

The Study of Iran's Tourism after the Nuclear Consensus

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Abstract: Over the past three decades, the tourism industry faces challenges in Iran, mostly due to international nuclear sanctions and there is no doubt that Iran has a negative image in the West and the negative propaganda against Iran and the presence of international sanctions have hit the tourist industry a lot. The nuclear deal reached in Vienna on July 14, 2015, and the better relations with the west, this agreement has given hope to many people inside and outside Iran that have foreseen a clear future for the Iran. On the other hand, the agreement has also affected the creation of direct flights to Iran. In this article, we will review the tourism industry in Iran (comparing after the nuclear deal).

Keywords: Iran tourism, Iran nuclear, Politics, Hospitality

INTRODUCTION

Tourism is among the industrial and industrial sectors with rapid global economic growth. This growth is used by some people to provide economic resources and, by others, for reaching both economic growth and higher economic potentials and playing a role in local and global arenas [1].

Iran is a country with high tourism potential, which is based on diverse tourism including young and old travelers. Tourism has been booming in Iran for a long time, and there is a lot of historical evidence of this claim, but the tourism industry in Iran, as it should, has not grown and as a result, there has been little success in attracting tourists, as well as achieving economic, cultural, social and political benefits [2, 3].

Tourism has a decisive share in the global economy. Tourism is one of the most active industries in the world [4]. For example, instead of every six foreign tourists coming to the country, a job opportunity is created [5]. Of course, in addition to economic impacts, tourism has an impact on culture, society, and politics; so today, one of the reasons for cooperation and alliances between the various countries is around this issues which itself leads to friendship and the preservation and stability of countries from war and political conflicts. On the other hand, in terms of culture, it reduces the social and mental distance between people from different cultures. For example, many tourists lose their bias and stereotypes from certain religions or cultures by visiting them and the atmosphere of neglect and dialogue is created [6]. Looking at the sustainable tourism trends and related statistics in Iran, we find that, although Iran is historically among the nine top countries in the world, (With 12 thousand registered bonds and one million 200 thousand registered bonds, but they have not been registered yet) and even in terms of ecotourism, it is one of the top 10 countries in the world. But in terms of revenue earned in this regard, it is much less than the other countries and Iran does not rank better than the 92th [7]. According to new developments (Nuclear Agreements 2015), we will examine the impact of the nuclear accord on hospitality development in Iran.

POLITICAL FACTORS

Iran has an undesirable target image, at least among the important producers, which goes back to the revolution and war with Iraq (1979-1989). Other negative affiliations have also been strengthened by sanctions imposed on Iran due to a nuclear program, future tensions with Western powers and instability in the region. Some contemporary issues, such as Iran's nuclear program, have undoubtedly been one of the first issues in the past decade. For example, Behnam and Zenouz [8] argued that "Iran's nuclear program was definitely one of the major phenomena of 1979 and beyond. In addition, there is a lack of advertisement about Iran and other attractions and attractions of Iran. Therefore, foreign tourists, due to lack of familiarity with our country, do not name Iran as one of the tourist destinations in their list. While countries such as the United Arab Emirates are attracting foreign tourists with massive promotions, they have a huge

income each year [9]. Unfortunately, Iran has been portrayed in a negative light for most Westerners due to political tensions [10].

In another study, Siegel and Barforoush reviewed the British and American media coverage of Iran's nuclear program in 2009-2012. They argued that "the coverage of Iran's nuclear program has strengthened and reflected the negative emotions of Iran, which has been widespread among the American public [11]. U.S. sanctions, which were initially enacted in 1979 and strengthened in subsequent years, resulted in many U.S. and European companies restricting their presence in Iran or exiting the market altogether — and they continue to dampen foreign direct investment prospects in 2016. Many sanctions banning financial, trade, and business transactions remain in place, due to concern over Iran's human rights record, terrorism, conventional weapons, and ballistic missiles program, which means that most U.S. companies can't do business there. This dynamic will persist in the foreseeable future. (There are some exemptions for humanitarian-designated sectors, such as agriculture, food products, health care, and civil aviation) [12].

COMPARISON OF TOURISM FACTORS

Tourism directly reached about 2.2 percent of Iran's GDP in 2013. Tourism revenue will account for 1.6 percent of Iran's GDP in 2014, which accounts for 81.5 percent of the income of Iranians traveling to the country. About 3.8 million foreign tourists have traveled to Iran, earning \$ 1.11 billion in 2012. The figure was \$ 4.77 million in 2013, up 24.4% year-over-year [13]. The World Economic Forum (WEF) has published a report every two years on the topic of tourism and travel industry competitiveness that it ranked the countries of the world in terms of several indicators on tourism and travel.

Table-1: Source: World economic forum, "The Travel & Tourism Competitiveness Report 2013-2015-2017" [14-16]

| year subject | 2013 | | 2015 | | 2017 | |
|---|-------|------|-------|------|-------|------|
| | score | rank | score | rank | score | rank |
| The Travel & Tourism Competitiveness Index | 3.64 | 98 | 3.32 | 97 | 3.43 | 93 |
| Environmental sustainability | 4.2 | 101 | 3.47 | 115 | 3.61 | 119 |
| Safety and security | 4.0 | 106 | 4.89 | 96 | 5.17 | 87 |
| Health and hygiene | 4.5 | 79 | 4.71 | 93 | 4.72 | 93 |
| Prioritization of Travel & Tourism | 3.0 | 130 | 3.35 | 130 | 3.35 | 117 |
| Air transport infrastructure | 2.5 | 102 | 2.2 | 93 | 2.22 | 89 |
| Ground transport infrastructure | 3.4 | 76 | 3.28 | 76 | 3.10 | 75 |
| Tourism infrastructure | 1.4 | 133 | 2.61 | 119 | 2.53 | 116 |
| Natural resources | 3.4 | 74 | 2.48 | 98 | 2.45 | 100 |
| Cultural resources | 3.64 | 45 | 2.59 | 37 | 2.78 | 38 |
| Property rights | 3.64 | 54 | 3.9 | 86 | 3.9 | 102 |
| Business impact of rules on FDI ¹ | 4.2 | 123 | 3.0 | 132 | 3.2 | 131 |
| Visa requirements | 4.0 | 140 | 37.0 | 42 | 49.0 | 37 |
| Time required to start a business | 4.5 | 61 | 12 | 68 | 15.0 | 84 |
| Cost to start a business | 3.0 | 43 | 3.1 | 44 | 1.1 | 26 |
| Sustainability of T&T ² industry development | 2.5 | 118 | 3.3 | 126 | 3.2 | - |
| Access to improved sanitation | 3.4 | 1 | 89.0 | 73 | 90.0 | 69 |
| Government prioritization of the T&T industry | 1.4 | 135 | 3.6 | 135 | 3.6 | 114 |
| T&T government expenditure | 3.4 | 82 | 3.0 | 83 | 3.0 | 78 |
| Effectiveness of marketing and branding to attract tourists | 3.2 | 120 | 3.3 | 130 | 3.4 | 112 |
| Quality of air transport infrastructure | 4.6 | 129 | 3.2 | 121 | 3.4 | 110 |
| Airport density | 3.5 | 68 | 0.9 | 92 | 0.7 | 93 |
| Number of operating airlines | 1.0 | 54 | 2.0 | 82 | 3.0 | 57 |
| Quality of roads | 13 | 68 | 4.1 | 63 | 4.1 | 67 |
| Quality of railroad infrastructure | 3.3 | 45 | 3.4 | 44 | 3.5 | 44 |
| Quality of port infrastructure | 3.4 | 80 | 4.0 | 44 | 3.9 | 73 |
| Road density | 3.7 | 110 | 0.5 | 67 | - | 109 |
| Ticket taxes and airport charges | 3.0 | 2 | 97.3 | 3 | 92.9 | 13 |
| Purchasing power parity | 3.4 | 6 | 0.3 | 6 | 0.3 | 10 |

¹ foreign direct investment

² Travel & Tourism

As we observe, after the nuclear talks in 2015, In the Travel & Tourism Competitiveness Index, Iran is ranked 93th among 136 countries and jumping four positions compared to 2015. Iran is ranked 87th in terms of security and we have made good progress in this area. In prioritization of Travel & Tourism Iran has the 117th place with a good climb. Respectively, in air transport infrastructure, ground transport infrastructure, tourism infrastructure, cultural resources, visa requirements, time required to start a business, cost to start a business, we have ratings 89, 75, 116, 38, 37, 84 and 26. Having a large Azeri population is a positive point for the Islamic Republic to attract tourists from the Republic of Azerbaijan. Iran annulled the visa regime with Azerbaijan in 2009 for one year. Citizens of Azerbaijan can travel to Iran without a visa by providing a passport. Azerbaijani citizens are mostly from Azerbaijan's provinces of Iran, as well as the capital of Tehran, where the majority of Azeri people live. The main reason for visiting Azerbaijani visitors to Iran is a medical treatment [13]. In 2017, Iran ranked 78th in terms of the Travel & Tourism government expenditure. In terms of effectiveness of marketing and branding to attract tourists in 2017, it has also earned 112th place. In terms of Quality of air transport infrastructure was ranked 110th and the quality of railroad infrastructure 44th in 2017. According to Iranian officials, the Islamic Republic had only a 0.5 % share of incomes in the global tourism business which amounted to \$1.5 trillion in 2014. Most tourists come from neighboring countries for treatment, visiting religious sites and historical sites, as well as visiting different countries. While 50% of tourists visit Iran, from the religious point of view, European tourists, Canada and Australia visit more than natural places in the north and deserts in the south [13].

CONCLUSION

In the global ranking, the most economical countries are Spain, France and Germany, which have won top positions in the tourism industry. With countless natural beauties, deeply-rooted-in-time history and culture, as well as the abundance of tourist sites, 21 of which have been inscribed on the UNESCO World Heritage list, Iran is looking for more shares in the world [17]. Approximately 81% of tourists came to this country because they had heard about it already, 4% of them were through advertisements on satellite television, and 5% of them were acquainted with exhibitions outside of Iran. The flow of tourists from the United States to Iran sharply increased in 2013, while more than 1,743 American travelers visited Iran (758.6% more than in 2012). The number of European tourists visiting Iran also increased by 34% in 2013 compared to last year and increased to 1.78 million in 2013 [13]. Despite many sanctions in 2014, more than 4.8 million foreign tourists visited Iran and brought 5.5 billion dollars to the country [18]. According to the Iranian media, the country, ranks 15th in the world in terms of tourism potential but based on the number of tourists it receives, it ranks 45th-48th [13]. Iran's potential in tourism includes 15 UNESCO World Heritage sites, 10th country on tourism attractions and 5th on ecotourism, one of the rich countries of the cultural places, ecotourism sites and historical monuments which called the cradle of civilization in other way the history of the country goes back to 7000 written history, an array of museums, a myriad of ecotourism opportunities, Numerous religious sites, affordable healthcare services, extensive bus network and air and rail infrastructure in the country [19]. The tourism industry is seeing new horizons in Iran. The tourism and travel industry in 2017 is about 6.6 percent of Iran's gross domestic product while in 2013, it was -2.8 % [16]. The nuclear agreements and lifting sanctions against Iran make it easier to travel to Iran and improved the face of Iran (as a tourist destination), which was somewhat unpredictable and negative in nuclear news coverage. Foreign investors are eager to enter Iran's beneficial markets, However, we must not forget that the infrastructures of the tourism industry in Iran have not been developed and Iran is relatively low in terms of the quality of the hotel services and related services to global hospitality that should be done in addition to promoting tourism industry in Iran.

Foreign companies, foreign governments, and Iranians expected after implementing a nuclear deal investment climate improve and sanctions relief in the country. But the question arises is that whether the market's potential was overstated. The nuclear deal has made some improvements in some cases, but in some cases it has not had an impact on tourism and may require time to fully reflect its effects. The economy still hasn't received a boost from sanctions relief, and many big banks that left the country have not returned. This turtle movement change have left many superior leaders at multinational companies frustrated and doubtful about Iran's potential. Despite a weakened economy, political tensions, market uncertainty, and the lingering effects of sanctions, Iran is still an important opportunity and a perfect market for multinational companies. Compared to most oil-rich countries in the Middle East, Iran has a diversified economy, its tourism sector is on the edge of a major windfall, and threats to its political stability are in decline. The countries citify and large middle class has maintained a strong preference for foreign-made products despite restrictions due to U.S. sanctions and a fragile economy. Senior managers should not lose sight of huge opportunities in Iran, but they must be prepared to take some serious challenges [12]. Finally among the other constraints in the tourism industry in Iran, in addition to political issues, it can be noted that according to under Iran's Islamic Sharia law, imposed on the 1979 Islamic Revolution, women are obliged to cover their hair and body, married couples may not share the hotel room and alcohol is prohibited. The western credit card is not working in Iran, which means that tourists must receive cash. Currently, Iran has 1,100 hotels; only 130 of them are four and five star hotels. By the year 2025, the number of hotels in Iran will increase threefold [13].

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