

Improving the Tourism Offer in Palestine

An Untapped Investment Opportunity



By Nassim Nour

The tradition of pilgrimage in Palestine stretches back thousands of years. The Gospel of Matthew describes the Magi, wise men from Persia, who came to pay homage to the infant Jesus after following the “guiding star” and carrying expensive gifts. The Bible also tells of local pilgrims from nearby Beit Sahour, who likely brought only their praise and devotion to the Newborn King.

More than two thousand years later, Palestine continues to be a destination for both international and local pilgrims. While they may come bearing little but their faith and a hope to experience a culturally rich place, they often receive minimal returns on their journey.

It was in November 2014 when I stood up at the UN World Tourism Organization (UNWTO) conference in Barcelona and bragged about how great the Palestinian tourism offer is. I spoke of an offer that goes beyond the ancient holy stones to touch the soul of one's senses. I spoke of the delicious Palestinian food with recipes that originated thousands of years ago, of spices with aromas that have dwelled in the old souks for centuries, of music and dance as old as the Mediterranean Sea, and most of all, I spoke of the generous hospitality of the “living stones.” Later in the day, a beautiful, elegant young lady took me aside

and told me, “What you said is simply not true. I was there only last month,” she said, “and my experience was nowhere near your description.” Her experience with Palestinians was mostly the “harassment” she got from vendors as she waited in line for hours to get into the Church of the Nativity. Her food was basic cheap steak with boiled peas and carrots, and her room at the hotel was nothing luxurious. She loved her souvenirs, but she felt she had been ripped off, pricewise. Her experience made her never want to visit again.

Of course, this is not representative of all tourists' experiences, but it was certainly a wake-up call for me.

At that time, I was trying to figure out how best to attract tourism investments into Palestine and improve the tourism offer. This was part of my role as tourism adviser to then Quartet representative, Tony Blair, and the international efforts to develop an Economic Plan for Palestine (also known as the John Kerry Plan). I realized then how much we take tourists for granted. We have convinced ourselves that we should only give them “the minimum” because we assume that most are one-time pilgrims who are only interested in visiting the holy sites to pray and unlikely to come back. With this perception of tourists, it seems



Hiking in Wadi Qelt, St. George Monastery, near Jericho.



that there is little incentive to invest in creating a positive experience for them.

But this perception is flawed. Tourists are a valuable part of Palestine's social, economic, and even political ecosystem. They not only support local industries and provide jobs, they also then go home to share their views and perceptions, which could play an important role in shaping the global view of Palestine.

Tourist infrastructure has greatly improved since 2014. New hotels have been built (over 5,000 rooms in Bethlehem and Jericho alone), over 54,000 staff have been trained and hired (5 percent of the total workforce), and many hotels and restaurants have started flipping maqloubeh pots in a spectacular show instead of dishing out “tough steak and peas.” But our tourism offer is still lacking. We keep investing in more hotel rooms, but we miss investing in the tourists themselves, and consequently, we get very little “return” on our investment.

Unlike other countries where many free independent travelers (FITs) get

to visit and explore, most tourists – majority Christian, but increasingly Muslims too from Southeast Asia and parts of Africa – visit Palestine within organized groups often on a structured, tight schedule. Most organized tours include Bethlehem on their schedule in order to visit the Church of the Nativity. The schedule usually also includes a stop at a pre-arranged souvenir shop and later a pre-arranged restaurant for a meal. But only around 60 percent of those groups stay overnight in Bethlehem hotels, which currently boasts over 5,000 hotel rooms. Assuming conservatively that occupancy averages 50 percent in 2023, this would come to around 1.8 million tourists staying at least one night out of the total three million visitors expected to visit in 2023. These relatively high numbers are not only thanks to the successful efforts by the Palestinian Ministry of Tourism to promote Palestine as a destination, but also to the lower hotel rates in the West Bank compared to those in Jerusalem and Israel and the swift recovery of tourism, worldwide, post-COVID.

What can be offered to 1.8 million people staying overnight in a city like Bethlehem (or Jericho), other than

food, souvenirs, and a bed? How can we improve our tourism offer so that we can attract not only pilgrims but also FITs and other types of tourists that will support other Palestinian economies and social groups?

In order to improve our tourism offer, we need to invest differently. And to do so, the government, along with the private sector, needs to develop a National Investment Tourism Plan along with incentives to promote investments that would improve and diversify our tourism offer.

But what about the “elephant in the room” – occupation? How can anything be done with the presence of occupation? How can we bring in more tourists (not to mention investors) when we don't have control over our borders and visas? And how can any country grow its tourism industry without even having a national airline carrier – a main pillar for offering competitive tourism packages.

It is doubly hard to do any kind of economic development with the presence of occupation, but it is not impossible! Palestinians are resilient, creative, and persistent; they have achieved a lot despite the occupation and can still achieve more. It requires proper prioritization, leadership, and guts, though!

First and foremost, we need to start by changing the way we perceive tourists and treating them as guests, similar to how we treat guests in our own homes, and “offer” them the best of Palestine. We should make sure that they taste our delicious Palestinian dishes, hear our beautiful language (maybe teach them a few Arabic words!), listen to our music, and dance to the beats of our colorful folklore. We should make sure they don't miss out on tasting our wine, savoring our white cheese and sweets,





The Church of the Nativity in Bethlehem.

and taking some with them to share with friends and families back home. But most of all, we should make sure that they don't leave without hearing our story.

In order to do that, investment and expertise are needed to develop and package these new offers. One way to do this is to reconsider what we ask for from our dear, generous donors, and to seek support from the UN World Tourism Organization (UNWTO). Palestine had millions in donor funding spent on things such as capacity building, social inclusion, and even private sector development in its classical form. It is time that we ask donors to start opening their markets to Palestine, to incentivize their own investors to come to Palestine by de-risking investments, and to deploy some of their national cadre of experts to work side by side along with their diplomatic corps. Countries such as Malta, Cyprus, Spain, Italy, and Portugal have been able to expand their tourism industry many times over during the past decade. Can they help us do the same? We are a full member in the UNWTO, and with

this membership comes immense opportunities for support and access to a wealth of resources that we have not yet benefited from!

We are yet to leverage those in the Palestinian diaspora, one of the most untapped economic resources, and incentivize them to visit and invest. This is not to be done through traditional investment conferences but through targeted B2B meetings sponsored by the highest Palestinian and international political ranks, and by targeted investment policies that help reduce the actual and the perceived risk of investment. The Palestinian government Investment Promotion incentives need to be re-engineered to provide special incentives for Palestinians in the diaspora, and part of donor funding should be earmarked to cover the "first loss" for these investors. To overcome visa complications, we should forge partnerships with our Palestinian brothers and sisters who hold Israeli passports and can operate freely within Israel to establish joint incoming tour operations registered in Israel and internationally.

We can protect and promote some of our very special Palestinian products with a geographical indication (GI). Food such as Palestinian *musakhan* and Nablus *knafeh*, and items such as Hebron glass and Palestinian embroidery can all be registered based on their geographic origin and reputation for quality or other characteristics. These items can become major attractions and "must-haves" (or -eats) when visiting Palestine.

We also ought to re-engineer and rethink tourism packages in the region and start to imagine something beyond the traditional triangle packages of Jordan, Egypt, and the "Holy Land," which are anchored in one part of the biblical story – the birth and life of Christ. We can, for example, develop new tourism packages around the story and journeys of St. Paul and link countries like Malta and Italy (Rome) with Palestine. We could even agree with such countries that their national airlines (Malta Airlines or ITA) become the flagship carriers for such packages. In fact, the former prime minister of Malta, Joseph Muscat, suggested this idea during a meeting with the Quartet team in Jerusalem in 2015.

I think back to my "wake-up call" at the UNWTO conference in Barcelona, and the young lady who happened to be none other than the former Miss Ukraine, with tens of thousands of followers on social media! I now realize that if she had had such a lackluster experience, then most probably hundreds of thousands of other tourists have had the same experience and may have shared it with many others through social media. But it is never too late to improve our tourism offer, or even create new offers. Tourists

will continue to visit for the next two thousand years and will bring with them a unique opportunity for investment. Yes, there is much that is out of our control, but not everything! How do we treat tourists? What do we offer them? Who do we partner with? What do we ask donors for? And what should we do as a government? This is all within our control, and now is the time to take action.

Nassim Nour is a Palestinian entrepreneur and a private-sector development expert. He has held several senior positions across Palestine, Africa, and Australia, including executive director with the Palestine Investment Fund (PIF), head of Private Sector Development at the UK Department for International Development (DFID), Tourism and Light Manufacturing Advisor to Quartet Representative Tony Blair, and various senior positions with World Vision International worldwide. He now leads Tasdeer – a Trade Facilitation and Customs Support Program in Palestine.

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