

UK PRIVATE SECTOR SCOPING MISSION TO PALESTINE

Tourism and Leisure sector

Mission dates: 4-8 October 2009

Report launch date: 9 December 2009



Monastery of St George, Jerusalem Wilderness

I. Executive Summary

- ❖ Palestine is understandably dominated by political and security issues, but there is a solid tourism product already in place.
- ❖ The sector lacks confidence and capacity and is not working efficiently or effectively. It is focusing on one niche market segment – pilgrimages.
- ❖ Although there is impressive innovation within Palestine and many informal links with Israeli partners and authorities, there is poor communication between the public and private sectors internally, and there is hardly any official relationship with Palestinian tourism's natural partners.
- ❖ Holding the trump cards of Bethlehem, Jericho and East Jerusalem, ideally Palestine needs to actively engage with Israel through a revitalised Cooperation Council; both parties can only gain from such a process. However it is recognised that there are political considerations here which would need to be overcome.
- ❖ As non-state bodies, academic institutions and NGOs have the potential to take a leading role in normalising cross-border relationships and promoting knowledge sharing; independent organisations (from outside the region) can help build capacity and facilitate this process.
- ❖ There is limited communication with key tourism markets such as the UK; Palestine has a poor image overseas, partly for reasons outside its control but also because the Ministry has limited resources and the private sector is fragmented. Creation of the Palestine Tourism Board as a public private partnership should help.
- ❖ The infrastructure is improving, especially in the hotels sector, but there is a lot still needing to be done to enhance the visitor experience. Work needs to be undertaken to match donor funding to the Palestinian entrepreneur and investor in the sector. The biggest challenges to overcome are the current transport and guide/border restrictions.
- ❖ Israeli current refusal to allow Palestinian development in 'Area C' is a major obstacle to development of the sector. Any solution will require cross-border cooperation.
- ❖ There are opportunities for UK companies in many fields, including market development, branding and marketing, image consultancy, product development including franchises, archaeology and interpretation, sustainable tourism, masterplanning and advice on modern construction techniques.

I. Mission background

Mission Concept

1. This UKTI tourism and leisure scoping mission was conceived as a follow-up to the Palestinian Investment Conference, held in Bethlehem in May 2008, and the subsequent tourism focused event in London in December 2008. Two of the delegates, Benjamin Carey and Alison Cryer spoke at the latter to which this mission was a direct follow-up. Tourism and Leisure was identified at both of these events as one of the key sectors to act as a driver for Palestinian economic development, and also to provide opportunities for UK companies where there is considerable expertise in the sector. British Expertise was appointed by UKTI to organise the mission, co-ordinate the report and host the launch event on 9 December 2009.

Previous mission to Palestine in 2005.

2. British Expertise (then called BCCB) last visited Palestine in July 2005, during the Israeli pullout from Gaza and following the death of Palestinian Authority (PA) President Yasser Arafat. That July 2005 scoping mission led by British Expertise CEO Graham Hand visited both Gaza and the West Bank, including Nablus, Tulkarem, Jerusalem and Ramallah. It was not a sector-specific mission and largely focused on infrastructure, security and institutional development. The mission concluded that 'opportunities certainly exist for British business, especially for aid-funded development and infrastructure projects; but much will depend on whether a lasting peace can be reached between Israel and Palestine. At the time of writing, the prospects for this look uncertain'.

3. On the tourism sector, the 2005 mission concluded that there was considerable growth potential, especially with nearly 1000 historical and archaeological sites in the West Bank and Gaza. It noted that, before the Second Intifada began in September 2000, tourism contributed around 11% of GDP. In 2005 contacts in the sector told British Expertise they were focusing on construction of new hotels; in 2009 some of these have now opened with others still at various stages of construction. There is still much work to be done on infrastructure but the building blocks are now there to focus on the next stages in development of the sector.

Political and economic overview

4. Events since July 2005 reaffirm that it is impossible to overstate how important a peace settlement, or even a meaningful peace process, would be to the future prospects of the Palestinian economy and the tourism sector. The chances for a lasting peace have been dashed several times, not least during the Israeli conflict with Hamas in Gaza in December and January 2008-09. At the time of writing, Gaza remains in a state of siege and is nearly impossible to visit; this situation is unlikely to change in the near future. However the conditions for economic development in the West Bank have improved markedly over the last year in comparison with earlier in the decade, with the lifting of some roadblocks and easing of other travel restrictions. The Palestinian economy has also benefited from much improved management and a significant influx of

aid money directly to the Ministry of Finance. During the relative calm in the West Bank of the last 2-3 years, tourism (largely in the pilgrimage subsector), has seen significant success. For example there has been a 94% increase in tourism to Bethlehem – a place which had been closed completely to tourism during much of the Intifada, culminating with the 2002 siege of the Church of the Nativity.

5. Overshadowing this though, the development of illegal Israeli settlements in the West Bank has largely continued unabated, despite international pressure and a recent offer of a partial freeze in development by Israel. The settlements are a grave threat to both a peace deal and the continued development of the West Bank economy, with investors wary of committing themselves with uncertainty remaining over the future. At the time of writing, tensions have risen again over the publication of the Goldstone Report into the conduct of both sides during the Gaza conflict, and continued Israeli government approval of settlement growth.

6. This tourism scoping report is written on the basis that there are unlikely to be any significant positive political developments over the next few years, but neither will there be any major new violence. It cannot be overstated that it is impossible to predict future political and security developments.

Political background

7. The overarching political authority in the Palestinian Territories is the Palestinian Authority (PA), which was formed in 1994 after the Oslo accords. The current President is Mahmoud Abbas (Abu Mazen). Since 2006 there has been a domestic political stalemate between Fatah, the Party of Mahmoud Abbas, and Hamas, led by Ismail Haniyeh. Hamas won the 2006 parliamentary election and subsequently took over the Gaza Strip in June 2007; in the same month Mahmoud Abbas formed a rival PA government in the West Bank, with Salam Fayyad as Prime Minister. Currently both Hamas and Fatah claim authority over Palestinian decision-making in what is effectively 2 separate governments. Continued attempts by various parties at reconciling the 2 parties have not achieved much, although contacts between the two sides are ongoing through Egyptian mediation.

8. Therefore a de facto division exists with Fatah controlling the West Bank, and Hamas controlling Gaza. Hamas' rule in Gaza is not formally recognised by most of the international community, although they are in effective control of the Strip, whilst the PA pays the salaries of Gaza's civil service. A new series of general elections, due originally in late January 2010, has been postponed; it is not clear in what format these can go ahead given the factional division but there is a chance they could provide a catalyst for the formation of a National Unity Government. Mahmoud Abbas has stated that he will not be standing again in the elections.

Security background

9. The Israeli-Hamas Gaza conflict in December 2008 and January 2009 and subsequent lack of progress have ensured that Gaza remains in a state of siege and economic isolation. Although British Expertise visited Gaza in 2005, both the political and security situation meant that it was not possible for this scoping mission to repeat that visit. Gaza has some of the finest beaches in the Mediterranean and some important Roman

sites, many of which are yet to be properly surveyed, but it is clearly not an appropriate time for a tourism and leisure scoping visit.

10. In the West Bank there has been a noticeable improvement in the security situation, with several key road blocks removed over the last 2-3 years. However the situation remains fragile with sporadic violence often involving extremist Israeli settlers. Before the second Intifada, the West Bank was a significant market for Israelis to visit (eg Jericho where Israelis could gamble – this is illegal in Israel). Currently though an Israeli military order prohibits Israelis from travelling to Palestinian areas and, with the exception of Israeli Arabs with residency outside the Palestinian Territories (generally East Jerusalem), the same situation exists for Palestinians wanting to visit Israel. Therefore both sides remain largely isolated from each other. The lack of contact has produced a loss of common understanding and denial of shared heritage, manifest as existential despair and a palpable fear of ‘the other’.

11. Due to the reduction in violence levels, the FCO downgraded its travel advice to UK nationals in June 2009 to allow travel to all parts of the West Bank (the advice on Gaza remains ‘against all travel’). It cannot be overstated how positively this development has been received in Palestine. Changes in FCO travel advice are often followed by other nations so the change has acted as a catalyst for a general relaxation of travel advice. This was mentioned several times by Palestinian Ministers, businesspeople and tour operators during the mission and has resulted in significant goodwill for the UK. It also allows travel insurance to be obtained much more easily, opening up the market for potential operators.

Economic background

12. The Palestinian economy has been in an overall state of decline since the outbreak of the second Intifada in 2000. Although there was a recovery from 2003-2005, this was largely reversed by the impact of Hamas’s election in 2006. However since the formation of Abbas’ government in June 2007, a notable recovery has taken place of about 6% annual GDP growth per capita. But this should not disguise the fact that over the last 10 years living standards have declined significantly on an aggregate basis, with GDP per capita more than 20% lower than in 1999. The IMF forecasts growth across the West Bank and Gaza of 5% in 2009 and 6.5% in 2010, but achievement of these figures is dependent on a continued improvement in the political and security situation.

13. Palestinian government finances are not strong, and the Gaza conflict reversed some of the PA’s progress in fiscal reform. The government still depends very heavily on international donors and it is unlikely that all funds pledged will be paid on time, despite the significant influx of funds during 2009. Therefore PA finances are likely to remain precarious over the next few years, leaving little investment to develop the tourism sector.

14. There has been much debate over the real state of the West Bank economy during 2009. Some commentators, notably Thomas Friedman in the New York Times, supported by The Economist, have noted that significant ‘green shoots’ have emerged under Salam Fayyad’s administration. For example some 2000 new companies have been registered in Palestine since January 2008, and as security, trade and prosperity have improved, a ‘virtuous circle’ has emerged with more Palestinian investment and

trade leading to the Israeli Army dismantling more checkpoints, thus creating better conditions for further growth. Also, in a major development, Israeli Arabs are now being allowed to drive into the West Bank for the first time in many years, providing a significant boost to local economies.

15. However the counter-argument is that Palestinian growth cannot be measured against normal criteria while exports remain severely restricted by Israel. Much of the growth is caused by the major influx of direct aid to the Palestinian Ministry of Finance during 2008-09 – the UK alone is giving £236m to Palestine over 3 years, much of it to UNWRA. Land, borders, airspace, utilities, main transport routes and the mobile telecom spectrum are still controlled by Israel, and there remains a major commercial dispute over Israel blocking the launch of a second Palestinian cellular operator (the Kuwaiti-owned Wataniya), despite the license already being awarded and approved. Additionally the eventual completion of the Israeli “separation barrier” will have a lasting impact on the economy of the West Bank, severely restricting mobility and hence economic activity. And the situation remains fragile with any major incident potentially derailing the progress which has been made so far. But there is no question that there is some degree of ‘forward momentum’ and this is much that can be built on over the next few years.



The separation wall near Bethlehem – the wall is already attracting tourism of a sort, with its pictures from artists such as Banksy

III. Background to the tourism sector

16. The Palestinian tourism sector is mainly based around the 'pilgrimage' sub-sector; as it has been for more than 2000 years. It also benefits from Palestinian expatriates returning to visit their families and to a lesser extent from 'friends' of Palestine, the latter often young backpackers. There is a risk for the latter of having the 'stigma' of an Israeli stamp in their passport when travelling elsewhere in the Islamic world, although the Israeli authorities are usually quite flexible in not stamping on request. Palestine clearly suffers hugely from an image problem and this will take time to change. However nearby markets with security issues such as Jordan, Egypt and of course Israel itself have successfully rebranded themselves in recent years and created successful tourist industries, albeit with much bigger budgets than Palestine is likely to have.

17. Although Palestine is located in an area of the world which is forecast to have one of the world's highest economic growth rates, with no control over its own borders it is hard to see how it can gain a fair share of this growth. Palestine's natural tourism partner Israel meanwhile is very protective of its own market, especially in the current economic climate, and the cooperation and support that Palestine needs is therefore particularly elusive; both parties however would benefit from such cooperation and their respective products would be substantially enhanced.

Hotels

18. As of December 2008, there were 87 hotels in Palestine with 9446 beds in 4346 rooms. In 2008 the total number of guests was 446,133, of which 42% were from EU countries and 10% domestic (Palestinian) tourism. 47% of these stayed in Jerusalem hotels, 33% in the south of the West Bank (Bethlehem and Hebron) and 18% in the middle of the West Bank (Jericho and Ramallah). Only a tiny proportion stayed in the northern West Bank or in Gaza. Hotel figures compare favourably with the year 2000 (355,711) and the subsequent decline to the low point of 51,357 in 2002. The 2008 figure represents an occupancy rate of 36%, and there is evidence that this figure will be surpassed by the end of 2009. At the top end, the Movenpick in Ramallah is likely to open in the first half of 2010, and the 5* Intercontinental Jacir Palace in Bethlehem is already in operation, but charging an uneconomic USD60 per night for half board. Although the Jacir Palace is a highly attractive product, the pricing is unsustainable and illustrates the fundamental mismatch between supply (good) and demand (poor), indicating an urgent need for market development.

Tourism and the Reform and Development Plan

19. Tourism is regularly identified by all studies as one of the key economic sectors for the Palestinian economy. The Palestinian Reform and Development Plan (2008-10) sees tourism as a 'kick-start' for economic recovery, with key targets being to:

- Increase tourism sector value-added by 100%.
- Increase tourism sector employment by 100%.
- Build industry regulation capacity.
- Establish initiatives to restore and preserve tourism sites.
- Establish initiatives to build private sector capacity and market Palestine as a tourism destination.

20. As stated by the Minister of Tourism, the priorities of the Ministry are to bring the Palestinian private sector together and design programmes to encourage them to invest and help them to access funding. The Ministry is also very keen to identify and begin to work with counterparts from the UK. It was stated clearly that there is a need for training and technical assistance from the UK, especially in product and market development, as well as help with branding, marketing and image consultancy.

Palestine's best-known tourist attractions

Jerusalem: divided between West and East with East being the 'Arab' side. Jerusalem is an historic walled city with hugely significant Christian, Jewish and Muslim holy sites, the most prominent visibly being the al-Aqsa mosque (Dome of the Rock) which is the most recognisable symbol of the Holy City to foreigners. The final status of Jerusalem is likely to remain uncertain for many years but almost all tourists to Israel or Palestine are likely to spend time in Jerusalem.

Bethlehem: The most prominent and successful tourism site entirely within Palestine. The site of the Church of the Nativity, but also an ancient city with handicraft shops, restaurants and cafes and apparently 7 museums. There is rural tourism in the vicinity.

Jericho: The oldest continually inhabited city on earth. 400m below sea level so ideal for winter tourism with a warm climate although very humid outside winter. Jericho has everything: historic sites, nearby desert monasteries and possibilities for hiking and birdwatching etc. A cablecar from Jericho to the Mount of Temptation is already in operation and a key attraction, with good quality souvenir shops, a restaurant and hotel rooms planned.

Dead Sea: Although the north-western shore of the Dead Sea is Palestinian this is currently a closed military zone effectively barred to direct Palestinian investment; the potential for development however is huge, especially for health tourism (highly oxygenated air with mineral deposits) and mirroring some of the developments on the Jordanian and Israeli sides. The important series of archaeological sites in the area around Qumran, where the Dead Sea Scrolls were discovered from 1947, are nearby. Potential is not limited to hotels, spas and resorts but could extend to beauty products and fruit, vegetable and flower cultivation for local resort use. However in addition to

the Area C restrictions, this area is also under serious environmental threat from over-extraction of water and pollution in the Jordan River, which feeds it. Sink holes and serious coastal erosion are becoming a major problem.

Nablus: An old city, famous for its artisanal products and sweets. Several archaeological sites, including a Roman theatre are in the city.

Dotted around the country there are several other Roman ruins, many of which require proper excavation and interpretation, including extensive remains at **Sebastia**, and there is an archaeological museum at **Tulkarem**. There are many 'traditional' villages offering arts and crafts, and the occasional niche attraction such as the **Taybeh** historic village and brewery. Locations such as **Sebastia** require site interpretation and assistance with food and beverage outlets, souvenir shops and modern public conveniences. The amphitheatre would provide an excellent venue for a music or arts festival.

Market background - the experience of a current UK 'pilgrimage' tour operator

21. Mr Issa Tahhan, a tour operator based in the UK who runs "Special Pilgrimages" from an office in Southend, has long experience in taking regular tours to Palestine and Israel. He believes that there are significant structural problems with development of the sector, with a severe and understandable lack of confidence amongst investors and operators. His view is that there are many positives in the product on offer in the Palestinian market, but these have generally been outweighed by the perceived negatives. These perceptions, and indeed the real and genuine difficulties of visiting Palestine, mean that attracting the high-spending European market will continue to be very difficult.

22. There is also the obvious problem that most Arab individuals (excepting Jordanians and Egyptians who very rarely visit) are unable to visit Palestine as they would be unable to return to their home countries with Israeli stamps in their passports. There is some talk that restrictions have been eased for Gulf visitors, but these are unlikely to come in any meaningful numbers. This means that Palestine cannot attempt to emulate Lebanon, Jordan and Syria's success in attracting high-spending Gulf visitors and the Middle Eastern tourist generally, which is currently tourism's most consistent growth market. Therefore the main tourists are likely to remain pilgrimage-based or 'friends' of Palestine, including the expatriate community, until there is a demonstrable improvement in the situation or an improvement in the tourist product on offer.

Comparisons with Jordan and Israel

23. On the positive side Mr Tahhan points out that Jordan has shown what can be done with a difficult market, albeit one with a world-class attraction in Petra. Despite having had its fair share of security problems in the past, Jordan is now a huge tourism success story and is struggling to accommodate tourist numbers. Jordan made a decision in the 1980s to invest very significantly through the creation of the Jordan Tourist Board (JTB). This was launched in March 1988 as an independent public-private sector partnership committed to utilise marketing strategies to brand and promote the Jordan tourism product. The JTB runs an integrated programme of international promotional activities

and has 11 offices in Europe and North America. This has resulted in a projected 1.5 million tourists in 2009, despite the recession affecting arrivals from Europe and North America. Jordan currently appears regularly in the newspapers and travel magazines and has broken into the MICE market, with modern conference facilities at the Dead Sea and elsewhere. Jordan also has an interesting concept that could be repeated in Palestine, that of the Taybet Zaman resort and village near Petra. Palestinian attempts to create a Jordanian-style public-private partnership have only recently got underway.

24. It is also interesting to look at Israel itself which has also had image difficulties linked to security issues. Despite investing millions of dollars in various attempts to attract visitors, these still remain largely restricted to 'friends' of Israel, religious tourists, or families. Branded (like Egypt's Sinai coast) as the 'Red Sea Riviera', Eilat attracts a growing number of visitors from Central and Eastern Europe and the former Soviet Union, whilst the number of winter charters from mainstream West European markets continues to decline.

25. According to Mr Tahhan, Israel is desperate to break out of the 'pilgrimage' markets but has had limited success. Israel has tried extremely hard, for example with City Breaks and its latest attempt to target the European gay market. But these plans have had mixed success, partly due to the fact that Israel is not an easy weekend destination given the lengthy flight time and immigration and security delays at both arrival and departure for visitors to Palestine. Thomson TUI ended its scheduled flights from Gatwick to Tel Aviv in April 2009, as it could not make the route economically viable, although EasyJet started flights in early November. Israel is struggling against neighbouring new Jordanian developments and cheaper Egyptian resorts that have sprung up on the Gulf of Aqaba. It is worth stating again that the security procedures at Tel Aviv airport have the potential to put off many return visitors; this is something which the mission delegates had direct experience of.



Church of the Holy Sepulchre, Jerusalem

IV. Mission Key Findings

Political Background

26. The recent improvement in the tourism sector shows that the industry's main need is for stability, as much as any final peace agreement. The industry has benefited considerably from the last few years of relative calm and is starting to think about looking forward and working around the current problems rather than waiting for them to be resolved. But there is a tendency to express frustration at politicians on all sides, insisting that only the private sector through its own networks will achieve anything.

Current Security and Political Situation

27. It is difficult to think of more that can be done to influence the Israelis on their current security policy. Time and again the mission heard from Palestinians that a relaxation of Israeli security measures was long overdue, especially with the 'huge strides' taken by the Palestinian security forces. It is possible that with intensive lobbying the rules could be relaxed. The difficulties are myriad: for example currently it is not possible for an Israeli guide and tour bus to cross into Palestinian territory. This leaves a major hiatus at the entrance to Bethlehem with tourists transferring to Palestinian buses and a different guide, with a similar situation at Jericho. By using a smaller vehicle (eg a people carrier) it is not necessary to go through the wall at all and the whole process can be avoided. Similarly, it is almost impossible for a Palestinian-based tour operator to collect its clients from Ben Gurion Airport, making any transfer very unsatisfactory for visitor and operator alike, especially with all the uncertainty of immigration delays.

28. There are only 42 tour guides (all Israeli Arabs with residency outside the Palestinian territories) with dual licenses to work in both Israel and Palestine; if there is to be any tangible form of co-operation in tourism, this situation needs to change. The issue of the tour guides not being able to cross remains a major problem for both sides. Any positive developments on security will always be a hostage to events and could be reversed at any time. The current uncertainty over whether President Abbas will stand for re-election will be a deterrent factor to tour operators from investing in the destination.

29. There is a Joint Israeli-Palestinian Tourism Committee but it has not sat for over a year, and co-operation on an official level is admitted to be minimal. Most arguments are dominated by the Israeli focus on security which the Palestinians say can often override logic. The Ministry of Tourism said it was close to giving up in trying to co-operate with its counterpart and there are 'no positive indications' for the near future. However some private sector stakeholders reported useful and productive relationships with the Israeli private sector and also with the Israel Defence Forces (IDF), which control large areas of Palestine, including its borders. One idea from the mission was to utilise Cherie Blair's Foundation for Women which has projects in both Ramallah and Israel; with a female Minister for Tourism in Palestine perhaps this would be a different route to take in order to try and promote joint activities.

30. Stefan Szepesi from the Quartet agreed that there is very little co-operation at the moment. The goal of the Quartet is at least to get the situation back to the position it was in the 1990s when both sides worked closer together. The Quartet's focus is on shifting policy blockages and the physical restrictions on the ground, and trying to build up the official co-operation started by the Oslo agreements which had broken down over the last 9 years. The Quartet felt that the Israelis had a 'protectionist' mindset and felt they were in competition with the Palestinians rather than benefiting from co-operation with them. The Joint Tourism Committee should meet regularly in accordance with the Paris Protocol (the economic agreement linked to the Oslo Accords) but had last met more than a year ago.

31. Unfortunately, although some delegates subsequently visited a wide range of tourism sites and visitor attractions in Israel to draw comparisons, the mission did not meet any Israeli agency, apart from their experience of immigration and security at border crossings, and so was wholly unable to assess their propensity for cooperation or to investigate observed criticisms.

32. However, whilst in most areas of co-operation, such as shared access to utilities and transport infrastructure, there is an unequal relationship, the Quartet feels that the Palestinians have some trump cards to play in the tourism sector and are hopeful of concrete outcomes. This as always is dependent on the overall political context. For instance, without access to Bethlehem, Israel's pilgrimage product is undermined. In any negotiation, there is a significant opportunity here. A major current Quartet goal is to persuade the Israelis to allow Palestinian investment in Area C (essentially the areas outside the cities and around 60% of the West Bank – but also often including areas where Israeli settlements are located). Although Palestinians are allowed to visit Area C they are not allowed to build and invest there, although they are allowed to invest in Areas A (urban areas) and B (areas surrounding Palestinian cities). A more modest objective is to increase the number of dual licensed guides permitted to operate across both Israel and Palestine.

Economic Situation

33. Economy Minister Bassim Khoury stated that the priority to ensure rapid development of the economy was to rollback the Israeli closure regime. He emphasised that the direct aid provided to the Ministry of Finance was the primary reason for the ongoing GDP growth. 2009 was shaping up to be the first year since 1999 when Palestine could show real growth (of around 4%), but the economy was still 35% below 1999 levels.

34. Tourism is in the top 2 priorities of the government after support for the industrial sector, but he was keen on sustainability in the sector. He recognises that there is a need to put in the proper infrastructure but feels that progress is being made. The Minister also stressed the 'absolutely huge' potential for the sector if all sides worked together, with Egypt, Palestine, Jordan and Israel maximising the potential of the region. Every serious tourism stakeholder recognises the potential for regional product development, whether as a greater 'Holy Land' or as the Middle East's (and possibly the world's) premier ecotourism destination. However it would be difficult for Palestine to benefit fully without control of its own borders, airports and entry points.

Market Setting

35. Lonely Planet describes the West Bank as 'developed for tourism, but because of regional turmoil, it's all dressed up with no place to go'. It is unable to benefit from the large GCC/Arab market due to problems of access through Israel. There have been some cosmetic steps taken to allow for Gulf (principally Qatari, UAE and Omani) visitors who in theory have access through Tel Aviv airport – eg signs in Arabic have gone up there recently. However it will be difficult to convince them that Palestine is a safe destination, and they are highly unlikely to travel in any numbers to somewhere under direct Israeli military control. Any influx of Arab tourists from Jordan and Egypt has been negligible, despite the formal peace deals both countries have signed with Israel. In theory though there is no problem for Jordanians and Egyptians to get a permit to visit the West Bank, but the process is overly bureaucratic for most.

36. Many operators are now focusing on the domestic and the 'visiting friends and relatives' (VFR) markets, primarily Palestinian Diaspora and Israeli Arabs, despite this involving logistical and immigration challenges. However Palestine could benefit from bringing tourists across in a 'package' from Jordan, so they spent say 6 nights in Jordan and 3 in the West Bank. New opportunities are opening up in the traditional Christian 'pilgrimage' market, e.g. fast growing Christian populations in India and Latin America. Other general tourist and pilgrimage areas to consider would be South Africa, Australia and New Zealand. There is also scope for marketing to the large expat community of diplomats and NGOs in the region; based locally, they know the reality on the ground, have greater freedom of movement than Palestinians and can act as ambassadors for the opportunities that Palestine offers.

Infrastructure and Development Opportunities

37. Palestine has many of the shortcomings in the quality and quantity of tourism infrastructure that are shared with other developing countries, but these are compounded by many years of disruption and conflict and the lack of full control over its own territory. Without any airports or seaports of its own, the West Bank lacks any control over its points of entry, creating uncertainties among travel operators and international tourists about the management of the tourist experience. After Yasser Arafat Airport in Gaza ceased operations in 2001, Atarot Airport at Kalandia in Greater Jerusalem became the only 'Palestinian' airport, but this was closed to civilian flights in 2001 and is now on the wrong side of the Wall, contrary to international agreements. Reconstruction of either airport or development of a new airport in the Jordan Valley however would require a massive investment – and political transformation. Once within Palestine, the basic infrastructure of transportation and utilities are also barriers to establishing a tourism sector of international standard.

38. A large proportion of the roads are in a poor condition due to the lack of maintenance and damage, with free movement disrupted by the provision of 'settlement only' roads for use by Israelis that add to travel time and costs. Although there is a bus service serving Palestinian needs, it is not user-friendly to visitors (signage is in Arabic only) and the high level of traffic accidents makes independent tourist travel additionally difficult and hazardous. The Ministry of Tourism reasserts that there are 'no positive signs' from Israel over freedom of movement, for example to allow guides from either side to cross the wall freely. The Palestinians want to see Israel demonstrate that they are accepting Palestine as an equal partner in tourism, but this is not happening.

39. There is no power generation or transmission within the West Bank, or under the control of the Palestinian authorities, and service can be intermittent. Likewise water supply and distribution is largely under the control of Israeli companies and problems with quality, cost and service are exacerbated by the disruption of services to Palestinian West Bank villages in favour of Israeli 'settlements'. Water supply is traditionally reliant on groundwater aquifers and the River Jordan, but access to the latter is also restricted and liable to severe constraints anyway due to high extraction levels by the neighbouring countries.

40. Sewerage infrastructure is poorly developed in urban and rural areas, and traditional cess pits and open wadi sewers are still common, creating problems for standards of public health and under pressure from the additional Israeli 'settlements'. Solid waste management, whether collection, transportation or processing, is still largely a local issue and the shortage of suitable refuse sites has become a major environmental concern and landscape eyesore. Public services such as parks and play space are also in short supply for a fast-growing, young population, both in urban and rural areas.

41. Such shortcomings in public utilities and infrastructure are major constraints on further development of the tourism sector, despite its identification as a prime mover of economic development. This is particularly true of rural tourism that is seen as having considerable potential in bringing tourism income and employment direct to local communities. However the constraints that such communities live under would be a major deterrent for tourism growth in rural areas. Whilst there is scope to promote 'disadvantage' as a component of solidarity tourism, it would be wholly unethical to encourage the diversion of scarce resources for the benefit of tourism development and in any case this would not attract high value tourists, which are (or should be) a prime target for Palestine.

42. There is potential to offer short-breaks and cultural tours based on the current product where itineraries and product offering need to be repackaged with a different emphasis; eg heritage tours or Jerusalem, Bethlehem and Jericho or weekend breaks in Bethlehem or Jerusalem. Although there is a hotel and tourism school at Bethlehem University there is definite scope for People 1st and Women 1st to share their expertise in training and career development.

Hotels and other accommodation

43. Building up Palestine's own stock of international standard hotels has been made difficult due to the disruption since the Second Intifada began and the development of Israeli hotels in 'Palestinian' locations such as East Jerusalem. There has been no lack of initiative by local entrepreneurs or development agencies as indicated by investments in Movenpick Hotels, in Gaza and Ramallah, with work on hold on the former and the latter likely to open sometime in 2010, ten years after the development process started. The Jacir Palace Inter-Continental Hotel in Bethlehem had a similarly lengthy opening process, with long periods under Israeli Army occupation, but is now operational and meeting international standards. There are continuing signs of local initiative though, with the construction of a new Days Inn in Ramallah, and evidence of assistance needed in the latest techniques of construction and sustainable development. It is of concern that high rise buildings are being constructed with no apparent planning laws in place.

44. Hotel development in East Jerusalem has recently been dominated by the construction of three large, Israeli funded hotels that are taking advantage of the proximity to the Old City; the Palestinian hotels are finding it difficult to compete with these. However the Israeli dominance of tourism in Jerusalem is indicated by the fact that East Jerusalem still has only 1,000 hotel rooms, compared to 6,500 in West Jerusalem. Access to more loan finance would assist local investors to compete with such development. Tourism banks established in Austria and Georgia and being explored in Scotland and other destinations could provide a model.

45. Hotel developers still see the immediate priorities for hotel development in Palestine as East Jerusalem, Bethlehem and Jericho, although the Jordan Valley and the Dead Sea provide considerable longer term opportunities for hotel development. The existence of Israeli settlements near to the Palestinian section of the Dead Sea has led the Israeli Army to restrict access to this area, despite the considerable tourist potential.

46. For both urban or rural tourism, and hotels or self catering establishments, there is the recognition by the Ministry of Tourism and Antiquities that Palestine needs its own classification and grading system for the accommodation sector as it attracts a broader range of international tourists and operators new to the tourism sector. This is an area in which British expertise could make a significant contribution, especially in helping to ensure that environmental management and social responsibility are a key component so that – unlike more established systems that are now being forced to adapt to new international standards – the Palestinian system can lead from the start and even provide a benchmark for regional integration in the future. A further opportunity exists in assisting religious institutions to refurbish hostels in Jerusalem into stylish boutique guest houses and homestays, introducing common standards, enjoying higher revenue and providing an improved visitor experience at all levels.

PADICO – a major investor in tourism

47. The Palestine Investment and Development Co (PADICO) was established in 1993 in the Palestinian Diaspora as a vehicle to invest in Palestinian infrastructure. Samir Hulileh, the CEO, stated that PADICO's initial investment was USD250m into major infrastructure projects, which included a series of 5* hotels, in Ramallah (Movenpick), Bethlehem (Intercontinental) and Gaza (Movenpick). PADICO is focused on developing local (Palestinian) tourism with a potential market of 1m Israeli Arabs, especially to Jericho as a winter destination or for major events such as weddings. They state that there is also some degree of success in attracting Jordanian groups (mainly Palestinians who have attained Jordanian citizenship).

48. PADICO is particularly interested in developing the Palestinian 40km north-western shore of the Dead Sea for tourism. One issue which particularly concerns PADICO is that the Israeli Ministry of the Interior apparently commissioned a development masterplan for this shoreline without consulting the Palestinians. This document, only produced in Hebrew, remains a mystery and could perhaps be usefully added to the agenda of the Joint Tourism Committee. For development, PADICO sees Area C as key as several major attractions fall within this (including Sebastia). This issue was also emphasised strongly by the Ministry of Tourism although there was a recognition that the Quartet is working hard on it.

49. In the view of Samir Hulileh, the private sector in Palestine does not really believe in worrying about the peace process and has to a large extent lost faith in it, but is also pragmatic about dealing with the Israeli private sector, with which relations are reasonably constructive. He asserts though that there is certainly interest in working with the Palestinian Britain Business Council and undertaking new activities together, and it is up to the Palestinian private sector to generate momentum to bring success.

50. Similarly Jamal Nimer, Chief of the Board for the new Days Inn in Ramallah which has recently started construction, felt that it was really up to the private sector to move things forward as the Ministry was starved of resources. It had taken him 3 years to convince Days Inn to award him the franchise, illustrating the difficulties of franchising with major brands. The Days Inn investment of USD 23m will pay for a 130 room hotel in a 21 storey building. The law had only been changed in 2008 to allow high-rise buildings, and there is a real shortage of skills for advanced construction techniques. For example it would take a month to construct the basic concrete shell of each floor, whereas with modern techniques this could be reduced to one floor a week. There are therefore opportunities in advanced construction techniques which UK companies could find of interest, especially as the hotel sector develops.

51. Days Inn are also aiming for the Palestinian market and a large proportion of the rooms will be suites. This is because in the summer families were expected to come and stay for a month to visit relatives; Nimer sees huge potential in the hotels sector – he is also planning to open hotels in Jenin, Bethlehem and Gaza in due course but would need to raise further funds, although foreigners are not permitted to own more than 50% of an investment.

52. Mr Sami Abu-Dayyeh, owner of the Ambassador Hotel in East Jerusalem and a member of the PBBC, believes that the image needs to be built and relying on The Bible was not enough. His tour agency (Net Tours) takes groups to Palestine, Israel, Jordan and Egypt and he recognises the potential - 'in a normal situation tourism would be better than oil'. Mr Abu-Dayyeh feels that the Jordan Valley offers the most potential but echoed other views in that Israeli policy on Area C has to change. There are plans for a small international airport in the Jordan valley so that flights could come to Palestine only; the Japanese were reportedly interested in developing this idea. Even though it is difficult to envisage such an outcome in the current climate, the lead time that such a project would require means that commissioning a proper feasibility study and environmental impact assessment would be justified.

53. Mr Abu-Dayyeh stated that East Jerusalem was suffering from a lack of investment in Palestinian hotels and was losing trade to the Israeli competition. There are around 1000 Palestinian-owned rooms in East Jerusalem and operators generally prefer to base their clients in Jerusalem as it allows more flexibility in the event of security problems. Some of the existing Palestinian stock would benefit from an upgrade, and the sector was crying out for new soft loans to be made available. The mission felt that despite a lot of donors looking for good projects, the private sector did not know where to go to get soft loans or grants - much more could be done on this even though investor confidence was low.

54. On the plus side East Jerusalem has real atmosphere with its position next to the Old City, in comparison with the modern feel of West Jerusalem. The total transport available to the Palestinians was around 200-230 tour buses, this was building up again

after a dip in the early 2000s. A useful investment could be in people-carriers to take small groups as they do not have to go through the wall to get to Bethlehem. There was some criticism from Sami, backed up by the mission, of the condition of the Old City of Jerusalem itself. We agreed that it looks 'dirty' and 'ugly' – apparently much of it unmaintained 'for political purposes'. With limited signage, it is not 'tourist-friendly', but it can be argued that this is an attraction of mediaeval cities. At the same time, there is an opportunity to create better maps with sensible interpretation at all entry points and key cross-roads within the City. There is also scope for knowledge sharing with cities in Israel, such as Acre (or Akko), which would also facilitate communication and help to tackle some of the existential angst that seems to hamper much tourism planning and cooperation in the region.

Opportunities: Several new hotel projects have urgent need for structural engineering and sustainable construction advice. Priority locations are East Jerusalem, Bethlehem and Jericho, although the former is additionally subject to Israeli planning controls. However for refurbishment projects the Palestinians state they have the skills and capabilities to take these on themselves. In the long term hotels may also have opportunities for food and retail franchise outlets.

Catering

55. The return of some expatriate Palestinians to towns such as Ramallah, combined with the development of the town as the seat of the Palestinian authorities, has contributed to the regeneration of its night-life and the provision of an ever widening range of cafes and restaurants. This provides a range of both cosmopolitan and more authentic Palestinian experiences which many tourists would enjoy, especially as in Ramallah there are no restrictions on serving alcohol. However there did not appear to be much information about the attractions of Ramallah available to tourists beyond the Lonely Planet and similar guides. Tourist destinations such as Bethlehem would benefit from the extension of its catering establishments, as soon as improvements to visitor access open up the potential for longer day visits or overnight stays. Scope for franchises of internationally branded catering operations would also become a potential return for investors. There are opportunities for more ex-pat Palestinians to return and set-up their own restaurants. One idea would be a partnership with British celebrity chef consultant such as Gary Rhodes or Jamie Oliver – this could be an interesting idea for a TV show.

56. The mission visited Bethlehem University to meet senior staff from the Institute of Tourism. Bethlehem was the first university on the West Bank established in 1973. It continues to suffer from isolation and restrictions, especially now the Wall has been completed on three sides of Bethlehem, and this causes logistical problems for students trying to enter the town from elsewhere within the West Bank and from Jerusalem. Although it is now well established, it is still seeking to establish more contacts with western institutions as there is a problem in getting sufficient qualified teachers. There are existing links with Sheffield Hallam and the London Metropolitan Universities as well as a number of non-UK institutions. Currently there are just under 3000 students studying at the University, the vast majority women with 11,000 graduates in the history of the university.

57. The university works extensively with visiting faculties, but sometimes these face immigration difficulties. There is a reluctance by the university authorities to collaborate on research (or in any other way) with their Israeli counterparts, citing the PA's directive to avoid cross-border collaboration – even though this only applies to state agencies, which (as a Roman Catholic organisation) the university is not. The mission observed that such a conscious lack of cooperation even between academics is indicative of the divide that permeates so many relationships in the region and that this will do little to normalise relations and promote peace and understanding, especially between the younger generations.

58. The Institute offers a degree in hospitality management, which represents an IATA qualification. From there, in order to set up their own agency, tourists require a license from the Ministry of Tourism. With London Met University, Bethlehem is seeking to have a Masters Degree in Pilgrimage Tourism and Cultural Heritage accredited by the Ministry of Tourism. Working with Harvard, the Institute is also seeking to develop alternative tourism with a particular focus on the 'Abraham Path' and the rural hospitality opportunities that will emerge from that project. Language training for students of Arabic (and also tourism students with a special interest in the Middle East) was identified as an additional opportunity that with the help of BCG Jerusalem could be promoted through British universities.



Catering students at Bethlehem University

59. There is no established Alumni organisation or career development office for students, although Lancaster University is working with them on this. The Institute has become a tourist attraction in its own right and is accepting tour buses for awareness visits, with 5000 visitors in 2008. The theory is that these visitors then become ambassadors for Palestine; having lunch with the students is often stated as being a highlight of any tourist visit to Bethlehem. Although they have excellent relationships in place the Institute could benefit from additional partnerships, student (learning Arabic) and teacher exchanges. There is scope for developing an international internship programme for students with British firms, but this would require active support from HMG to tackle immigration challenges on all sides.

Heritage

60. Although current tourism is dominated by 'pilgrimage' tourism and the related religious sites, this is seen to be a large but potentially static market, reliant on the established, often retired, Christian market of Western Europe and North America, and the growing Christian markets in Asia, Africa and Latin America. In addition, the established religious sites are under the control of a variety of Church groups and therefore limited development opportunities; for example a fee cannot be charged to enter most religious sites, removing a potentially major source of revenue. However there are a large number of heritage sites (at least 1,000 according to Ministry of Tourism and Antiquities estimates), whether religious or not, that could help extend stays or generate new visits. The application of conservation management techniques, as well as technical assistance on archaeological investigations, would benefit many of these sites and widen the available tourism product. This is an area in which British expertise leads the world.



*4th Century Byzantine church,
Taybeh*

61. Some sites such as Solomon's Pools near Bethlehem justify major improvements to facilities, whereas others simply require improvements to direction signage or site interpretation. There are opportunities in providing technical assistance to the Ministry of Tourism and Antiquities on a major programme to open up those heritage sites to which Palestine currently has access. There is also a need for 'World Heritage Site' type Visitor Management Plans for Bethlehem, Jericho and 'East' Jerusalem to maximise the opportunities, for example in encouraging overnight stays or in encouraging visitors to visit local shops. One area for possible cooperation is in the inscription of World Heritage Sites in Palestine. As a non-state party, Palestine is unable to propose new properties, although Jerusalem has the unusual distinction of having been inscribed in 1981 on the basis of a proposal by a third party (Jordan) – and has been on UNESCO's 'Heritage in Danger' list since the following year. UNESCO inscription involves a very long process, but (politics aside) there is significant expertise within the region (and also in the UK) and Palestine could benefit from working with partners to develop plans for both cultural and natural heritage sites.

62. Perhaps one of the greatest prizes in this area would be to establish the Dead Sea as a new UNESCO mixed site transnational property with participation by experts from Palestine, Israel and Jordan. The Ministry of Tourism stated that it is working intensively to open up new museums as well as developing a calendar of festivals. There are already 7 museums in Bethlehem, although the mission did not have time to visit them. Recently, popularised by such television programmes as 'Time Team', archaeological tourism has emerged as a new product with particular success in rural Spain; there is certainly scope for developing this product in Palestine.

63. Looking at Israeli-Palestinian co-operation, according to the Quartet one interesting area for exploration is that Israeli operators used to take tours up through the West Bank to visit sites in northern Palestine such as Nazareth and Sebastia, but since 2000 have gone west of the border through Israel. As the security situation has improved there is some interest in getting them to revert to the West Bank route, which would of course bring benefits to the Palestinians and build confidence. A long distance hiking route joining Israel, Palestine, Syria, Turkey and Jordan – the Abraham Path – is already under construction and some sections in the West Bank are already in operation. See www.abrahampath.org Similarly, there are specialist tour operators who organise archaeological digs on a commercial basis that can assist a developing destination with limited resources, and others with 'voluntourism' programmes which Palestine could be considered for.

Rural Tourism

64. The mission met several local entrepreneurs who operated small tour operating companies having identified opportunities in rural areas, ranging from hiking and mountain biking, to bird watching and other special interest categories. As well as benefiting from increased marketing support themselves, there is scope for strengthening the rural tourism product on which they rely, for example by integrating the products to create a complete experience. There are examples of agritourism initiatives elsewhere, such as in France or Italy where grants are available to farmers/landowners to invest in new ventures such as bed and breakfast or self catering accommodation, and a vast programme across India promoting homestays. Such schemes could then strengthen other initiatives related to the rural economy, such as food festivals, farm working holidays, cookery courses, etc, and assist in reducing the rate of migration from the countryside into the towns. Some movement is notable in this field with the development of the Abraham Path and lodgings for long-distance walkers. The expat community was particularly enthusiastic about mountain-biking and hiking opportunities in a number of 'Area C' locations, but noted that, whilst there was now a presumption of access on Saturdays, there remained a general proscription under military directives. This situation requires clarification and normalisation if local communities and entrepreneurs are to be able to benefit from the opportunities that the quality of product and level of interest presents.

65. The Jordan Valley offers a big opportunity, even whilst there is no political progress on the Dead Sea coast. It offers a full series of experiences with spectacular scenery, unique birdlife (the Jordan Valley is a major migratory route), and several important historical sites. *Partnerships in Development* (Government of Israel, presented at MENAEC, Doha 1997) provides a vision of cooperation across the region, including Egypt, Israel, Jordan, Lebanon and Palestine with specific recommendations for tourism development in the Jordan Valley and around the Dead Sea, recognising the importance

of bird migration and other environmental strengths. This often surprising document illustrates the value of cross-border collaboration on research and deserves a cool re-examination by all parties.

Events

66. Events tourism offers one of the greatest opportunities, as evidenced by the success of the Taybeh beer festival, which attracted 10,000 visitors over 2 days in early October 2009. Taybeh is expanding and building a new hotel which will incorporate a brewpub. The other attractions include the refurbishment of historic Ottoman era houses, local olive oil and a 4th century Byzantine church which, it is hoped, will all be incorporated into future festivals. There is a significant overseas (mainly western) expatriate population living in Jerusalem who will attend provided the event is of sufficient interest. With a broader range of event types this could be developed in a major way, with Jericho and Bethlehem in good positions to reap the benefit. Bethlehem already has an olive oil festival at the end of October, and this could be built on considerably.

67. An interesting comparison is with the Roman site of Jerash in northern Jordan which has suffered considerably from being too close to Amman and therefore tourists coming for quick day trips and not spending money. Jerash has worked hard by building hotels and creating events eg chariot racing, as well as replanning the way that tourists visit the ruins. Similar thinking could be applied in Jericho, which the Ministry of Tourism envisages as being the main centre for Palestinian tourism in the next few years. Camel trekking could certainly be part of the product mix, but the proximity (for instance) of a 10000 year old city would need to be emphasised in order to warrant the likely premium compared to an equivalent activity in Egypt or Jordan. Using existing facilities and inviting a high profile artist to perform on an annual basis would attract tourists and media attention. Top orchestras and opera singers could be invited to perform in an annual concert in Bethlehem with top local performers from around the world, building on the extraordinary achievements of Daniel Barenboim and other musicians in the region. To effectively attract tourists, events would need to be on an annual basis.

Marketing

68. The image of Palestine is unquestionably poor. Anecdotal research in London indicates that most people in the UK currently associate Palestine with Gaza and the 2008-09 conflict ('conflict, desert, poverty were all words used'). Palestine requires significant assistance with awareness building campaigns and travel trade programmes, including familiarisation trips. The *Daily Telegraph* article published after the mission on 13 October exemplifies the view of the media that having a holiday in Palestine is a bizarre idea. Much work needs to be done to change this.

69. The Ministry of Tourism has an annual presence at the WTM in November in London and is seeking to expand its involvement in future years. However, coming to WTM once a year is not sufficient, and an annual roadshow with the private sector around the UK to educate the travel trade would be highly recommended, as well as online training. The travel trade in Europe needs to be educated about Palestine as a discrete product, so that it does not become lost in Israel's perennial tourism advertising. This has a tendency to make no distinction between the territories, claims everything for Israel, and then offers little or no information about the wealth of Palestinian product and how to access it.

70. The Ministry sees tourism as a vital tool to promote Palestine 'it is a tool to promote peace – our window to the outside world'. It is seen as creating a better environment to influence the peace process. With the UK the Ministry is looking to design a marketing campaign specifically for the UK, and expressed willingness to host tour operators. This could be done in conjunction with an event at the Bethlehem Convention Palace, a newly constructed and world-class facility which has several halls and meeting rooms in an attractive setting next to the Solomon Pools. It currently suffers from being used only occasionally and could benefit from being promoted to the UK/international MICE market. There are several significant travel industry annual conferences for 100 to 250 delegates that could be invited to Bethlehem as this would not only profile the destination to this target market but it would also benefit from resulting PR activities and case studies on the facilities.



The mission at the Bethlehem Convention Centre

71. There are also opportunities to build on the success of Palestinian products in the UK and elsewhere. For example Zaytoun and other Palestinian olive oils are now widely available in the UK as Fairtrade products, and Taybeh beer is sold in a few bars in London. Consumers tend to buy these products for reasons of political solidarity, or because they are organic Fairtrade products. However use of devices such as a cardboard promotional 'cap' on the olive oil bottles to market Palestine as a tourism destination could work well. Or a local label or phrase introduced into the existing labels suggesting that consumers "visit my roots, come to the Jordan valley, see www.palestinetourism.com". Marble from ancient quarries and local handicrafts can all support the Palestine brand if used effectively in promotional products.



Taybeh beer

72. The problems of image stem mainly from the lack of communication rather than the lack of a product. An aspect which perhaps is not often considered is that 'pilgrimage' tourism is actually off-putting for many tourists with little interest in religion, but these religious sites also held tremendous historical interest which has been largely ignored over in any publicity. The unique world class USPs of Bethlehem and Jerusalem suggested scope for a specialist wedding and honeymoon market; whilst such products might not be a first priority, the prospect of staying for USD60 HB in a 5* hotel in the birthplace of Christianity could be very appealing. Market development for Palestine is all about thinking beyond the mainstream and investigating the emotional attraction of the oldest tourism destination in the world.

Regulatory Framework

73. It was generally accepted that there is a need for Palestine to introduce its own classification and grading scheme for the hotels and accommodation sector. A review is also needed for the registration scheme for tour operators. Work is currently underway to create a Public Private Partnership for tourism, but the Ministry felt that the private sector was not organised and needed capacity building and training. However, according to the Ministry, the bylaws were currently being finalised to create a Palestinian Tourism Board to specifically work on promotion, marketing and maximising revenue. In general the legal framework for the tourism sector is still in development but is a priority

for the Ministry over the next 2-3 years. The Ministry is very pleased with the formation of the Palestinian Britain Business Council and would like to see this expanded to include a Chamber of Tourism. It had been noted that, perhaps not surprisingly, the number of Palestinians in the PBBC far outnumbered the number of British. There is a suggestion that tourism could benefit from its own 'chapter' within the PBBC, but there is a risk that this could marginalise the sector, when in fact it is bound up with construction and extractive industries and can also contribute to the promotion of both trade and investment across all sectors.

74. The Tourism Society Consultants network provides a database of experts in this field. People 1st is now exporting its services, researching employers to understand their skills needs and recording the "occupational standards" that underpin qualifications and training programmes, as well as developing fit for purpose training programmes for Chefs, Managers and leaders, and customer service providers. They have developed online career development tools that show the linkage between skills acquisition and in job promotion (see www.uksp.co.uk), helping both employers and new employees understand the skills they need and how to acquire them. They are also experts in establishing the structure to ensure that employer demand is properly accounted for in the education system.

Regional Tourism Plans

75. The priorities in tourism planning for Palestine, as identified by the mission team, are tourism management plans for existing sites such as East Jerusalem, Bethlehem and Jericho and tourism development plans for Sebastia and the Dead Sea, once access is available to the Palestinian authorities. The tourism management plans would review services such as visitor information, site interpretation, visitor circulation, events, visitor facilities, improvements to the cityscape and public realm, and tourism training, and involve close stakeholder participation before proposing a range of improvements to facilities and services.

76. The tourism development plans for areas such as the Palestinian shore of the Dead Sea would require a detailed audit of potential tourist resources and markets; an appraisal of environmental and social implications; a review of the policy framework; the identification of potential funding sources; and a detailed implementation plan covering organisational needs, development priorities and phasing. It would be essential to work in consultation with the Israeli authorities and other stakeholders, but such exercises would also benefit from British expertise and also from within the region, as this would build capacity and contribute to product development. Tourism development would bring with it the development of other related industries such as farms to provide local produce, beauty products and spas. The Tourism Society Consultants Network provides a database of experts in this field.

Conclusion

77. There is an excellent and solid tourism product in Palestine with world class sites and natural beauty. Palestine will have to work around the current security and political situation and focus on marketing and image overseas, while continuing to build and improve the infrastructure required in the future. The mission has identified numerous ideas to be taken forward, but political and investor will and determination needs to be there. UK consultants are very interested in the potential of the market and would like to help, with several opportunities likely to be available to UK companies in the future.



Olive press Sebastia



Cablecar from Jericho to Mount of Temptation

Appendix I

Selected Palestinian online resources:

- PADICO/PTIC. The Palestine Development and Investment Company (PADICO) was established in 1993 as an offshore international investment holding company. PADICO invests both in Palestine directly or through its subsidiaries in various sectors including tourism. Its tourism arm is the Palestine Tourism Investment Company (PTIC). www.padico.com/tourism2.shtm
- The Palestinian Institute for Hotel Management and Tourism is located at Bethlehem University www.bethlehem.edu
- The Palestine Wild-life Society <http://www.wildlife-pal.org>
- Taybeh Beer which runs an increasingly successful Oktoberfest; an example of how niche sub-sectors can successfully operate in a difficult environment www.taybehbeer.com
- Arab Hotel Association www.palestinehotels.ps
- Bethlehem Chamber of Commerce www.bethlehem-chamber.org
- Palestine Tourism Authority website www.visitpalestine.ps
- This week in Palestine; online and hard copy weekly cultural and events publication. www.thisweekinpalestine.com

Appendix II - Mission Programme

05 Oct	09:00-10:15	Jerusalem: Introductory meeting with HM Consul General Richard Makepeace for a welcome and a political/security briefing.
	10:30	Mr Stefan Szepesi - Office of the Quartet Representative
	11:30	Depart for Ramallah
	12:00	Mr Samir Hulileh, CEO of Palestine Development & Investment Co (PADICO)
	13:30	Case Study: Days-Inn Ramallah. Meet Jamal Nimer, owner of the project
	14:30-15:30	Lunch break - Ramallah
	16:00-17:00	HE Basem Khoury, Minister of National Economy.
	18:30-20:30	Jerusalem: Reception with Commercial & Government contacts at Consul General's Residence
06 Oct	10:00-11:00	Jerusalem: meet Sami Abu Dayyah, member of PBBC & owner of 2 hotels in East Jerusalem.
	11:00	Depart for Bethlehem
	11:30	Meet representatives from Institute for Hotel Management & Tourism, Bethlehem University.
	12:30-13:30	Lunch at BU Institute for Hotel Management & Tourism
	14:00-16:30	Round-table discussion with Bethlehem Chamber of Commerce including tour & hotel operators.
	16:30-17:30	Tour of Bethlehem sites; visit Jacir Palace Intercontinental hotel.
	Evening	Drinks at residence of Fouad Kattan, British Warden for Bethlehem and Hebron area.
07 Oct	09:00	Depart for Bethlehem
	09:30-11:00	Meet Dr Kholoud Duaibes, Minister of Tourism & Antiquities
	11:00	Depart for Taybeh (near Ramallah)
	11:30-13:00	Tour Taybeh & its micro-brewery
	13:00-14:30	Lunch in Taybeh & wrap-up session
	14:30	Trip to Sebastia – northern West Bank.
	19:00	Informal night out in Ramallah
08 Oct	07:00	Depart for Jericho & Dead Sea
	08:00-13:00	Eco-Tourism & Wild-life. Tour by Imad Atrash of the Palestinian Wildlife Society. Visit Dead Sea and Jericho. Cable car to Mount of Temptation.
	13:00-14:30	Lunch with Kamel Sinokrot; President Telepherique & Sultan Tourism Centre, Jericho.
	14:30	Depart for Tel Aviv Airport for flight to London.

Appendix 3

Delegate Details

Michael Jilleh: UKTI Senior Officer in Palestine based in Jerusalem. Michael was responsible for programme and organisation of events in Palestine. Michael has headed the Commercial Section at the Consulate since 2004 and has built up an impressive network of contacts in the Palestinian business community. www.uktradeinvest.gov.uk

Dominic James: Director for Middle East and Africa at British Expertise. Dominic has wide experience of the region with recent visits to most Middle East countries on trade missions. He previously worked in UKTI London and attended the 2005 scoping visit to Palestine, before heading UKTI's office in Beirut. He was responsible for collating the report and organising the launch event on 9 December 2009. British Expertise is the UK trade association representing UK consultancy and professional services overseas. www.britishexpertise.org

Alison Cryer FTS: Chairman of The Tourism Society. Alison provided advice on how the tourism industry can market itself and operate more effectively as a niche market, and to get away from purely pilgrimage tourism and strategy. Alison contributed and was a keynote speaker at the Palestinian Investment Conference in December 2008 and is the owner of Representation Plus (www.representationplus.co.uk) which looks after various niche tourism markets including Grenada, Sierra Leone and Samoa.

Websites: [Representation Plus](http://www.representationplus.co.uk) and the [Tourism Society](http://www.tourismsociety.org)

Benjamin Carey FTS: Expert on sustainable tourism and market development, especially in emerging and post-conflict destinations and advises UNESCO and the World Tourism Organization. As Managing Director of Dunira Strategy (www.dunira.com), which has a focus on the sustainable development and environmental management of tourism, Benjamin contributed to the Palestine Investment Conference in December 2008 and has regional experience in both Egypt and Lebanon. Vice-Chair of The Tourism Society, he holds visiting positions at four European universities and his current assignments include projects throughout Africa, Asia, Europe and the Middle East. Websites: [Dunira Strategy](http://www.dunira.com) (www.dunira.com) and The Tourism Society (www.tourismsociety.org)

Malcolm George FTS: Scott Wilson. Malcolm is Head of Scott Wilson's Tourism and Leisure Group and was advisor to the mission on tourism infrastructure and sustainable tourism advisor. He is a specialist on cultural heritage development and how countries can showcase their sites, and has worked on the Jerash project in Jordan and on the Red Sea coast strategy for Saudi Arabia. Scott Wilson are one of the UK's biggest consulting engineering companies. Website: [Scott Wilson Leisure and Tourism](http://www.scottwilson.co.uk)

9 December 2009