Economic Disparity in Israeli's Tourism Monopoly –

The devastating impact in occupied Palestine

Israel’s stranglehold and monopoly over Holy Land tourism and its impacts

Alternative Tourism Group (ATG)

Study Center

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Introduction

According to statistical information, in 2010 alone Israel received 3.45 million tourists which reflects a sustained growth in the number of tourists visiting The Holy Land. Most tourists who visit are from the USA, Russia, Eastern Europe, France, UK, and Asia (Korea, Philippines, and India). Africa also represents a growing segment with Nigerians being the largest from this continent. The trickle from Latin America is evolving and one can expect larger numbers in the future.

Israel claims to present a surplus of tourism products - historical and religious places, beach resorts, heritage locales, archaeological spaces, and nature spots. The industry relies on what has come to be known as a ‘pilgrim market’ to make its dramatic gains from the tourism industry. However, it is important, at the very outset, to underline that Israel has craftily appropriated a number of Palestinian sites and areas into its own market and parades these important locations as authentically Israeli. This has been possible because Israel, as the occupying power in Palestine, carries out the seizure of these sites through unlawful means.

Through these machinations Israel has registered phenomenal growth in tourist numbers upward by 26% from 2009 and 14% more than in 2008 which represented the previous best. Tourism Minister Stas Misezhnikov has confirmed that direct “income from incoming tourism alone in 2010 reached 15 billion shekel (NIS), with another 10 billion NIS from domestic tourism and another 8 million NIS from outbound tourism”.

The situation in Palestine stands in sharp contrast to the prosperity in Israel. Palestine’s main attraction for a large proportion of visitors is the status of Palestine as the Holy Land. Traditionally, pilgrims have visited the country from all over the world. The conflict stemming from the occupation has caused a drastic reduction in pilgrimages. With restricted access to religious sites, the blockade of border crossing points, the closure of Gaza Airport, the Separation Wall and the image of insecurity projected abroad, tourism into Palestine has been drastically affected. Israeli tourist agencies have retained domination on archaeological and historical sites on the West Bank.

The on-the-ground reality is also in contrast to the hopes that were generated by the signing of the Oslo Agreement in 1993. In fact, after Oslo, tourism was expected to emerge as one of the most promising pillars in the development of the Palestinian economy. Based on sound policy foresight, millions of dollars were invested in tourism infrastructure projects such as the construction of hotels, recreation resorts, restaurants and related ventures.

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2. Ibid
History of Tourism in Palestine

The three monotheistic faiths–Judaism, Christianity and Islam–encouraged their followers to make pilgrimages to this Holy Land. Yet, until 1948, tourism in Palestine, especially in the cities of Jerusalem, Bethlehem, Hebron and Nazareth, was a marginal and undeveloped sector, visits by pilgrims and others to holy places notwithstanding.

That being said, the Zionist enterprise recognized the importance of tourism as a political tool several decades before the creation of Israel in 1948, and worked on the development of a Zionist perspective on Palestine in the hopes that tourists (Jewish tourists in particular) would, at the least, choose to financially support the Zionist cause, but the preferred outcome was the settling of Diaspora Jews in Palestine. The Zionist Information Bureau for Tourists was formed in 1925 with the goal of creating a "Zionist-flavored" approach to tourism in Palestine. This organization initially used its tours and guidebooks to merely describe the places of historical and spiritual significance to the Jewish people. But, beginning in 1937, the Hebrew translation of the guidebook, as well as the tours, now emphasized the construction of the modern Eretz Israel in ancient Palestine by focusing on new Jewish neighbourhoods and Zionist institutions in the land, particularly in Jerusalem.

The Zionist Information Bureau for Tourists, by using these mediums as well as others, such as maps and films, now imposed on Palestine an almost exclusively Jewish Zionist identity, essentially ignoring the presence and history of the Palestinian people. Up until this point, however, the Palestinians had managed to maintain a significant foothold in the tourist industry for themselves, despite the fact that the tourism market in Palestine was relatively undeveloped. This reality would change swiftly, though, following the end of the Second World War and the establishment of the state of Israel.

The creation of Israel in 1948 and the 1967 war, following which Israel occupied the West Bank and the Gaza Strip, has had shattering political, economic and social impacts on the Palestinian population. In many ways, Palestine itself was virtually rendered extinct from the map, historic Palestine coming to be known as Israel. The division of Palestine into three entities (Israel, the Gaza Strip and the West Bank, including East Jerusalem) completely transformed the structure and market orientation of tourism. Some important tourist attractions, of natural beauty, and historical and religious significance, remained within the borders of Israel, and as a consequence, were inaccessible to tourists from Arab and Islamic countries.

In this context, tourism became a political tool in the supremacy and domination of the Israeli establishment over land and people and an instrument for preventing Palestinians from enjoying the benefits and the fruits of cultural and human interaction on which tourism thrives.

After 1967, the Palestinian tourism sector in general, and the hotel industry in particular, suffered a major decline in the quantity and quality of business. There was increasing competition from the Israeli tourism industry while physical, institutional and financial
restrictions were imposed on Palestinian tourism. All in all, the tourism industry suffered greatly since the occupation and has remained underdeveloped. Strong pressures and profound changes have resulted in the effective separation of the Israeli and Palestinian tourism sectors and the marginalisation of Palestinian facilities. Apartheid is alive and well within the tourism sector too.

Yet, it must be said that despite years of occupation, the Arab private sector has managed to undertake limited tourism related activities despite the restrictions and problems due to occupation. Between 1976 and 1994, the number of Palestinian hotels remained unchanged. Very few permits to build or convert to hotels were granted by the Israeli authorities to any investors in the Palestinian sector.

At least 15 military orders and regulations related to tourism have been issued since 1967 by the Israeli military authorities, who have assumed responsibility for tourism in the Occupied Territories. These orders raised the level of requirements for licensing and functioning of tourist institutions, without availing those institutions of the means necessary for the required improvements. As a result of having quality requirements raised, but access to funding sources denied, many tourism firms were confronted with serious problems such as the often insurmountable challenge of unequal competition with Israeli firms, or demotion to lower tourist grades. Israeli tourism enterprises were offered long-term loans at concession interest rates, sometimes with part of the loan being turned into a grant. New Israeli tourism enterprises are eligible for tax reductions, especially when they face unexpected troubles. Vigorous government support for Israeli enterprises active in Israel has proved to be a major impediment to full and equitable competition with Palestinian enterprises, which are totally deprived of such subsidies and assistance (Hazboun, 1994).

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After the establishment of the Palestinian National Authority in 1993, several necessary steps were carried out to promote and encourage tourism. First, was an economic agreement signed between the Palestinian National Authority and Israel on 4 May 1994. Secondly, the Palestinian Ministry of Tourism and Antiquities was established and took responsibility for recognising and supporting the tourism industry in the West Bank and Gaza Strip. Since its establishment, the Ministry of tourism has accomplished a great deal, including the reorganisation of internal transportation, restaurants, tourism agencies and other segments; and rehabilitation of religious and cultural centres.
Tourism planning in Palestine undoubtedly reflects and is directly influenced by the political economy and the political instability in the region. Nonetheless, the Palestinian Authority in general, and the Ministry of Tourism in particular, have managed to support and encourage the tourism industry and re-organise tourism facilities in the Palestinian cities and towns.

Economic Disparity in Israeli's Tourism Monopoly

Typically, however, the Israeli tourism industry does not reflect the reality of the occupation, but instead discourages travel to the Palestinian areas. An Israeli branding campaign for the tourism industry in 2008 was developed to intentionally deflect attention from the occupation.³

The maze of unequal laws and restrictions give Israeli tour companies unfair advantages in their ability to provide seamless service for their groups. Tourists typically expect that when booking a tour that the tour agency will be able to take care of a variety of travelling details to save time beforehand and prevent delays upon arrival.

For tourists who are unaware of these disparities, unequal standards for Israeli and Palestinian tour companies gives the impression that Israelis are more willing to "go the extra mile" in service and comfort for their customers. However, the reality is that Israeli policy blocks Palestinian companies from being able to do the same.

Even a cursory glance at how these policies affect tourists' experience is very revealing in terms of the impacts:

Border control

1. **Obtaining Visas**: Some countries require a visa to travel to Israel and the Occupied Palestinian Territories. Israeli tourist companies are able to manage this issue effortlessly, simply by submitting the names and passport numbers of everyone in the group. Palestinian agencies are not able to manage this process as easily and are unable to guarantee that they can do it on behalf of the tour. Sometimes their requests are refused without explanation; other times, a handful of names will be refused and those tourists have to obtain their visa for themselves.

³ Come and have a good time. Economist, 9/6/2008, Vol. 388 Issue 8596, p56-56
2. **Preference to Israeli Services**: Preferential treatment to Israeli tour companies mean that Palestinian companies must do their best to work around many inconveniences and delays beyond their control that have an impact on their quality of customer service. These disparities apply not just to Palestinians in the West Bank, but also the Palestinians within the pre-1948 area, a population often referred to as Arab Israelis.

As an example of these disparities, Israeli tour companies have an advantage for making the best first impression when groups arrive at the airport. Palestinian tour guides are not permitted to go beyond the general receiving area in the airport when tours arrive. Israeli tour guides, however, are permitted to greet their tours at the gate as soon as they get off of the plane and welcome them warmly, as they go together to baggage claim and through customs.

3. **Delays and questioning of tourists at arrival**: Tourists who reveal their intent or interest in visiting the Palestinian Territories risk facing delays at the airport in Tel Aviv or at the Allenby Bridge. Some are deported without explanations; others are told they are being sent back because they are security threats. ⁴

Planning a trip outside of one’s home country requires significant time and money. The concern that expressing interest in visiting the Palestinian Authority area will result in refusal of entry is problematic; for some tourists this risk may discourage them from booking a Palestinian tour.

4. **Time spent at the Allenby Bridge**: For tourists who are arriving by land via Jordan, the amount of time they spend getting through the border may depend on the company they hired. When a group arrives that will be led by an Israeli company, tour guides report that an extra queue is opened to bypass the lines and expedite the group's passage. When Palestinian tour companies have notified the authorities ahead of time, in hopes of also expediting the process, the result has been the opposite, the tourists were not brought to a special line, and some were held for extended questioning that has sometimes resulted in several hours’ delay.

### Freedom of movement

1. **Limiting Movement of Tourists**: In 2009, IDF introduced a passport stamp that limited tourist and visitors with family in the West Bank to travel only the West Bank. Some tourists expressing interest in visiting Israel only have reported being expected to sign a statement at the airport stating they would not enter the Palestinian area unless they

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⁴ Truth in tourism

contacted the IDF in advance.\(^5\) A few months later, following international criticism of the sudden appearance of the "PA only" stamp, the official explanation from IDF was amended to clarify that the stamp was given only to visitors who expressed interest in exclusively visiting the West Bank.\(^6\)

2. **Checkpoints:** As of 2009, Palestinians and tourists in the West Bank were forced to navigate 60 checkpoints throughout the West Bank and there are 39 more checkpoints between the West Bank and Israeli sovereign territory. Additionally, the Israeli military also implements "flying" checkpoints which appear and disappear without notice or reason. The West Bank has an average of 65 flying checkpoints every week.\(^7\) Checkpoints cause significant delays, with roads backed up for hours—or closed altogether—making timely travel unreliable for tourists and locals alike.

3. **Limitation on movement of Palestinian tourism professionals:** The Palestinian Ministry of Tourism recently offered 50 permits for Israeli tour guides to enter the West Bank so that tours spending time in both Israel and the occupied areas could do so. However, the Israeli Tour Guides Association denounced the offer as a "risky gamble that exposes Israeli citizens to serious dangers."\(^8\)

The only time that permits were granted by Israel to Palestinian tour guides to work in Israel was in 2005, when just 42 permits were issued. Due to a combination of emigration and aging, just 25 of those guides are still working. Yet, Israel will not issue any more permits for Palestinians – not even to replenish attrition – compared to 8,000 Israeli guides who are licensed by the Israeli Ministry of Tourism.\(^9\)

### Absence of Policy and Regulations

1. **Instilling fear in tourists:** For tourists interested in visiting the area, their first point of reference might be the Israeli Ministry of Tourism. On that site, the "Frequently Asked Questions" addresses concern for safety and implicitly links Israeli’s assessment of safe travel to potential attacks by Palestinians.

   Is it safe to travel to Israel?

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\(^5\) Foreign tourists barred from visiting Israel and Palestinian areas in same trip


\(^7\) B'Tselem," Information on checkpoints and roadblocks."


No place in the world is 100% safe but Israel is a relatively safe country to travel in. In the past few years the security situation in Israel has been increasingly calm since the end of the Intifada. As a result, tourism to Israel has been growing steadily and last year alone approximately 2 million tourists visited the country.\footnote{http://www.tourism.gov.il/Tourism_Euk/Tourist+Information/Frequently+Asked+Questions.htm Retrieved June 15, 2010}

The next question further implies a need to be fearful of Palestinians, along with the suggestion that Israeli military is serving as protector rather than oppressor.

Are tourists allowed to enter areas outside of the Israeli responsibility (Palestinian areas)?

Passage to the two major tourist cities of Bethlehem and Jericho in the Palestinian Authority is direct without prior clearance or required authorization.

As regarding the rest of the Palestinian areas, it is recommended to forward requests to the IDF Public Relations Office, Fax: +972-2-5305724. All requests should include: Name, passport nationality and number, destination, name of departure into Palestinian Area Crossing if known; if crossing is by car – name and details of driver as well as car registration number. Fax replies will only be sent to Israeli tel./fax numbers.\footnote{Ibid}

The Israeli Ministry of Tourism offers no direct answer to "is it safe" but referring tourists to the IDF indirectly suggests that typically it is not safe. Furthermore, the only form of communication offered is via fax from inside Israel, which would mean the tourists are already there, or are booking through an Israeli tour company. This is hardly a sincere offer to communicate with tourists planning a trip, but rather a tactic to discourage tourists from trying to enter the PA. It is also important to note the reference to areas "outside of the Israeli responsibility" ignores occupation and implies the opposite – that the area is void of Israel's influence altogether.

The Alternative Tourism Group (ATG) argues that travel to Palestine is secure. Hospitality is an extremely important value in Palestine, as it is throughout the Mediterranean world. Palestinians welcome visitors with open arms. While it cannot be denied that dangerous situations can arise due to the Israeli Occupation, the risk to international tourists is minimal.

Arab people in general and Palestinians in particular, have been demonized in the West for decades. They are often presented in the media as dangerous, conniving, and immoral. It is not uncommon for visitors to Palestine to experience a mix of emotions --
bewilderment, confusion, delight, embarrassment, and anger -- when they realize how false those demonized images really are.

Negative stereotypes of Palestinians have been purposely reinforced by the Israeli government, which discourages international visitors to have contact with Palestinians. Israel knows that exposure to the present and historical realities of the situation have a transformative effect on the majority of tourists to Palestine, who return to their home countries as opponents to Israel's oppressive policies against Palestinians. The famous Israeli general and politician Moshe Dayan is known to have said that he would rather license a Palestinian to fly a jet fighter than license a Palestinian to be a tour guide. As such, Palestinians were prohibited from working as tour guides in the West Bank and Gaza until the 1990s. In the face of harsh propaganda, Palestinians encourage international visitors to suspend any preconceived notions they have about Palestinians until they have a chance to meet us face-to-face.

Israel is now steadily and deviously excluding Palestinians from a fair share of the Christian pilgrim market through various strategies. In a report in Committee for Accuracy in Middle East reporting in America (CAMERA), Tamara Sternthal concludes:

"Israel has spent millions of dollars refurbishing Christian sites in Israel and trying to create new ones, such as the recently launched "Gospel Trail," which allows hikers, bikers and motorists to retrace what may have been Jesus' path through the Galilee region. . . .

The Tourism Ministry is also promoting a Christmas Eve alternative to Bethlehem -- which is under control of the Palestinian Authority -- by inviting pilgrims and foreign diplomats to the Israeli city of Nazareth to enjoy a Christmas market, parade, fireworks display and jolly Santa Claus for the kids.

Palestinians complain that they are being cut out of a market they once dominated. Palestinian tourism officials say Israel is discouraging visits to areas administered by the Palestinian Authority and is promoting attractions in other parts of the West Bank, such as the baptismal site at the Jordan River.

"We have more sites on our side, and Israel is using them to develop their own tourism, leaving us with a smaller piece of the pie," said Palestinian Authority Tourism Minister Kholoud Daibes, contending that Israel collects 90% of pilgrim-related revenue. "They are promoting occupied territory as part of Israel."

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12 Sternthal Tamara in “The LA Times and the Grinch Who Stole Bethlehem Tourism”, http://www.camera.org/index.asp?x_context=2&x_outlet=33&x_article=2173
2. **Investment laws, zoning laws, and infrastructure development in Jerusalem**

Income generated from souvenir sales by merchants in Jerusalem has declined. Those whose livelihood depends on these sales have been facing barriers to maintain their businesses under the discriminatory practices obtaining from Israeli law. In the spring of 2010, the Israeli government began reviewing vendors' licenses under the auspices of needing to renew them, only to not renew them at all. New permits are not being granted, so the only way a vendor can have such a license is to inherit one from a family member.  

3. **Zoning of Palestinian areas under Israeli control**

Palestinian economic growth faces hardships because due to the restrictions of development of tourist areas, and severe challenges to provide infrastructure to accommodate tourism. Israel's refusal to grant building permits means that additional hotels can not be created, nor can the ones that are already built expand to accommodate more guests. In the Bethlehem area, for example, all 5,000 hotel rooms were booked for Christmas in 2007, yet an estimated 20,000 visitors were in the area for the holiday. Without ability to accommodate additional tourists during peak season, Palestine loses the economic opportunity to hosts tourists for longer periods of time, resulting in tourists spending short day trips in Palestine, but returning to Tel Aviv or Jerusalem for hotel rooms.

Areas that could be prime opportunities for development for tourism in the West Bank cannot be developed due to Israeli restrictions. B'Tselem, an Israeli human rights organization, reports that while Israel develops tourism along the Dead Sea -- which is part of the West Bank -- it prohibits Palestinians from developing that area. Additionally, Christian pilgrims are limited in their exploration of the baptismal site of Jesus due to landmines in the area. Israel has acknowledged that tourism opportunities would increase if the mines were removed.

**Branding and promotion**

In October 2011, *Palestinian Queers for Boycott, Divestment, and Sanctions*, challenged the organizers of the International Tourism Fair in Berlin (ITB) on their claims that they “have an ethical commitment towards promoting socially responsible tourism” . They called into question

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13 Alternative Information Center, Youtube Video: Posted June 20, 2010 tk more info
14 NYT "Pilgrims to Bethlehem Are Heartened by Even Relative Calm" By THE ASSOCIATED PRESS Published: December 25, 2007
15 http://www.btselem.org/English/Freedom_of_Movement/20091230_HCJ_Ruling_on_Road_443.asp
17 http://www.pqbds.com/archives/category/statements
“the contradiction between that responsibility and hosting ‘Tel Aviv Gay Vibe’ an Israeli government led campaign to promote gay tourism to the city of Tel Aviv”\(^{18}\). They demanded that instead of rewarding Israel for its inhumane and cruel occupation of the West Bank, Gaza, and East Jerusalem, international structures should hold Israel liable for these crimes and, in fact, isolate it until it conforms to international law and ends the occupation based a just agreement. The persistent legitimizing of Israel at international fora smacks of connivance and co-option. With tourism being a money spinner for Israel, it must be acknowledged that directly and indirectly the income from tourism supports the occupation and the crimes committed by the Israeli occupation authorities. ITB simply cannot be permitted to be used as a platform to give credibility as an important tourism destination.

Other tactics to brand Israel as an important and must-visit tourist attraction have been employed. Prominent sports clubs such as Arsenal were co-opted to promote Israel as a tourist destination through a variety of means. Given the popularity of football around the world, it does become an unseemly sight when billboards, promotional goods, and popular consumer services become a tool of promoting an Israeli product. Such branding initiatives are being opposed by the Boycott-Divestment-Sanctions (BDS) campaign as a way of delegitimizing Israel at a time when its occupation continues.

**Shaping untrue images of the Palestinian – Propaganda through tourism**

Much of the global perception of Israel/Palestine is shaped by internationalist tourists. From headlines, internationalists know that significant attention is paid to Israel’s relationship to Palestinians (or often inaccurately described as a conflict between "Jews and Arabs" in Israel). Typically, however, the Israeli tourism industry does not reflect the reality of the occupation, but instead discourages travel to the Palestinian areas. An Israeli branding campaign for the tourism industry in 2008 was developed to intentionally deflect attention to the occupation.\(^{19}\)

The avoidance of Palestinian areas on Israeli tours gives the message – sometimes implicitly and sometimes blatantly -- that Palestinians are dangerous and not to be trusted, despite the fact that no tourist has ever been hurt by Palestinians.\(^{20}\) Tourists who earnestly follow the warnings of the Israeli tour companies regarding the "terrorist zone" do not have the opportunity to experience the hospitality of Palestinians and learn about the occupation and community efforts for non-violent resolutions. They return home with false "confirmation" that Palestinians are indeed a threat to the safety of Israel and its tourists. Meanwhile in the West Bank, travel restrictions, travel delays,

\(^{18}\) ibid

\(^{19}\) Come and have a good time. Economist, 9/6/2008, Vol. 388 Issue 8596, p56-56

\(^{20}\) http://www.newstatesman.com/200512190023

poor roads, and the separation wall erode the tourism industry on which Palestine relies heavily. (In Bethlehem, for example, tourism accounts for 80% of the economy.\textsuperscript{21})

The maze of unequal laws and restrictions give Israeli tour companies unfair advantages in their ability to provide seamless service for their groups. Among the expectations tourists typically have when booking a tour is the agency's ability to take care of traveling details to save time before hand and prevent delays upon arrival.

For tourists who are unaware to these disparities, unequal standards for Israeli and Palestinian tour companies give them the impression that Israelis are more willing to "go the extra mile" in service and comfort for their customers. The reality, however, is that Israeli policy block Palestinian companies from being able to do the same.

\textbf{Access to media}

Palestinian media has all the relevant capacities to interact with the international media at various levels- regional, and international. In the first instance, Palestinians have strong language skills, and, above all, a critical contextual alertness that allows them to delve deep into the issues while reporting events. They also have access to facts and analysis that can render their narratives of the situation compelling to potential travelers. Other parts of the media, however competent and wide their reach, could easily miss essential facts and analysis and be tempted to confine themselves to headline hitting news that focuses only around the conflict. And yet, access to wide audiences, notably international, is an important goal for the Palestinian media.

Raed Othman, Director of Ma’an News Agency (MNA), which is Palestine’s main news agency for independent news from Palestine, underlines the importance of this international audience when he pointed out that: “The international communities are stake-holders in Palestine. They were stake-holders in the problem, and they will be stake-holders in the solution. So it is vital that we reach international audiences with an accurate, representative picture of what happens in Palestine.”

While there are challenges that impede professionalism, the issue is not the standards of Palestinian competence but rather the challenges and pressures from the outside world. In the first place, there are prejudices that the Palestinian media must cope with. A report from Palestine is always treated with a question mark. The average international audience treats an exclusive report as one-sided – a treatment that does not always apply to Israeli narratives largely because their narratives are mouthed by western media outlets who are biased in favor of the Israeli. Palestinian media is also hampered in their institutional development due to the lack of resources for training to upgrade standards.-An added challenge is that the best reporters are offered higher paying agencies which entice them to move away.

Israel also imposes restrictions on competent Palestinian journalists fearing that their reporting will find willing takers in the international arena. Hence, they prohibit free movement and are

\textsuperscript{21} Ibid
denied press cards which would allow them access to the domains that matter in efficient press services.

These broad categories of fetters also apply to the tourism arena. Perhaps, the only recognized guide book on Palestine that is internationally accepted is the ATG publication: “Palestine and Palestinians”. With international consciousness changing dramatically, the world needs strong and sustained messages on the issues in Palestine. The tourism sector is a very potent especially if tourists/pilgrims can be attracted to ‘Come and See’, to undertake as the ATG puts it: “a journey of truth and transformation that will reveal the love of God to you through the eyes of the Palestinian people who, despite having suffered decades of occupation and dispossession-- maintain their dignity, faith, and capacity for hope”22. The media must now become creative and innovative in telling the story using forms of pilgrimage that are transformative, patterns of justice tourism that resemble study tours, encounters- political, inter-religious, work camps, olive tree planting and olive picking, etc.

The opportunities that Palestinian media now have to make known the truth of the Palestinian reality to global viewers and readers rooted in their unique location-based knowledge and perspective could well define the contours of a form of media representation that guarantees that the Palestinian voice is directly heard rather than be a mere second hand narrative.

**Factors impeding the development of the tourism industry in East Jerusalem**23

- *Israeli occupation*. The Israeli occupation of 1967 hindered the development and growth of the Palestinian tourism industry. The tourism industry in East Jerusalem struggled to win a market share in a highly competitive environment dominated by giant Israeli tour operators, hotels, entertainment venues and tourist restaurants. However, restrictive and discriminatory Israeli measures since 1967 have frustrated efforts by Palestinians to develop their tourism infrastructure.

- *Municipal taxes*. The Israeli-run Jerusalem municipality imposes a wide range of taxes on East Jerusalem tourism operators in return for fewer services than what their counterparts receive in the western part of the city. Municipal officials have designated the areas where the majority of the hotels, souvenir shops and tourist restaurants are located as grade ‘A’ areas, which means that the highest rates of taxes are collected from those outlets. However, municipal services in grade ‘A’ areas, which should be equal to those provided in the western part, are non-existent.

- *Shortage of land*. Of the 70.5 square kilometers of East Jerusalem, 34% has been expropriated, and 40% has been declared 'green belt' (usually a preliminary measure

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22 Guidelines for Christians Contemplating a Pilgrimage to The Holy Land, A journey for Peace with justice, Come and see- A call from Palestinian Christians, Issued by ATG in cooperation with PIEF, ECOT, and Kairos Palestine

23 Meetings on Jerusalem, 15 October, A Palestinian View on Tourism in Jerusalem, presentation by Amir Dajani, Jerusalem Tourism Consulting group
taken by Israel to freeze Arab construction before expropriation). The rest of the land has been utilized for residential and commercial purposes. Those wanting to invest in the tourism industry by means of building new hotels have complained of the reluctance of the Israeli municipality of Jerusalem to grant them the necessary permits. It is believed that the slow process of granting permits is meant to impede tourism development.

- **Cost of land.** Due to the shortage of land that is suitable for tourism development projects, the estimated cost of land is very high and starts at around US$ 400,000 per dunum. This may discourage potential investors given that the tourism industry, as it stands, is not necessarily profitable.

- **Limited expansion and development options.** The majority of the hotels in East Jerusalem were not built specifically as hotels. Most were used for different purposes and hence minor physical alterations were later introduced. Most hotels in East Jerusalem cannot add annexes to the original structure although additional services, some of which are basic to modern hotels, require such expansion.

- **Absence of institutional support.** The absence of a national umbrella institution, such as a Palestinian ministry of tourism, capable of supporting the private sector in East Jerusalem further obstructed the development of the tourism industry. The Higher Council for the Arab Tourism Industry was only established in 1993; however, it is understaffed and has failed to meet the demands and expectations of the tourism industry.

- **Licensing procedures.** The licensing procedures for tourism projects and hotels in East Jerusalem are extremely prohibitive. The Israeli authorities deliberately impede the processing of any applications for tourism projects that have an interest in East Jerusalem. This tedious and complicated process deters investors and creates an unfavorable climate for tourism development and expansion.

- **Israeli labor laws.** Israeli labor laws, which are imposed on East Jerusalem, do not take into account the fact that tourism outlets in this part of the city do not enjoy the same income as those in the western part of the city. The price of a hotel room in West Jerusalem is often three times the price of a hotel room in East Jerusalem, yet Palestinian hoteliers are obliged to adhere to the same salary scales or else they may face being brought before Israeli courts.

- **Fierce competition by Israeli hotels during the low season.** Israeli hotels compete with Palestinian hotels in East Jerusalem during the low season. The hotels in West Jerusalem are modern and are equipped with the latest amenities. During the low season West Jerusalem hoteliers reduce room prices and offer discounts to travel agents and tour operators. East Jerusalem hoteliers cannot afford to offer similar advantages and thus lose their business to West Jerusalem during the low season.

Even though the above factors were identified as far back as in 1997, there has been little progress made to rectify the situation. Like the rest of Palestinian society, the tourism sector also aspires for an end to the occupation and towards an eventual possible partnership between Israeli tourism and Palestinian tourism based on mutuality and just trading patterns.
The challenges ahead - Issues that need to be considered

There is an urgent need to investigate tourism developments since the establishment of the Palestinian National Authority and juxtapose this with Israel’s tourism policies since the occupation, and, indeed, since the Nakba, 1948. These include:

1. The institutional framework and infrastructure, discriminatory actions and policies, and expose the main challenges facing the tourism industry and how the tourism industry could go from here - the way forward - for Palestine as a tourist destination.
2. The issue of imbalanced trade. Around 2.5 billion USD comes in every year from tourists who visit the Holy Land, especially the Old City of Jerusalem and the Dead Sea. Unfortunately for the Palestinian tourist agencies, most of the money goes to Israeli agencies. This is a direct result of unfair competition. The factors contributing to this inequity need to be removed.
3. Rumours are spread that travelling in the West Bank and East Jerusalem is not safe because of terrorism when in fact not one tourist has ever been targeted by terrorist organizations.
4. Movement restrictions on Palestinians (in this case the guides and tour operators) give them a great disadvantage in comparison to their Israeli competitors. For example an Israeli agency has the ability to pick up incoming guests from the airport while Palestinian agencies need to apply for a permit to go into Israel.
5. Restrictions on construction activities in the West Bank (Area C) slow down the development of the tourist sector; while, at the same time Jewish colonies are building hotels and resorts.
6. Israeli tourist agencies make no distinction between the West Bank and Israel. For example, maps do not show the border between Israel and the West Bank. As a result tourists get the impression that all the sites they visit are within Israel.
7. Israeli tourist agencies have no problem whatsoever passing checkpoints and taking tourist into Palestinian territories, whereas Palestinian agencies are unable to organize tours to Israel.
8. The annexation of East Jerusalem by Israel has placed the most important tourist attractions in the West Bank under complete Israeli jurisdiction.
9. Palestinian tourism enterprises in the rest of the West Bank and in the Gaza Strip have been deprived of markets, finance, training and policy guidance under military occupation, which pays scant attention to the complex needs of this potential vital sector of the Palestinian economy.
10. The presence of Jewish colonies in the West Bank damages some historical sites. Since some of the colonists are active in the tourist sector, they become a major competitor for a share of the tourist dollars.
**Issues to be examined for the way forward**

In striving to meet the challenges that lay ahead the following issues need to be examined:

1. Policies and practices that can enhance the situation of Palestinian tourist agencies
2. Settlements on the West Bank, which according to several international and bilateral agreements should be dismantled, should not be active in the tourism sector.
3. Israeli policy makers should refrain from favouring Israeli agencies when it concerns West Bank activities, be just with permits for Palestinian tourist guides, create a just and equal relationship with Palestinian tourist agencies and acknowledge the existence of the West Bank.
4. Damage caused to archaeological sites should be compensated.

**Other options**

1. Investment in accommodation and infrastructure, facilities for tourists,
2. Restore historical sites,
3. Create liaisons with tourist ministries abroad, promote Palestinian tourist agency services at international fairs, and market Palestine as a distinct destination in countries whose people are most likely to visit the country and make them aware of the Palestinian land.
4. Offer the ‘tours less taken’ (Alternative/Justice tours/pilgrimages with a difference.

In the final analysis, the Palestinian tourism sector needs an urgent and just peace as a pre-condition to achieve its potential.
References


Further recommended reading

2. An Open Letter to the Organization for Economic Co-operation and Development (OECD) regarding the decision to hold the annual OECD Tourism Conference in 2010 in Jerusalem www.ecotonline.org/.../030_...
4. This Holy Land battle focuses on tourists' wallets http://www.calgaryherald.com/travel/This+Holy+Land+battle+fociuses+tourists+wallets/5898166/story.html

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<td>8</td>
<td>Get Fair Palestine Tourism says Religious Coalition Asks 5 Questions</td>
<td>news.bbc.co.uk/1/hi/world/middle_east/7783586.stm</td>
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<td>Israel to Demolish Bridge of the Historic Mughrabi Gate in Jerusalem,</td>
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<td>Israel’s vandalism of Palestinian heritage, Abe Hayeem</td>
<td>The Electronic Intifada 7 November 2011</td>
<td><a href="http://apjp.org/israels-vandalism-of-palestini/">http://apjp.org/israels-vandalism-of-palestini/</a></td>
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<td>Settlers Break into Archaeological Areas In Bethlehem by Saed Bannoura</td>
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