence rehabilitation and development, and promote reconciliation at a cost of \$1.7 billion. The UN and donor assistance has enabled Cambodia to recover its status as a tourist destination. In fact, as the charts below show, tourism arrivals doubled from about 500,000 in less than five years. The number of hotel rooms doubled in two years from 5,000 in 2003 and tourism receipts have seen similar growth in the same period.

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<sup>29</sup> <http://www.mekong.net/cambodia/demcat.htm>

<sup>30</sup> Leung, Lam, and Wong, 1996

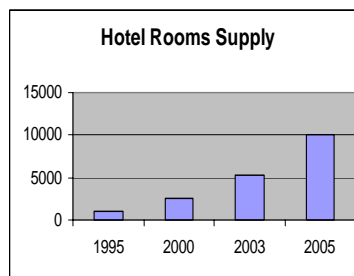
## 1. International Arrivals, Receipts and Hotel Rooms



Source: Cambodia Ministry of Tourism. <http://www.mot.gov.kh>



Source: Development Data Group, World Bank. 2006. 2006 World Development Indicators Online.



Source: UNWTO, 2006. Cultural Tourism and Poverty Alleviation: The Asia-Pacific Perspective

### Key milestones for Cambodia's tourism recovery:

- **1991:** UNTAC's arrival of 22,000 troops gave the local lodging industry a boost. International officials received a per-diem of \$145; average annual wage locally was \$160.<sup>31</sup>
- **1993:** The Ministry of Tourism was formed when the new government was established via free and fair elections. The Government made tourism promotion a priority, with emphasis on Angkor Wat Archeological Park and Naga Resort's floating casino.<sup>32</sup>
- **1993 – 1998:** Barriers to rapid growth of tourism after 1993 included an image of Cambodia as dangerous. Crime, Khmer Rouge guerilla activity, land mines, drug trafficking and corruption were also contributing factors. Low acceptance of credit cards and traveler's checks required tourists to carry cash. Poor training and education for tourism workers kept service standards low.<sup>33</sup>
- **1996:** The six countries that border the Mekong River – Burma, Thailand, Vietnam, Laos, Cambodia, and southern (Yunnan) China – formed a coalition to market the sub-region as "Asia's last tourism frontier."<sup>34</sup>
- **1998:** An open-sky policy allowed direct flights from abroad to Siem Reap without requiring reciprocity. Tourism Cambodia, a private marketing unit, credits this as key to making Cambodia "known to the world."
- **1998:** A "no entry visa" policy enacted to give visitation rights up to 14 days. (MOT)
- **2002:** Phnom Penh International Airport and Siem Reap International Airport complete substantial upgrades.
- **2002:** The landmark ASEAN Tourism Agreement – signed in Phnom Penh in November 2002 – promotes tourism and enhances intraregional travel among the member countries.
- **2004:** 57% of international visitors come to Siem Reap, location for 400 archeological sites.<sup>35</sup>

<sup>31</sup> Shawcross, W. "Cambodia's New Deal". pp. 15

<sup>32</sup> Leung, Lam, and Wong, 1996

<sup>33</sup> ibid

<sup>34</sup> Leung, Lam, and Wong, 1996

- **2005:** 50 % of international visitors come to Siam Reap suggesting successful diversification of product.

## **2. Lessons Learned**

Even with major destruction, casualties often considered at the level of genocide, and prolonged conflict, the country has been able to successfully launch a tourism industry approximately 15 years after the end of warfare.

- Concerted government action, assistance from international sources and a global cultural magnet (Angkor Wat) allowed Cambodia to increase its tourism after peace and stability were restored.
- Establishing and communicating tourist safety and security has been critical to success.
- Encouraging direct international flights to Siem Reap through an open skies policy and eliminating cumbersome visa requirements appear to be key factors in Cambodia's growth in international arrivals.
- Siem Reap with Angkor Wat, a World Heritage Site, and hundreds of other archaeological sites has been the biggest attraction.
- Infrastructure reconstruction projects funded by the UN, ASEAN, World Bank, and others were also key factors to attracting and hosting international tourists.
- Tourism investments above US\$1 million have been helped by incentives such as a 9% cap on corporate income tax, exemption from import duties for construction materials, no restrictions on the repatriation of profits

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<sup>35</sup> Cultural Tourism and Poverty Alleviation: The Asia-Pacific Perspective, UNWTO, 2005.

## V. Recommendations

The following recommendations build on the findings in this report. When peace and security are restored, government and tourism businesses must be poised to work together towards a common vision of tourism for Iraq. Ideally, all of these recommendations – immediate (within six months), short-mid term (6-36 months), and long-term (three-seven years) – are tied together into an overall strategy that meets this vision. Aspiring towards this vision can help increase levels of confidence among investors and advance tourism as a key driver for sustainable economic and social development.

### A. Recommendations for Policymakers

#### 1. The Government of Iraq

##### Immediate

##### **A1. Provide “real time” updates on tourism destinations, events and activities in Iraq.**

- *Utilize the Iraq Tourism Blog (<http://iraqtourism.blogspot.com>) to provide daily updates on current tourism projects, activities, issues impacting visitors, and media advisories.*
- *Create a web-based calendar listing religious events and tours that may be of interest to pilgrims. Promote to the travel trade, religious organizations and Middle-East media.*

##### Short-mid term

##### **A2. Reestablish the regulatory and policymaking authority of the Ministry of Tourism to coordinate and stimulate new development, infrastructure improvements, foreign investments, product quality and management.**

- *Include tourism as a sector in the new National Development Strategy to be prepared by the National Investment Commission.*
- *With tourism as a priority sector in the National Development Strategy, conduct long range planning to improve the hospitality infrastructure in Baghdad and thus help jumpstart the tourism industry when the time is right. This effort could shorten the country’s time for becoming an internationally competitive destination, and help spur overall economic growth through infrastructure investment.*

##### Long-term

##### **A3. Reestablish the Tourism Board for the marketing and branding of the country. Create Action Plans for the National Ministry of Tourism and KRG Ministry of Tourism.**

- *Draft action plans for the National Ministry of Tourism and KRG Ministry of Tourism describing short to long range planning for the development and marketing of tourism.*
- *Coordinate the planning effort with travel agencies and hotels in Baghdad, Babil, Najaf, Karbala, Samarra and Iraqi Kurdistan.*

**A4. Enhance staffing and expertise at the State Board of Antiquities and Heritage (SBAH) and cultural, historic and archaeological sites.**

- *Provide incentives (housing, grants, and secure sites) for archaeologists previously working in Iraq to return, and offer scholarships for local Iraqis to be trained in the field.*

**A5. Develop and implement a Nature Preserve or Geopark system to help conserve and preserve areas.**

- *Seek assistance from ICOMOS, UNESCO, and US Department of Interior/National Park System to help develop and outline appropriate conservation and capacity-driven development. The system should include instruction for staffing and management, such as creation of a ranger program with training in conservation, interpretation and management.*

**2. Provincial Governments and Provincial Reconstruction Teams (PRTs)**

Immediate

**A6. Institute sufficient legal protection and enforcement policies for natural and cultural sites.**

- *Provide police training for the archaeological site guards. This training might include “tourist police” training similar to what is provided in Egypt.*

**A7. Establish a webcam at the new Imam Ali International Airport at Najaf to show development progress.**

- *Promote monthly project updates (new businesses, construction activity, investments) via e-newsletters to travel trade and Middle East media, including the foreign correspondents based in Europe and the U.S.*

**A8. Establish “interactive” archaeological digs of Iraqi sites on Archaeology Magazine’s website.**

- *Archaeology Magazine, the publication of the Archaeological Institute of America, with over 200,000 subscribers, maintains a section on their website called “Interactive Digs”<sup>36</sup> for increasing education and awareness about archaeological digs around the world. Online visitors are able to follow the digs through detailed reports provided by the field teams. This activity will contribute to a longer-term objective of positioning the country as a destination for cultural tourism.*

**A9. Expand the Marshlands website<sup>37</sup> to provide current reports on restoration work in English as well as Arabic.**

- *Promote the restoration work in the Marshlands to demonstrate the ecotourism opportunities in the region. As soon as it is again feasible to travel in the region, visitors will return especially if the destination has been pre-positioned as an interesting, unique place to visit someday.*

Short-mid Term

**A10. Create design and quality standards for tourist facilities.**

- *Use the manual, UNWTO Guide for Local Authorities on Developing Sustainable Tourism to help guide the process to create and implement guidelines.*

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<sup>36</sup> <http://www.archaeology.org/interactive/index.html>

<sup>37</sup> [http://www.iraq-mwr.org/wr-in-iraq/index\\_files/Page2609.html](http://www.iraq-mwr.org/wr-in-iraq/index_files/Page2609.html)

**A11. Conduct a more detailed tourism inventory to assess visitor-readiness and development needs.**

- Use the manual, *Linking Communities, Tourism and Conservation: A Tourism Assessment Process*, to help guide the inventory process.

**A12. Finish the tourism inventory initiated by Izdihar in Iraqi Kurdistan.**

**A13. Upgrade the skills of current hospitality workers to meet international standards.**

- Encourage the Iraqi Kurdistan Government to implement training and education programs for existing hospitality workers.
- Work with the Lebanese investment group (that visited the region in August 2006) to help establish a local hospitality school in Najaf and Karbala.

Long-term

**A14. Encourage local governments to secure local partners for international investors.**

- Provide incentives for businesses located around significant attractions to offer visitor services. These services can include, but are not limited to taxi and shuttle bus services, locally made souvenirs, tour guides and guidebooks, restaurant and catering, and overnight accommodations.

### 3. International Agencies

Immediate

**A15. Continue emergency funding from UNESCO and INTERPOL to obtain lost/stolen artifacts.**

- Monitor traffic to the UNESCO/ INTERPOL website <http://www.interpol.com/Public/WorkOfArt/Default.asp> to track some of missing items. Also track the International Council of Museums' "Emergency Red List of Iraqi Antiquities at Risk" website at <http://icom.museum/redlist/irak/en/index.html>
- Focus more attention on the "buyer end"; put pressure on auction houses, dealers, collectors and museums to return artworks believed stolen to Iraq.

**A16. Recruit international partners to help stabilize and protect cultural sites.**

- Encourage the GHF to continue investment in the Iraq Heritage Conservation Program's capacity-building training program for heritage conservation at Aqar Quf, Ashur, Ctesiphon, Hatra, Nimrud, Nineveh (Mosul), Samarra, and Ur, all of which have potential as prospective tourist destinations.
- Secure additional investment and support from UNESCO and the World Monuments Fund for preservation and conservation of Babylon, the National Museum in Baghdad, the al-Nouri minaret in Mosul, and the Dar al-Wali building in Baghdad, as well as Nineveh, and Ctesiphon.
- Tap other institutions/foundations – Aga Khan, the Getty Conservation Institute, UNESCO, Ford Foundation – to provide the funding and technical expertise to safeguard other important Iraqi cultural and historic sites until adequate local management and funding are in place.

Short-Mid term

**A17. USAID should utilize existing information to generate and facilitate tourism investment interest in Iraqi Kurdistan, Najaf and Karbala.**

- The Izdihar office has information on over 100 tourism-related projects, which can be used to generate and promote foreign investor interest – via the Izdihar website and in printed materials.

**A18. Recruit Birdlife International, US Forest Service, and other potential partners to conduct a study on the ecotourism potential of the Marshlands.**

- *Utilize existing planning by the New Eden Group to further implement their plans for community development, ecotourism and conservation.*

Longer-term

**A19. Seek international designation from UNESCO to help protect natural sites.**

- *Individual sites, in particular the Marshlands, should obtain global designations – World Heritage Site, Geopark, World Biosphere, etc. – to recognize their international significance and the importance for ongoing conservation.*

## **B. Recommendations for indigenous private sector**

Immediate

**B1. Identify and encourage local partners to act as on-site agents and/or franchisers for foreign investors.**

- *Offer financial incentives and training for local entrepreneurs. For instance, international companies interested in investing or doing business in Iraq could be paired with local entrepreneurs to act as mentors by reviewing business plans, instructing on business practices, sharing advice and counsel on expanding inventory or production of services. If desired and appropriate, these individuals can then act as agents for future expansions or new development. Enhancing local employment is essential to growing the tourism economy in Iraq.*

Short-Mid term

**B2. Reestablish the Tourism Institute in Baghdad and/or training centers around Iraq to help train hospitality workers to meet international standards and skills.**

- *Link training programs in these destinations with international programs such as the Baisan Institute of Hospitality Management in Bahrain, which has franchises in Saudi Arabia, Jordan and Kuwait, and the American Hotel & Lodging Institute's Educational Institute ([www.ei-ahla.org](http://www.ei-ahla.org)), with the tourism associations and authorities of neighboring countries, and with universities that offer tourism and hospitality programs. While the Baghdad Institute of Tourism & Hotel cannot currently function, it is not too soon to begin assembling a plan for reactivating the school when appropriate.*
- *Alternatively, establish satellite branches– in Irbil, Najaf, and/or Karbala – under a newly branded “Iraqi Institute of Tourism.” This helps lay the groundwork for an eventual re-launch of nationwide domestic and international tourism.*
- *Offer and promote virtual classrooms wherever Internet access might be available. There are extensive hospitality training resources available online.*

**B3. Cultivate the meetings market.**

- *Position Irbil as a transit hub for intraregional business meetings.*

**B4. Market religious tourism to Najaf and Karbala.**

- Offer a basic marketing communications toolkit to authorities in Najaf and Karbala to provide instruction on how to create tour packages, itineraries, and to promote these sites.
- Create a dedicated website with photos of religious sites to help educate potential travelers, and share information regarding holidays and pilgrimages.

#### Long-term

#### **B5. Expand religious visitation throughout Iraq.**

- Conduct more in-depth comparisons of the services provided to Hajj pilgrims, both before and during their visits, to see how Iraq can enhance its religious tour programs. Analyze the Saudi experience with the pilgrimage to Mecca, and at non-Muslim pilgrimage destinations such as Bethlehem or Rome.

### **C. Recommendations for foreign investors**

#### Immediate

#### **C1. Conduct a comparative study of economic diversification.**

- Explore examples in which national governments have sought or are seeking to diversify their economies beyond the petroleum sector and into tourism: Azerbaijan, Bahrain, Qatar, Saudi Arabia and the United Arab Emirates. In Qatar alone, for example, tourism arrivals grew by almost 25% from 2004 to 2005 and are expected to increase by 150% over the rest of the decade. A study that compares the strategies and policies of each country, particularly in regards to attracting tourism-related investment would be beneficial for identifying specific foreign investment incentives that boosted foreign direct investment for tourism.

#### Short-Mid term

#### **C2. Contact the companies and organizations that have been facilitating, exploring and/or signing contracts for tourism projects in and around Iraqi Kurdistan, Najaf and Karbala**

- Seek local partners to implement desired business ventures.

#### Longer-term

#### **C3. Expand tourism product through development and enhancement.**

- Palaces and other properties of the former regime are excellent candidates for restoration and conversion to recreational use.<sup>38</sup>

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<sup>38</sup> "Iraq Competitiveness Analysis," Izdihar, May 2006

## VI. Case study: Babylon

Someday, as Angkor Wat has been for Cambodia, Babylon could be the centerpiece of Iraqi tourism, the core of Iraq's international competitiveness as a tourism destination. Ongoing preservation efforts are essential to the country's tourism future.

Babylon received some travel industry attention in February 2007 with an article in *Travel & Leisure* magazine describing some of the current preservation work at the site. According to the article, the State Board of Antiquities & Heritage (SBAH) has 35 archaeologists on site backed by 180 Archaeological Police. The World Monuments Fund, UNESCO and the Getty Conservation Institute have been involved with training some of the archaeologists and helping to preserve the site. In the aftermath of the invasion, their support was essential in restoring the site – Babylon was looted and ransacked and torn up as a military base was built next to and over part of the site.

### A. Protect the site

#### Immediate:

A1. The Babylon Provincial Reconstruction Team (PRT) should hire and train additional police guards, to provide round-the-clock protection at Babylon.

A2. Continue working with international agencies – such as the World Monument Fund, UNESCO and the Getty Conservation Trust – to stabilize the site to ensure no further degradation.

A3. Partner with international archaeology organizations and associations to help raise awareness of the need to preserve and protect the site.

- *Post images of the site on archaeology websites, partner sites (see above) and distribute real time updates to cultural organizations and media.*

#### Short-Mid Term:

A4. Work with international agencies to obtain artifacts looted from the site.

- *If a secure site in-country is not available to store these artifacts until such time a museum or exhibit area is available for display, seek a reputable and secure temporary location (other museums or auction houses in Europe, Asia, Middle East, Americas) to inventory and keep these artifacts (in a climate-controlled environment overseen by professional curators) until they can be transported back to Iraq for safe keeping/exhibition.*

A5. Provincial government or PRT should work with local universities or international educational institutions specializing in archaeology (such as University of Birmingham, UK) to provide scholarships or visiting professors who can help train local residents to assist in technical evaluation and restoration.

- *These individuals can serve as future site managers and/or interpretive staff. With technical assistance from international agencies, SBAH should further develop and implement curatorial procedures for maintenance and conservation of artifacts and site.*

A6. Provincial government should recruit international agencies to conduct a thorough assessment of Babylon to determine existing conditions and create a restoration plan to define carrying capacity for future visitation.

## **B. Conduct an extensive inventory of the surrounding gateway communities and existing tourism services.**

### Short- Mid term:

B1. The PRT should define the necessary infrastructure required to provide safe access for international workers and travelers from major origin cities to Babylon.

- *Local governments and private sector, including foreign investors, might match funding from foreign aid to develop the airports, roads, signage, transit facilities and other infrastructure.*

B2. International aid agencies can assist with organizing and assessing the existing quantity and quality of accommodations, retail (souvenir) shops, restaurants, tour guides, currency exchange and other visitor services adjacent to the archaeological site.

- *This assessment should identify gaps in products and services that need to be developed as part of a comprehensive tourism plan for Babylon.*

### Long-term:

B3. With guidelines from the Tourism Office and funding from private sector/international investors, provide incentives for local/regional entrepreneurs to develop these trades or products.

B4. Upgrade the quality and quantity of visitor services available in Babylon's gateway communities.

- *Utilize the training curriculum of the Iraqi Institute of Tourism (in partnership/with guidance from other international hospitality programs) to expand skills and capabilities of industry staff and business owners through a certification program.*
- *Encourage the National Investment Commission, in partnership with the Minister of Tourism's office, to provide incentives for lodging, retail shops and restaurants to upgrade facilities.*
- *With support from Aid to Artisans and other international craft organizations, help stimulate the production of handmade objects as quality souvenirs for sale. This effort will provide employment for local residents and help restore traditional and indigenous art forms.*

## **C. Expand air access**

Once peace and safety are secured, explore the opportunity to host international visitors.

### Long-term:

C1. Increase direct international air service into Baghdad and/or Najaf from major European hub cities: London, Frankfurt, Paris and Rome. Expand service, as available, to long-haul destinations including Beijing, New Delhi, Hong Kong, Tokyo, and New York.

- *Following Cambodia's aviation success story, the Iraqi government should create an "open skies" policy with key countries that provide the greatest number of potential long-haul visitors to*

*Babylon. This policy can be expanded to include visa requirements and other regulations that restrict access for foreign visitors.*

## **D. Develop and expand site interpretation for domestic and international visitors.**

### Immediate:

D1. Create a website to tell Babylon's important story and share updates about restoration plans.

- *Use the tool to build support for international aid, preservation, conservation, interpretation, and potential visitation (when destination is again safe and secure, ready for tourists). Utilize Google Earth and their 3D development software to create and post 3D views of Babylon on Google.*

### Short-mid term:

D2. Seek partnerships with accredited museums (Louvre, Smithsonian, and the British Museum) to assist with the design and/or actual exhibit displays (on loan or permanent construction) to aid in rebuilding Iraqi museums and interpretative centers.

- *Once safety and security are ensured, museums around the country can be opened to restore local appreciation in culture and share the artifacts with visitors. In Babylon, an interpretive center should be constructed adjacent to the site to help reduce visitor impact and intrusion.*

### Long-term:

D2. Seek assistance from ICOMOS, UNESCO, US Department of Interior or other international conservation groups to help establish Babylon as Iraq's first national park.

## **E. Market Babylon as the anchor site for Middle Eastern tour itineraries.**

### Short-Mid Term:

E1. With assistance from international agencies and the Ministry of Tourism, create a communications and marketing toolkit to help guide local officials on how to develop and implement a comprehensive marketing campaign for Babylon.

- *The PRT and local government should provide funding to assist the local staff on implementing the media marketing campaign. Key elements to finance include creative design and logo, printed materials, website creation, purchase of advertisements, promotion at major tourism events (such as the World Travel Market in London and ITB in Berlin), familiarization tours for travel journalists and tour operators, and other activities to generate international exposure for Babylon.*
- *Work with World Heritage Fund and the UN Foundation to include Babylon as part of its Expedia campaign to promote visitation and increase funding for World Heritage Sites.*
- *Babylonian area officials should seek partnerships with other destinations (in Iraq, Middle East) to create multi-(World Heritage) site itineraries and packages as a way to extend long-haul travel in the country.*