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**DEVELOPMENT TRENDS OF THE TOURIST ECONOMY OF ISRAEL IN 2020-2023****Lilia Bublyk**

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**Summary.** Tourism is one of the main contributors to Israel's budget and one of the most promising sectors of the economy. The main types of tourism are gastronomic and religious, because it is on the territory of this country that the main Christian shrines are located, and the cuisine of Israel is one of the most recognizable in the world. The country's recreational opportunities are also invaluable, as its territory includes beaches of the Mediterranean and Red Seas, as well as medical sanatoriums of the Dead Sea. Israel is one of the most visited countries in the world, being in a state of cold war throughout its history. The work determined the dynamics of the development of the tourist services market in Israel, established that the number of foreign tourists in 2019 was equal to 440 thousand people, after which in 2020 the indicator continued to grow and stopped at the mark of 450 thousand foreign travelers. In the period of 2019-2020, the largest tourist boom in the entire history of keeping statistics of visits to Israel is observed. However, the coronavirus crisis caused global changes in market trends and provoked a drop in the number to 52.9 thousand people in 2021, but the industry gradually developed, already in 2022 334 thousand people visited Israel, and in 2023, due to military operations, the number of tourists decreased significantly and amounted to 304 thousand people. The study is devoted to the analysis of the problems and peculiarities of the development of the tourist industry in Israel, in the context of the state of war and the unstable political situation, to outline the prospects for overcoming them and the sustainable development of the tourist market in the post-war period. The paper analyzed the theoretical prerequisites for the formation and development of the market of international tourist services, taking into account the socio-economic crisis.

**Key words:** market of tourist services, Israel, tourism during the war, international tourism, development of the tourism industry.

**Relevance of the issue.** The influence of the "war" factor and the international tourist market is simply global and under any conditions brings a fundamental change in its functioning. These are, first of all, devastation and death, the decline of the economy and the devaluation of human life, the destruction of tourist infrastructure and the annexation of territories, the ecological and demographic crisis. But in the post-war period, this factor is capable of bringing about positive changes, including innovation and modernization of tourist products, increasing interest in the winning country among potential travelers, and rebuilding the infrastructure taking into account modern trends.

**Analysis of recent research and publications.** A large number of Ukrainian and foreign scientists focused a lot of attention on the peculiarities of the development of the Israeli tourist market in the conditions of war and uncertainty. Among the leading theoreticians

of this direction are scientists: O. Korotaeva, G. Morton, I. Mandryk [1], M.S. Doroshka [2] who considered the prospects of improving the tourist environment in Israel, scientists V. Kiptenko and K. Kuzmenko [3], from analysis of state policy in the tourism sector, as well as researchers V.I. Stafyichuk [4], V.F. Semenova [5], O. Horobec [6], who in their works devoted to the study of international tourist markets and patterns within them. However, the relevance of further scientific works remains due to the volatility of consumer demand and the security situation in the market of tourist services in Israel.

**The purpose of the article.** Characteristics of the dynamics of changes and main trends of the tourist services market of Israel in the period 2021-2023.

**Research results.** Tourism is an important source of income for Israel, because a significant number of cultural and architectural monuments of the three Abrahamic religions become a place



of pilgrimage for hundreds of thousands of tourists every year. The country with a total area of 20,770 km<sup>2</sup>, located in seven climatic zones, is not inferior to any country in terms of the number of attractions per unit of area [7].

One of the most important parameters of the development of the international market of tourist services is the number of foreign tourists. Let's consider the trend line of this indicator in the period 2019-2023 with the help of Figure 1.

The number of foreign tourists in 2019 was equal to 440 thousand people, after which in 2020 the indicator continued to grow and stopped at the mark of 450 thousand foreign travelers. In the period of 2019-2020, the largest tourist boom was observed in the entire history of keeping statistics of visits to Israel. However, the coronavirus crisis brought global changes to the market and provoked a drop in the indicator to 52.9 thousand people in 2021, but the industry gradually recovered, and already in 2022 334 thousand people visited Israel, and in 2023, due to the military actions, the number of tourists was insignificant decreased to 304,000 people.

That is, we can confidently state that the epidemic has become a much bigger minus factor for the sustainable development of tourism in Israel than the military conflict in 2023.

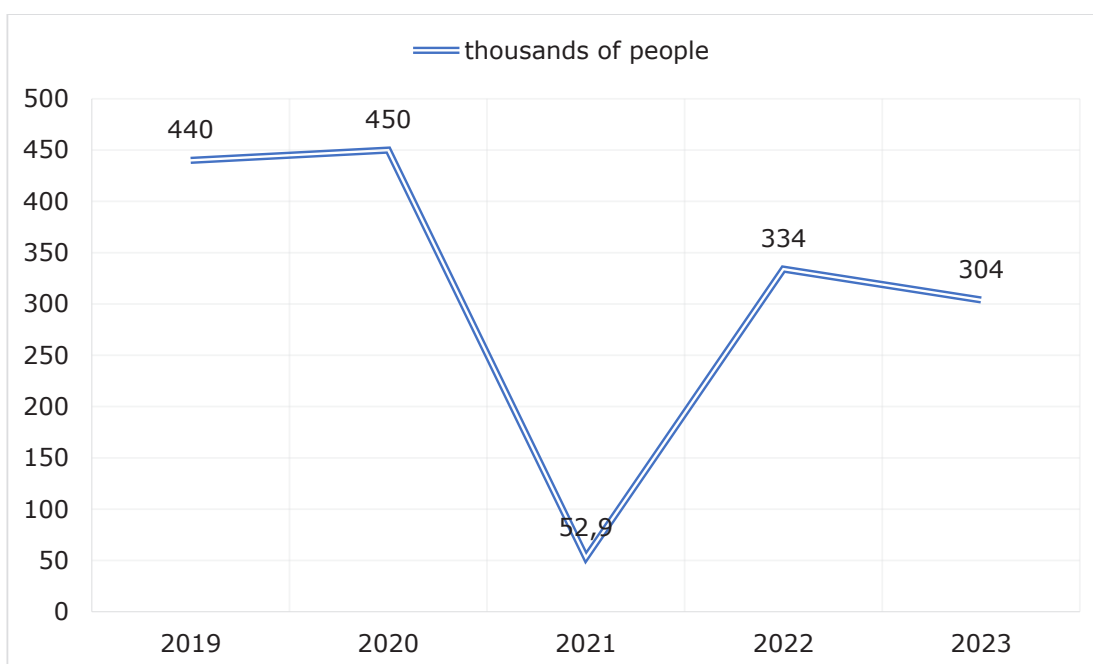
With the help of Figure 2, we will consider the rating of the most popular tourist destinations in Israel, according to a survey of travelers, when leaving the country of temporary stay.

On October 7, 2023, a new stage of the military conflict between Israel and the Gaza Strip began, the attack by Hamas became the most destructive in the entire history of confrontations.

However, Israel quickly recovered and hit back hard, and declared readiness to wage war throughout 2024. This conflict affected the field of tourism, but did not bring it into crisis. With the help of Figure 3, we will consider the list of countries whose tourists most often visit Israel.

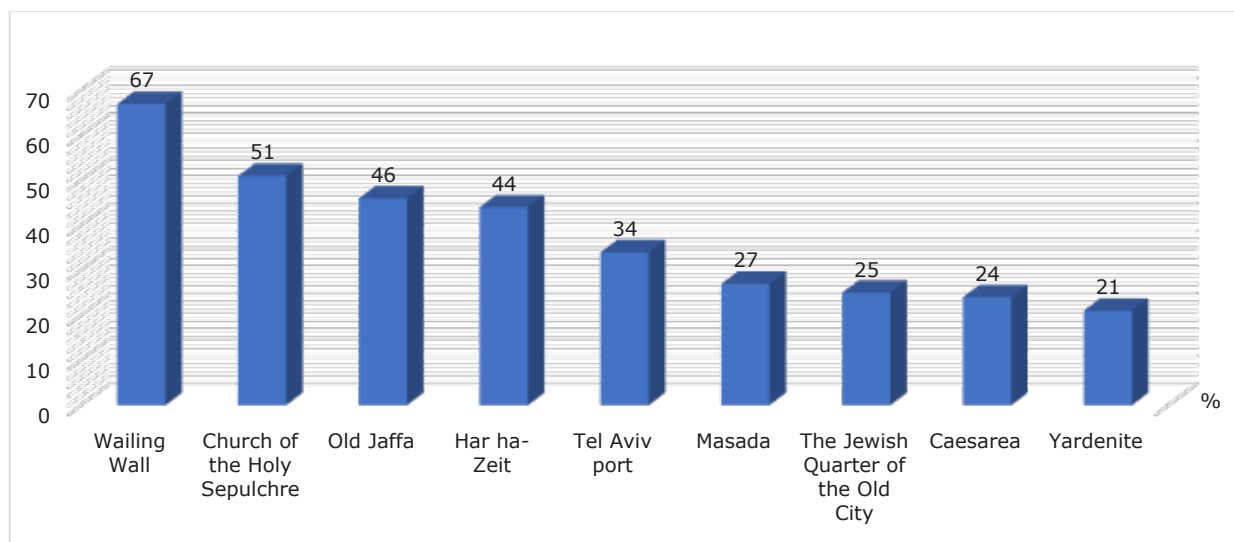
Based on the data of Figure 3, we can safely declare a significant advantage of interest in the tourist attractions of Israel from the USA, since 0.96 thousand Americans visit the country annually, the reason for this is the absence of visa formalities. The second place is occupied by France, where 0.4 thousand people visited the Holy Land in 2021, in the third place is Germany – 0.3 thousand people. Great Britain follows – 0.3 thousand people, Italy – 0.2 thousand people, Poland, China, Ukraine and Romania close the top ten with the number of travelers 0.16 thousand people, 0.15 thousand people, 0.14 thousand people and 0.12 thousand persons, respectively. The clear predominance of the number of tourists from Europe is explained by highly developed pilgrimage tourism and the presence of the largest Christian shrines.

Regarding the period of stay and the territory of Israel, the largest number of tourists (39%) stay in the country for 5-9 days, which is facilitated by the distance of road connections and the possibility



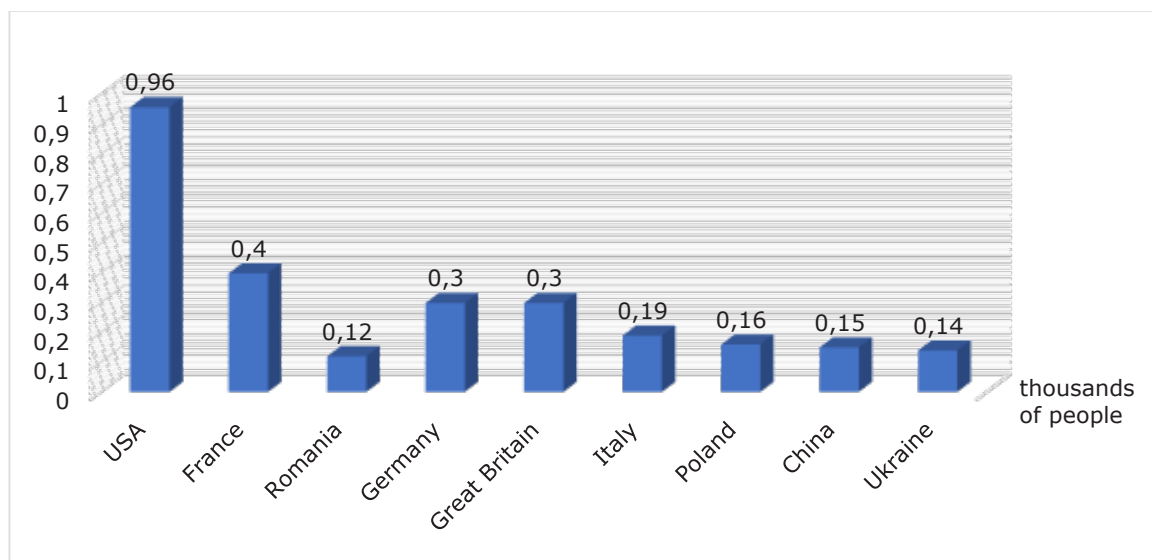
**Figure 1 – Dynamics of changes in the number of foreign tourists to Israel in the period 2019-2020**

Source: developed on the basis of data [8]



**Figure 2 – The most popular tourist sites in Israel**

Source: developed on the basis of data [9]



**Figure 3 – The structure of foreign tourism in Israel, divided by supplier countries**

Source: developed on the basis of [10]

of combining several types of recreation. 29% of tourists stay for 2-4 days, that is, often visiting Israel is part of combined tourist tours, and 18% of tourists stay in the country for 9-29 days, usually for the purpose of visiting relatives and friends. Other tourists, according to the Ministry of Tourism of Israel, stay in the country for one day or more than a month.

The number of hotel rooms in Israel is quite large and consists of 56 thousand rooms, and 15 thousand rooms in hostels, apartments for rent and guest apartments, which in the high season are filled by 60-70% with a length of stay of 2.8 nights, which is the average European occupancy rate

temporary means of accommodation. The largest number of hotels are located in the leading tourist centers of Tel Aviv, Jerusalem, Eilat, Tiberias, on the coast of the Dead Sea, with a room base of 8.8 thousand rooms, 11 thousand rooms, 11 thousand rooms, 4 thousand rooms, 4 thousand rooms, respectively.

A feature of the Israeli hotel industry is the cancellation of the star grading of accommodation facilities, which glorified the country's room fund. Since even world-renowned hotel chains are subject to additional scrutiny by state review bodies, the quality of services impresses and surprises even well-known travelers. The price

varies depending on the location of the hotel and the rating of the institution. But the means of temporary accommodation work both on the "all inclusive" and "bed and breakfast" systems, including.

Israel's restaurant industry is highly profitable and profitable because the country's cuisine is original and attractive to travelers. Chefs combine traditional dishes with modern interpretations of famous European dishes, inspiring domestic and foreign tourists. Restaurants are divided into two types: kosher, for those who follow the traditions of Judaism, and non-kosher, without observing kosher.

Gratuities, as a rule, are included in the check immediately, and are 10-20% of the cost of the order. The price policy is quite aggressive, Israel is the leader in the ranking of the most expensive vacations in the Middle Eastern region.

After the epidemiological year 2021, the biggest crisis in the market of tourist services in Israel became, the country was unprepared for such a challenge and the entire tourism sector froze. However, Israeli hoteliers and restaurateurs turned out to be surprisingly creative and created a number of ideas that helped the industry to get out of the economic and labor crisis, a brief description of which is presented in the Table 1.

The innovations described above are a powerful budget filler, as they are actively used

in their own work by foreign hotel and restaurant establishments, and Israeli companies implement them effectively.

To understand the multifaceted and diverse services of the tourist market, it is necessary to analyze the structure of the country's international tourism in terms of the purpose of the trip (Figure 3).

According to the Ministry of Tourism of Israel, 19% of tourists come to the Holy Land for the purpose of pilgrimage.

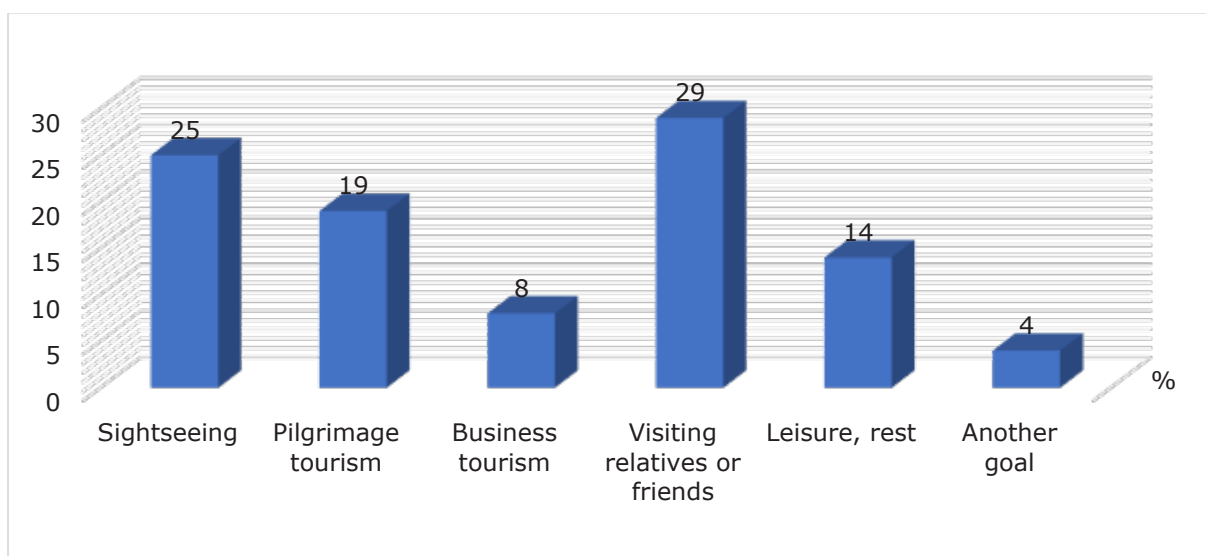
Prices for tourist services in Israel continue to rise at a devastating rate. Considering the military conflict and the post-epidemiological recovery of the industry, funds withdrawn from tourism activities are urgently needed by the state and the private sector of the economy, however, experts note that such an aggressive pricing policy may negatively affect the number of potential tourists. Let's consider the structure of the price policy of the main components of the tourist product in 2019-2022 with the help of Table 2.

After analyzing the price policy on the market of tourist services in Israel, we note a significant increase in the cost of a check per person in restaurants by \$20 or 2.33% for the period 2019-2023, and the price of a two-way flight to Tel Aviv from Kyiv and back, so in 2019 its price was 180 dollars, and in 2023 – 230 dollars, that is, the growth rate of the cost of transportation

**Table 1 – Israeli innovative projects in the market of tourist services during covid-19 and after**

The name of the tourist innovation	Program description
Whos Your Guest	It is a platform where accommodation providers rate their guests, as well as a Go-Travel direct booking club.
Aura Air	It measures air quality according to specified indicators inside and outside the premises, vehicle (bus), gives recommendations and also performs smart disinfection, ionization.
BriefCam	Collects and provides users with information about compliance with social distance, availability of masks and analyzes the admissibility of the number of people in the premises.
WishTrip	Travel experience management platform; shows how many visitors are in destinations and where they are, a density map for visitors to help them make decisions about visiting, digital site promotes less popular destinations
Routier	Contactless customer service at the hotel before arrival, during the stay and after departure, which makes the service process faster, more efficient and attractive for the customer.
Nanoscent	Unique rapid tests that determine suspicion of coronavirus disease by breathing in 30 seconds.
Better Air	Provides ecological restoration of air quality in the room, where most of the traveler's time is spent, with the help of unique automated systems.
EasyWay	With EasyWay, hotels can serve their guests in a fully digital environment, from online check-in to contactless communication throughout their stay.
Master Mind	The technology allows you to save money on reception services, reducing operating costs by 75%.

Source: developed on the basis of data [11]



**Figure 4 – Structure of the Israeli tourism market by purpose of travel**

Source: developed on the basis of data [10]

**Table 2 – Dynamics of the average market growth of prices for the main components of the tourist product in 2019-2023**

Name of the component/ year	2019	2020	2021	2022	2023	Absolute deviation 2023/2019, USD USA	Growth rate 2023/2019, %
flight, USD USA	180	180	200	200	230	50	1,28
means of temporary accommodation, USD USA	20-25	30-35	30-35	40-50	45-60	25	2,25
public catering establishments, USD USA	15-25	20-25	20-30	30-35	35-40	20	2,33
travel package, USD USA	200	230	450	500	550	350	2,75

Source: developed on the basis of data [10]

was 1.28%, or 50 US dollars. The number of rooms also became significantly more expensive, so in 2019 a night in a hotel cost an average of 20-25 dollars, in 2020 – 30-35 dollars, in 2021 – 30-35 dollars, in 2022 – 40-50 dollars, and in 2023 it increased to 45-60 dollars, in general, the growth rate of the indicator was 2.25%, which demonstrates the aggressiveness of the price policy of the hotel and restaurant sector of the economy. The price increase of all the above-listed components of the tourist product collectively led to an increase in the cost of the tourist package by \$350 or 2.75%.

**Conclusions.** But the artificial increase in prices did not significantly affect the number of tourists in the country, as did the security situation associated with military aggression from the Gaza Strip. The main challenge for the market of tourist

services in Israel was covid-19, which brought a lot of grief and death, challenged medicine and the state's economy. The outbreak has led to significant travel restrictions, border closures and the lowest number of tourists in the country's history. However, thanks to the ingenuity of innovators in the hotel and restaurant sector and the help of state authorities, international tourism continues to grow at a significant pace.

Israel is a tourist phenomenon, it is the only country in the world that has been in a state of armed conflict for more than 2000 years, and at the same time it is one of the largest tourist centers. Which is explained by the presence of religious shrines, exclusive nature, high quality of medicine, education and army, as well as the potential for the development of gastronomic and business tourism.

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## ТЕНДЕНЦІЇ РОЗВИТКУ ТУРИСТИЧНОГО ГОСПОДАРСТВА ІЗРАЇЛЮ У 2020-2023 РОКАХ

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**Анотація.** Туризм є одним із основних джерел поповнення бюджету Ізраїлю та однією з найперспективніших галузей економіки. Основними видами туризму є гастрономічний і релігійний, адже саме на території цієї країни знаходяться основні християнські святині, а кухня Ізраїлю є однією з найбільш впізнаваних у світі. Рекреаційні можливості країни також неоціненні, адже на її території знаходяться пляжі Середземного і Червоного морів, а також лікувальні санаторії Мертвого моря.

Ізраїль є однією з найбільш відвідуваних країн світу, перебуваючи протягом усієї своєї історії в стані холодної війни. У роботі визначено динаміку розвитку ринку туристичних послуг в Ізраїлі, встановлено, що кількість іноземних туристів у 2019 році дорівнювала 440 тис. осіб, після чого в 2020 році показник продовжив зростання і зупинився на позначці 450 тис. іноземних туристів. мандрівники. У період 2019-2020 років спостерігається найбільший туристичний бум за всю історію ведення статистики відвідувань Ізраїлю. Проте коронавірусна криза спричинила глобальні зміни ринкових тенденцій і спровокувала падіння кількості до 52,9 тис. осіб у 2021 році, але індустрія поступово розвивалася, вже у 2022 році Ізраїль відвідали 334 тис. осіб, а у 2023 році через військові дії кількість туристів значно зменшилася і склала 304 тис. осіб. Та встановлено, що Ізраїль – є туристичним феноменом, це єдина країна у світі, що знаходиться у стані збройного протистояння більше 2000 років, і при цьому являється одним із найбільших туристичних центрів. Що пояснюється наявністю релігійних святинь, ексклюзивної природи, високої якості медицини, освіти та армії, а також потенціалом для розвитку гастрономічного та ділового туризму. Дослідження присвячено аналізу проблем та особливостей розвитку туристичної індустрії в Ізраїлі, в умовах воєнного стану та нестабільної політичної ситуації, окресленню перспектив їх подолання та сталого розвитку туристичної сфери. ринку в повоєнний період. У роботі проаналізовано теоретичні передумови формування та розвитку ринку міжнародних туристичних послуг з урахуванням соціально-економічної кризи.

**Ключові слова:** ринок туристичних послуг, Ізраїль, туризм під час пласта, міжнародний туризм, розвиток індустрії туризму.

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