

# Israel

## Tourism in the economy and outlook for recovery

Tourism maintained a steady share of Israel's economy prior to COVID-19, and in 2019 directly accounted for 2.6% of GDP. In 2019, a peak year for inbound tourism, direct tourism employment was estimated at approximately 149 900 jobs, or 3.8% of total employment. It is estimated that direct tourism jobs fell to 108 174 in 2021, while tourism's share of GDP fell to 1.1%.

International tourist arrivals fell 81.7% to 832 000 tourists in 2020. In 2021, this fell further to 397 000 arrivals, 91.3% below pre-pandemic levels. In 2021, the top source markets were the United States (37.5% of inbound travellers), France (10.6%) and the United Kingdom (8.1%).

Domestic tourism generally accounts for just over half of total tourism expenditure. Domestic tourists declined 52.2% to 3.9 million tourists in 2020 but fully recovered in 2021, with a record 8.6 million domestic tourists and 18.4 million domestic nights. Domestic tourism expenditure was ILS 20.4 million in 2021, 83% of total tourism expenditure in 2021.

Despite the recovery in domestic tourism, overall pre-COVID travel levels are not expected to return until 2023-24 after Israel fully opened its borders in May 2022.

## Tourism governance and funding

The Ministry of Tourism is the national government entity responsible for steering tourism policy and the sector. The Ministry continuously engages with all parts of the tourism sector, putting particular emphasis on emergency support programmes for hotels and inbound tour operators and preparing SMEs for the recovery of domestic and inbound tourism. The Ministry co-operates with other relevant ministries, authorities and agencies on an ad-hoc basis and within the framework of joint steering committees.

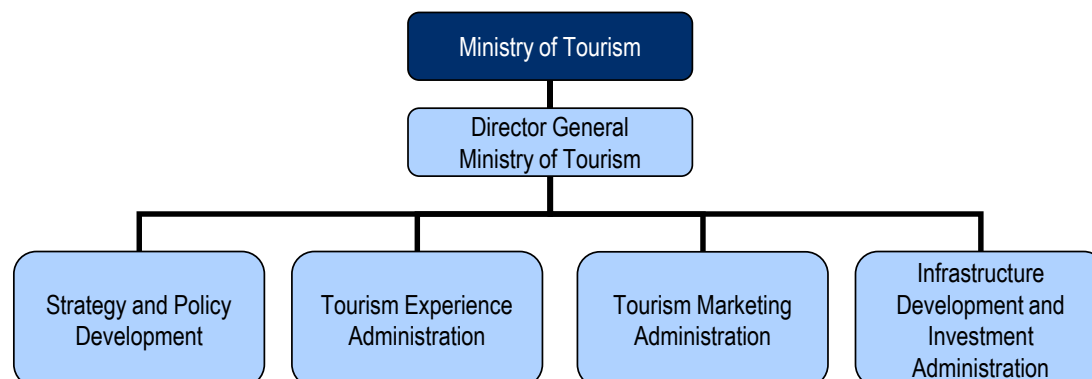
Large local authorities usually have tourism policies co-ordinated with national policy, particularly in relation to domestic and inbound marketing activities. Smaller, mainly rural authorities, tend to cluster into regional tourism destination management organisations (DMOs) to develop more coherent products and enable more effective branding and marketing policies. The Ministry has a continuous working relationship with regional DMOs and tourism departments and co-ordinates marketing, product development and regional branding. The Ministry also assists local authorities in tourism development research and feasibility studies, especially for infrastructure development and zoning. The Ministry organises professional coaching and training programmes in product development and marketing for SMEs, with the active participation of regional DMOs.

The total tourism budget for 2022 is ILS 825 million, up from ILS 380 million in 2020 but still down from ILS 1.2 billion in 2018. The tourism budget is split into three areas of activity:

- Development of accommodation through grants to hotels (investment amounting to ILS 100 million in 2020-21, expected to increase to ILS 175 million in 2022).
- Development of public tourism infrastructure (ILS 180 million in 2020 and ILS 350 million in 2022).

Marketing (ILS 100 million in 2020-21 and expected to be ILS 200 million in 2022) In addition, ILS 90 million is used by the Ministry for various needs such as planning strategy, administration of the Ministry's employees, and industry training.

### Israel: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Tourism, 2022.

### Tourism policies and programmes

The Ministry of Tourism is in the process of updating its 2030 strategy in light of COVID-19. An updated set of 2030 targets and intermediate objectives for 2022-25 are being formulated.

The Ministry is developing new sub-products in rural areas, alongside Wine Tourism and Adventure Tourism, focusing on programmes that will bring a more diverse and customised product. Current activities are based on the understanding that tourists are looking for more sustainable products in the open air and outside cities.

The Ministries of Tourism, Health, Foreign Affairs and Transportation helped co-ordinate tourism-related policy and action during the pandemic. Upon the outbreak of COVID-19, the Ministry of Tourism liaised with the Ministry of Health to maximise the potential for resuming and expanding tourism activities.

In 2021, a pilot for inbound tourist groups was initiated in co-ordination with the Airport Authorities and the Ministries of Health and Transportation. This allowed a small number of fully vaccinated tourist groups to enter Israel and tour the country. This programme was cancelled after all limitations were lifted in March 2022.

The Ministry is in continued contact with other relevant Ministries and the tourism sector for contingency planning, should COVID-19 or other sources of danger require the reintroduction of limitations. The Ministry is also part of the Israeli Governmental preparedness planning for future health and safety threats, including earthquake and other emergency mitigation and response planning.

The Ministry of Tourism has now redefined its goals for crisis management, recovery, and activity to include:

- **Preservation of infrastructure and human capital:** the Ministry has invested in developing public tourism infrastructure and increasing the supply of accommodation in Israel, aided by additional investment from other public bodies and the private sector. To minimise the damage to infrastructure and protect the tourism workforce throughout the pandemic, the Ministry allocated funding for assistance to hotels, guided tours, increasing domestic tourism, assisting inbound tour

operators, marketing activities abroad, business support and working to open up international routes for tourists.

- **Preparation for recovery from the crisis and return of inbound tourism:** the Ministry is executing its action plans for a speedy recovery of inbound tourism traffic. The plan includes action on three levels: 1) increasing demand among potential target audiences abroad by planning online and digital campaigns and strengthening PR operations, 2) developing marketing channels with agents and wholesalers abroad and with online travel agencies, and 3) restoring collaborations with airlines and encouraging them to open new routes. The Ministry has also introduced a joint recruitment platform, backed by a marketing plan, with the hotel sector and Israel Airport Authority. The objective is to alleviate the acute human capital shortages at airports and hotels.
- **Development and improvement of tourist products for the well-being of the tourist:** activities include the development of public tourism infrastructure to generate tourism traffic, encouraging new and diversified tourist accommodation, promoting the improvement of maintenance at tourist sites, promoting strategic plans for tourism and building new and diverse tourism products.


## Statistical Profile

### Israel: Domestic, inbound and outbound tourism

	2017	2018	2019	2020	2021
<b>TOURISM FLOWS, THOUSAND</b>					
<b>Domestic tourism</b>					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	8 043	8 071	8 243	3 941	8 575
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	17 264	17 105	17 341	8 943	18 422
Hotels and similar establishments	14 531	14 482	14 589	7 474	15 585
Other collective establishments	2 038	2 005	2 142	999	2 138
Private accommodation	695	618	609	470	700
<b>Inbound tourism</b>					
Total international arrivals	3 863	4 390	4 905	887	402
Overnight visitors (tourists)	3 613	4 121	4 552	832	397
Same-day visitors (excursionists)	250	269	353	56	6
Top markets					
United States	806	898	1 008	206	149
France	312	346	377	59	42
United Kingdom	212	218	260	47	32
Germany	229	263	306	52	17
Russia	398	316	394	60	14
Nights in all types of accommodation	12 940	13 862	14 420	2 609	1 059
Hotels and similar establishments	12 177	13 018	13 621	2 191	866
Other collective establishments	698	770	735	403	178
Private accommodation	65	75	64	16	15
<b>Outbound tourism</b>					
Total international departures	7 597	8 473	9 179	1 544	3 022
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Top destinations					
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
<b>TOURISM RECEIPTS AND EXPENDITURE, MILLION USD</b>					
<b>Inbound tourism</b>					
Total international receipts	7 602	8 048	8 439	2 661	2 517
International travel receipts	6 834	7 225	7 600	2 500	2 301
International passenger transport receipts	768	823	839	161	216
<b>Outbound tourism</b>					
Total international expenditure	8 986	9 975	10 390	..	..
International travel expenditure	7 057	7 878	8 154	1 804	3 213
International passenger transport expenditure	1 929	2 097	2 236	371	656

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/wv3hjg>

## Israel: Enterprises and employment in tourism

	Number of establishments	Number of persons employed				
	2021	2017	2018	2019	2020	2021
<b>Total</b>	..	<b>142 300</b>	<b>141 140</b>	<b>149 900</b>	<b>117 670</b>	<b>108 174</b>
<b>Tourism industries</b>	..	<b>138 400</b>	<b>137 550</b>	<b>146 100</b>	<b>113 610</b>	<b>104 274</b>
Accommodation services for visitors	1 673	45 000	45 000	46 500	24 400	27 500
Hotels and similar establishments	437	..	..	..	..	..
Food and beverage serving industry	11 606	15 400	15 790	16 200	12 690	13 000
Passenger transport	..	17 300	18 080	20 760	18 920	14 300
Air passenger transport	..	11 900	12 900	15 130	13 660	9 630
Railways passenger transport	..	..	..	..	..	..
Road passenger transport	..	5 400	5 180	5 630	5 260	4 670
Water passenger transport	..	..	..	..	..	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	..	5 100	5 490	5 950	6 290	5 160
Travel agencies and other reservation services industry	1 226	22 100	20 330	19 610	16 650	11 530
Cultural industry	..	..	..	..	..	..
Sports and recreation industry	..	11 900	12 250	16 220	14 950	12 872
Retail trade of country-specific tourism characteristic goods	..	21 600	20 610	20 860	19 710	19 912
Other country-specific tourism industries	..	..	..	..	..	..
<b>Other industries</b>	..	<b>3 900</b>	<b>3 590</b>	<b>3 840</b>	<b>4 010</b>	<b>3 900</b>

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/3kiyc0>

## Israel: Internal tourism consumption

Million ILS

	2021		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
<b>Total</b>	..	..	..
<b>Consumption products</b>	<b>20 419</b>	<b>4 233</b>	<b>24 652</b>
Tourism characteristic products	..	..	..
Accommodation services for visitors	..	..	..
Food and beverage serving services	..	..	..
Passenger transport services	..	..	..
Air passenger transport services	..	..	..
Railways passenger transport services	..	..	..
Road passenger transport services	..	..	..
Water passenger transport services	..	..	..
Passenger transport supporting services	..	..	..
Transport equipment rental services	..	..	..
Travel agencies and other reservation services industry	..	..	..
Cultural services	..	..	..
Sports and recreation services	..	..	..
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	..	..	..
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
<b>Non-consumption products</b>	<b>..</b>	<b>..</b>	<b>..</b>

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Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/rzhmue>

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.



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