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SIIRT UNIVERSITY

**SOSYAL BİLİMLER ENSTİTÜSÜ**  
**INSTITUTE OF SOCIAL SCIENCES**

**ECONOMIC AND STRUCTURAL ANALYSIS OF THE  
TOURISM MARKET IN THE PROVINCE OF ERBIL  
(DURING THE PERIOD 2007–2016)**

**MASTER THESIS  
MOHAMMED OTHMAN SEDEEQ  
Department of Economics**

**Supervisor  
Asst. Prof. Dr. Semih Serkant AKTUĞ  
SIIRT- 2017**

SOSYAL BİLİMLER ENSTİTÜSÜ

BİLİMİN IŞIĞINDA

**T.R.**  
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**INSTITUTE OF SOCIAL SCIENCES**  
**DEPARTMENT OF ECONOMICS**  
**REGIONAL DEVELOPMENT ECONOMICS**

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**August - 2017**  
**SIIRT / TURKEY**

## THESIS NOTIFICATION

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This is to certify that this thesis entitled “Economic and Structural Analysis of The Tourism Market in The Province of Erbil (During the Period 2007 – 2016)” prepared by Mohammed Othman SEDEEQ in the date 24/08/2017 in Siirt University Institute of Social Science (Economics Master of Science) has been accepted as Master of Economics by the following jury.

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**ÖZET**

**YÜKSEK LİSANS**

**ERBİL İLİ TURİZM PİYASASININ EKONOMİK VE YAPISAL  
ANALİZİ (2007-2016 DÖNEMİNDE)**

**Mohammed Othman SEDEEQ**

**Danışman: Yrd. Doç. Dr. Semih Serkant AKTUĞ**

**2017, 65 Sayfa**

**Jüri üyesi: Doç. Dr. Arzdar Kiraci**

**Jüri üyesi: Doç. Dr. Ibrahim Halil SUGÖZÜ**

**Jüri üyesi: Yrd. Doç. Dr. Semih Serkant AKTUĞ**

Bu çalışmanın amacı Erbil ilindeki turizm pazarının ekonomik ve yapısal analizini yapmaktır. Bu amaca ulaşmak için Turizm ve Yatırım Otoritesi Genel Müdürlüğü ve Belediyeler ve Turizm Bakanlığı'ndan veriler toplanmıştır. Ayrıca çalışmada kullanılan veriler 2007-2016 yılları arası olmak üzere 10 yıllık bir dönemi kapsamaktadır.

Buradan yola çıkarak; kullanılan yöntem, çalışma değişkenleri arasındaki göreceli öneme ve karşılıklı ilişkinin niteliğine odaklanan ikincil verileri analiz edip incelemek suretiyle çalışmanın problemini tanımlamaktadır.

Ayrıca çalışma çeşitli sonuçlar içermekle birlikte en önemli sonuç şu şekildedir; Erbil ili bölgedeki toplam turizm projelerinin %51,44'ünü oluşturmaktadır ve araştırma, turizm sektörünün diğer ekonomik sektörlere göreceli önemini iyi bir oran olduğunu ortaya koymaktadır. Turizm sektörü; sanayi sektörü ve gayrimenkul sektörü sonrasında üçüncü sırada yer almaktadır.

Çalışmamız; otel, motel ve turistik köylerin %97.198'inin yıllık gelirinin 1-600 bin TL arasında, kalan %2.802'lik kısmının ise yıllık gelirinin 200 milyon dinardan fazla olduğu sonucuna vararak bu sektörde yıllık gelirlerde yüksek bir oran saptamıştır.

Son olarak, araştırma, turizm alanındaki uzmanların yalnızca % 5,71'e tekabül ettiğini ve bu oranın çok düşük olduğunu, ayrıca bu etkenin Irak'ın Kürdistan Bölgesi'nde turizmin gelişmesindeki engellerden biri olduğunu ortaya çıkarmıştır.

**Anahtar Kelimeler:** Turizm, Turizm Ekonomisi Piyasası, Turizm Arzı, Turizm Talebi, Kalkınma ve Yatırım.

**ABSTRACT**  
**MASTERS THESIS**  
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The purpose of the current study is to make the economic and structural analysis of the tourism market in the province of Erbil. In order to reach this purpose, the study sample was collected from the ministry of municipalities and tourism, general directorate of tourism and investment authority. For years 2007 to 2016.

In the method the study's problem, through analyzing and examining secondary data that engrossed on the nature of the relationship and relative import between study variables is given.

In addition, the study stretches to some results, most conspicuously the province of Erbil constitutes over fifty of the total tourism projects in the region, and the study concludes that the relative importance of the tourism sector to the other economic sectors constitutes good rate. The tourism sector comes in third place after the industrial sector and the Real Estates sector. Also, the proportion of tourism institutions in the province of Erbil to the tourist institutions in the region during the period rate (36.12%) that indicates the Erbil is a center for tourist and archaeological sites in the region.

Consequently, the study found that a high rate of their annual revenues of hotels, motels and tourist villages, the percentage is between (1-200) million dinars (1000 dinars = 3 TL), while the remaining proportion of (2.802%) revenues more than 201 million dinars annually, and fast because most tourist institutions (hotels, motels and tourist villages) absorb customers more than the capacity of absorption, in addition to their prices jealousy constant.

Finally, the study found that the percentage of specialists in the field of tourism during the same only (5.71%) and this percentage is very low, and is one of the obstacles to the development of tourism in the Kurdistan Region of Iraq.

**Keywords:** Economic, Tourism Market, Tourism Supply, Tourism Demand, Development and Investment.

**ABBREVIATION AND SYMBOLISTS**

<b><u>Abbreviation</u></b>	<b><u>Explanation</u></b>
<b>UNWTO</b>	: World Tourism Organization
<b>WTO</b>	: World Trade Organization
<b>UN</b>	: United Nations
<b>P</b>	: Price
<b>D</b>	: Demand
<b>S</b>	: Supply
<b>Q</b>	: Quantity
<b>NO</b>	: Number

<b><u>Symbol</u></b>	<b><u>Explanation</u></b>
<b>%</b>	: Percentage
<b><math>\Delta P</math></b>	: Change in Price
<b><math>\Delta D</math></b>	: Change of Demand
<b><math>\Delta S</math></b>	: Change of Supply

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**DEDICATION**

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## INTRODUCTION

The aim of this study is the economic and structural analysis of the tourism market in the province of Erbil (during the Period 2007–2016).

Hence, tourism economics and market in the public and private sector companies acquires interest for many countries of the world, including Iraq and Kurdistan Region, because it plays a significant role in the economic activity and an increase of investments.

Accordingly, the tourism sector is one of the essential economic issues in the world, especially in the Middle East region, and in the Kurdistan region-Iraq, because the tourism sector is interrelated with the rest of the sectors, exceptional to this rising responsiveness to the tourism market, this study investigates economic and structural analysis of the tourism market in the province of Erbil, Iraq.

In this study problem of the existence of a large number of obstacles to the tourism market in the province of Erbil, which negatively affected the activity of this vital sector in the region, is investigated.

This study tries to analyze the tourism market in Erbil province. It is predictable that the considerate gained from this study will lead to proper discerning of those features responsive to tourism economics. The outcomes of this study will subsidize to Kurdistan Region as well Iraqi private tourism establishments through classifying relevant factors of tourism market in Erbil province and how these factors impact on the tourism economics contribution in region's development.

However, the outcomes of this study backs to the obtainable literature by providing confirmation on the economic and structural analysis of the tourism market.

The topic of economic and structural analysis of the tourism market and its impact on economic development is not well highlighted in most Iraqi cities and regions include the Kurdistan region. The tourism market is fascinated worldwide attention, as its clear significance for the considerate growth of companies and the entire country's economy. Hence, the study problem is the existence of a large number of obstacles to the tourism market in the Erbil province, which negatively affect the activity of this vital sector in the region.

The significance of the study. There is a lack of literature on the economic and structural analysis of the tourism market in Erbil province-Iraq. Therefore, the outcomes of the present study would contribute to improving understanding of tourism market in Erbil.

Consequently, the study might clarify the dimensions and clarifies the importance of the tourism sector in providing financial revenues to achieve economic development in the Iraqi Kurdistan region, especially in the Erbil province, which show the significance of this subject.

As its specified the study purpose is to identify the obstacles to the tourism sector in the Erbil province during the period 2007-2016, Also, to provide ways to address these obstacles, besides to achieve sustainable development of the tourism market in the province.

The current study hypotheses are based on the significance of tourism market in providing huge financial revenues to the national economy and economic growth, but facing the obstacles of natural, financial, human and institutional.

This study is organized into three chapters, chapter one which contains the background of the study, the study reviews the literature relevant to the study topic includes the concept of tourism, the tourism market and the relationship between tourism and economic variables.

In chapter two the material and method of the study are defined; the study design, the explanation of the data sources, the source criticism, and the limitation of the study. Then chapter three obtain results and discussion. Lastly, presented the conclusions, recommendations, and suggestions for future studies.

## CHAPTER ONE

### 1.LITERATURE RESEARCH

#### 1.1. The Study Background

Khader (2016), the study is about the reality of the tourism sector in providing employment opportunities in the city of Erbil. Also, it analysis the obstacles that faces on the tourism sector. And determine the share of the local workforce in the tourism sector.

Thus, the study found some conclusions, most notables are: The average percentage of specialists in the field of tourism to the total labor force in the coastal sector is equal to (5.7%) and that the decline of this proportion of specialists in the field of tourism is due to the reasons of sympathy.

Further the study showed that the average ratio of females to the total labor force in the tourism sector is (13.65%), this percentage is low in tourist activity compared to males, outstanding to the social and cultural factors in the Kurdish society. In addition, the study concluded that the percentage of foreign workers reached (58.99%), it means that a large percentage of the cash inflows to outside the region.

Amin (2015), the study is effort to reveal the reality of the hotel industry in the Kurdistan Region- Iraq in general, and the province of Erbil in particular, as well as to evaluate the hotel industry from the perspective of investors and hotel guests in the province of Erbil, and to disclose the most important difficulties and obstacles faced by this industry.

Consequently, the study found some conclusions; most notables are the lack of districts for tourist hotels and shortage of tourism services because of the absence of adequate support by the government. And lack of experience of staff working in hotels in the province of Erbil was one of the difficulties faced by investors in the field of their work. That leads them to employ foreign workers with experience in hotels and this entails the cost of more due to high wages of foreign workers, especially staff specialized in the field of hotels.

Sophy (2014), the purpose of the study is to highlight and focuses on the natural, historical and cultural elements of tourism in Erbil province. Also, it presents and analysis of the reality of tourism activity in the province to see the extent potential

available in tourism of the province, and to identify the most important obstacles on the way of Erbil's tourism.

The most important conclusions of the study are: the development of tourism generally in the region and particularly in the Erbil province and especially after 2007 is due to the unnatural reasons. The most important reasons are the worse security of other rest of Iraq, and security and stability in the Kurdistan region. It means the Erbil province has a clear future for tourism activity, and it has the wonderful natural and historical places for this sector. But this sector has many troubles such as inappropriate infrastructure and intermediary services that are vital for this sector. The government has not enough interest to develop the tourism sector, and it does not provide some facilities to investors such as loan, land, the advertisement in mass media about the importance of tourism for the region, and a private center to collect the data about the tourism.

Ali (2012), the aim of the study is to define the basic requirements for building a tourism infrastructure in the Iraqi Kurdistan region. Then it analysis the tourist components in the region such as: natural, climate and cultural heritages that make it a lodestone for domestic and foreign investment. Hence, the study reaches some conclusions most important: weakness of resources that promotion the tourism sector, advertising, publicity and satisfy means came at the rate of 0.876. So, the absence of workers and experts specialized in tourism work, which adversely affected the reality of tourism investment and saturated at the rate of 0.859.

Besides, the absence of government and banking institutions co-operation in supporting investment and investors in the tourism sector and satisfy 0.857. In addition, the obstacles of financial and administrative corruption as the results of difference between the new bodies and ministries because of the laws and constitutional clauses jealousy understandable and jealousy clear. These laws made it a great obstacle to investors and gave the opportunity to the owners of administrative and political corruption to manipulate laws and circumvent them, which led to increased bribery and financial corruption and administrative and a saturation of at the rate 0.74.

Abdulla (2005), the study is about the natural and human potential that contribute to the development of tourism, and it attempt to employ the findings to the province of Erbil, also it analysis the factors that is behind the development of this important sector.

Thus, the study reaches to some conclusions, most notables are; The Erbil province have many facilities in natural and human tourism, but only a small proportion is used, and this small is not invested so well, it is neglected because of the deficit and other obstacles. So, the national and foreign tourism investment in the province are without the potential of natural and civilized data, and there is not satisfying level of the tourism entertainment supply and demand.

Hence, the private sector contribution did not live up to the desired level, which can be achieved by obtaining a large share of tourism in the province or attracting large numbers of domestic and foreign tourists.

Further, the deficiency of availability and provision of tourist facilities in the required form as 85% of tourist investment, the companies did not obtain any facilities from the competent authorities during their investment period. Additionally, the bureaucracy in regards to the administrative fees related to the tourism establishment and tourism projects and lack of clarity and the multiplicity of sources of government agencies in the issuance of licenses, which leads to the reluctance of investors from this sector.

## **1.2. The Tourism**

### **1.2.1. The Concept of Tourism**

There are many different definitions that differ from a researcher to another, as follows: Conferring to Almaç (2005) defined the word 'tour' to states a rounded movement, visiting some places and vicinities, or a tour to changing place done for the determination of business and entertaining. Also, 'touring' or 'Turin' terms are used for travels which denote the educational and cultural characteristics (Almaç, 2005).

Tourism includes the events of persons travelling to and staying in places outside their usual location for less than a year and whose main purpose of travel is other than the exercise of an activity remunerated from within the place visited (Chai, 2013).

According to Allam (2007) tourism contains the events carried out by individuals throughout their holidays and their visit to places diverse from their usual location or habitation, for a sequential period of time less than a year, with leisure, business or other dedications (Allam, 2007).



Tourism is the temporary movement of people to drives outside their usual place of work and dwelling, the events or activities were assumed during their stay in those purposes, and the services created to cater to their needs (Maristuen, 2013).

While, Kauffmann (2008) states that the tourism has a contested history of definitions, tourism is not just the transitory undertaking of people to places outside their normal residences. Tourism contains many geographic, economic, ecological, social, cultural and political dimensions. According to the UNWTO (2011), a tourist is a person who stays for more than a night and less than a year. Use of leisure time for travel purposes, taking holidays, business and convention travels are included. Military personnel, diplomats, immigrants, and resident students are not considered tourists (Ahmed, 2014).

### 1.2.2. Definition of the Tourist

Different definitions of different tourist according to the objectives of the study and more use the following:

Tourist is a person that travel to outside the location of habitual dwelling for an outmoded of not less than 24 hours (one night), not more than four months in order to enjoy the holidays, or for treatment (mineral water) medication, attend to a (meeting and seminars) or study (Reshida, 2013).

### 1.2.3. The Tourism Types

According to the tourism definitions the tourism classified as follows:

**Table 1.1.** The tourism types

<b>Conferring to the time</b>	
<b>Temporary (up to 3 days)</b>	Lasting (Greater than 7 days)
<b>Conferring to Way of Organization</b>	
<b>Organized (by travel agency)</b>	Individual (families on their own)
<b>Conferring to location</b>	
<b>International tourism (prevails on Europe)</b>	Local Tourism (prevails in large countries – USA, Canada)
<b>Conferring to path of tourist flows</b>	
<b>Incoming Tourism</b>	Visible Tourism

**Source:** By the Researcher.

#### **1.2.4. Tourism Forms**

Various tourism forms categorized by characteristic sorts of spending time in the purpose:

1. The entertaining tourism: this kind of tourism states the abilities, which compromise guests a wide range of fascinations and events i.e. knowledge, fun, leisure, science etc. Also, theme parks are amongst the main performing tourism events and may also be built in the traditional destinations as a means of distinguishing the existing tourist destination from competitor ones (Tezcan, 2004).
2. The religious tourism: according to the UNWTO the religious tourism is a part of cultural tourism, and it's usually contains two types of visits: first, pilgrimages and visits to holy places for piety, mysticism and worship; and second, architectural, cultural heritage or other general tours that comprise holidays to spiritual constructions or sites as part of an informative (USAID, 2008).
3. Cultural tourism: according to Abu Ayyash (2007), is an opportunity to learn about the lives, cultures, and civilizations. So, visits to the homes of prominent figures that influenced histories, such as Shakespeare, Napoleon Bonaparte, Mandela's prison in South Africa and many others, are a kind of cultural tourism. As well as visits to the London Wax Museum and universities such as Oxford and Cambridge. It has a cultural history that attracts the curiosity of tourists from around the world
4. Historical tourism: museums, statues, historical sites, man-made structures and monumental monuments that have been eroded represent historical and visible memories of the ancient civilizations and attract tourists looking for these historical figures with some pride. The visit of these figures provides a good understanding of the civilizations that flourished and faded, and for some tourists, historical tourism is a pleasure to match other fun (Tezcan, 2004).
5. Health tourism: the first stages of the tourism development process began in the areas of the tourist attractions, which enjoy baths and springs. The city of Bath in Britain and the city of Montakini in Antalya is one of the world's most famous tourist attractions, with its natural swimming pools and springs, which tourists from all over the world enjoy for fun and health. There are man-made attractions designed specifically for recreational tourism, which attracts tourists from all over the world. There are also tourist health centers that offer services to fitness seekers. These

centers are within the category of medical tourism / medical treatment centers, for example, the Maine Spa and the Dead Sea in Jordan (Taei, 2006).

6. The tourism of meeting and congress: as Tezcan (2004) classified attending to meetings, assemblies, workshops and conventions can be itemized as the actions within this kind of tourism. So, all above actions have been uninterruptedly rising conferring to the need for continuing “the participation by providing information, distribution, sales and increasing product awareness services of trade relations, educational establishments and superior interest groups”.
7. Sports tourism: this kind of tourism comprehensive sort depending on how sports activities are categorized, and it is including a wide range of sports events from team sports like football, basketball to adrenalin and undertaking sports like paragliding, climbing, mounting, white water leaping, rafting etc. While, many of the categorizations overlap with each other, general sub-categories may be defined as adventure sports, regeneration, and outdoor sports events. So, adventure sports include risk factor, actually may go beyond traditional risk sports i.e. Winter sports, climbing, skiing etc. (Tezcan, 2004).
8. Nature tourism: according to Tezcan (2004) this states to the dynamic interface with the countryside, the landscape, vegetation, wildlife, and dwindling areas i.e. natural parks, wildlife preservation zones etc. Such vigorous contact abilities may be maintained by periodic participation to farm life, horse-bike riding trips, joining to natural and organic food production, staying in the farm villages etc.

### **1.2.5. Domestic and International Tourism**

According to WTO (1991) and UN (1994) tourism can be classified as domestic (national) and international tourism:

**Domestic tourism:** in domestic tourism, visitors travel from their usual residence to other parts within their country (Ahmed, 2014).

**International tourism:** in contrast, in international tourism, tourists leave their country to cross into another state, which includes certification, administrative formalities, and movement to a foreign environment. The major determinations of this tour travel can be leisureliness, visiting friends, and families, occupational, agreement or meetings, health, training, religion, or athletic. Moreover, international tourism consists of inbound (tour to a state by non-residents and ingress of overseas currency)

and outbound (residents of a country visiting another country and exporting currency to other countries) tourism (Ahmed, 2014).

#### **1.2.6. Tourism in Modern Times**

Currently, the tourism industry grown and many countries across the globe began to care about it. Hence, the people's insights and their horizons increased with the emergence of scientists and artists in all fields, people went to the capitals of the world and the historical cities to see their cultural and social monuments.

Then, the advent of airplanes led to the revitalization of tourism between the various countries of the world. This period witnessed two devastating wars, (the First and Second World Wars). Despite the devastation caused by these wars, especially the transport sector as a result of the international attention to the need to return the war ruined, which facilitated the movement of countries and continents. This has contributed to the increase in tourism, accompanied by a development of hotels, tourist restaurants, infrastructure, and superstructure. The development of human thought also led to improved living standards and increased vacations. The increase in leisure time and the development of the industrial sector in the provision of convenient means of transportation helped to create the tourism of the social, which is tourism for all people and different economic uses (Omar, 2010). Most of the tourism and statistical reports indicate that the Middle East and the Mediterranean basin contribute 20.3% of the total travel and tourism. It also has a modest share of about 5% of the world's passengers. This figure is expected to double in the first quarter of this century. This shows two glories through the multiplicity of tourist patterns and development of resources for each country and also through the continuous development of the tourist product, which corresponds to different segments of different tourists (Omar, 2010).

#### **1.2.7. The Tourism Characteristics**

According to Bukhari (2012), the people's visit from a place to another as the tourists performed longtime ago, however, tourism sector didn't reach its development until after the Second World War, a period characterized by the high level of individual incomes and access to new benefits such as reduced working hours and paid holidays, which satisfy the high needs of humanity. Tourism has its characteristics which

distinguish it from other activities or industries. These characteristics can be derived from our previous review of the concept of tourism, which is as follows:

- a) Tourism is a transitory occurrence, carried out by a large number of individuals from different countries, leaving their place of residence where they reside elsewhere in their country or to other countries.
- b) The individual's travel through tourism requires a period of time that varies according to the wishes of the tourist and depends on other factors such as the ability of tourists to spend, the laws of the country, the impact of tourist attractions, and the cost of living and living in the host country.
- c) The tourist in the host country or region is a consumer of various consumption patterns lead to an increase in the level of the state's income.
- d) Tourism is intended to cater to psychological needs, and it is to offer recreation and recreation or other purposes other than physical acquisition.
- e) Tourism is characterized as an export industry, where it represents the consumer spending in the host country, and increases the balance of the state of foreign currency.
- f) Tourism is realized as a means of communication, cultural interactive, and a powerful factor of understanding and friendship between people (Bukhari, 2012).

### **1.3. The Tourist Economics Market**

#### **1.3.1. The Concept of Supply**

The supply is the desire of the producer to supply the goods and services in a certain price over the specific time. It is also known as (the quantity of supply of goods and services that produced by all producer in a certain price over the specific time (Dabbagh, 2008).

#### **1.3.2. The Concept of the Tourism Supply**

The tourist supply is the range of tourism products quantity offered by the state of the country through its official agencies or tourist organizations for tourists, whether national or foreign, over a period of time (Arabia, 1429).

So, the natural tourism attractions as a key supply are contains: mountains, forests, rivers, seas, lakes, waterfalls, climate, snow, sand, landscapes and landscapes. In addition to cultural realizations such as cultural monuments, cultural accomplishments

and historical sites such as religious monuments and shrines that contain the bodies of bones from the owners of dignities and martyrs righteous (Al-Taei, 2006).

Accordingly, the secondary tourist supply is including: painting services, electromechanical works and their production according to type and quantities required, that containing hotels, motels, villages, complexes, tourist apartments, camps, youth hostels, restaurants of all kinds, marine ports etc. (Al-Taei, 2006).

**Table 1.2.** Components and Controls

<b>Main components</b>	<b>Supplementary</b>	<b>Partial components of subcomponents</b>
<b>Natural ingredients</b>	<b>Land and Climate</b> <b>Water</b> <b>Vegetation</b> <b>Wild Animals</b> <b>Regions unique natural beauty</b>	(Locations, Areas, Surface features, General shapes, and Thermal differences). (Rain and Snowing, Groundwater, Rivers, Lakes, and Waterfalls). (Forests, Horticulture, Fishing animals, Birds, Fish, developed, and jealous developed).
<b>Human elements</b>	<b>Population</b> <b>Employment</b> <b>Hospitality</b> <b>Heritage</b> <b>Contemporary</b>	(Preparations, Characteristics and Features). (Desire, Skill Level, Specialized Learning Centers). (Preparedness, Friendliness, Exploitation, Archeology and History, Religious Shrines, Social Events, Science and Knowledge Centers).
<b>Assistance constituents</b>	<b>General</b> <b>Specialized</b> <b>Argument</b>	(Accessibility, Roads for mobility, Public services facilities, Individual and Social accommodation, Leisure and entertainment, Sports promotion and Health care). (Specialized services and agencies). (Chambers of commerce, Bodies' Official tourism, Travel agencies and Tour operators, Youth associations, Malls, Signboards, Rest stations, Walking and Tourist guides and guides).

**Source:** (Dabbagh, 2008)

### 1.3.3. Specific Factors for the Tourism Supply

The most important factors affecting the tourism supply are as follows:

#### 1. Natural resources

As Sophy (2014) categorizes the natural resources includes; green areas, coasts, water bodies and others, and those are one of the main components of the tourism ecotourism and its development, which constitutes a large proportion of the elements of tourism supply. Thus, natural resources are the main base of tourism activity and are directly proportional to the tourism offer.

#### 2. The prices of the tourist product

According to Dabbagh (2008) higher tourist services prices means the greater the tourism quantity supply while the other factors remain constant. The increase in prices

means the increase of profits, which means necessarily attracting capital, thus expanding the tourism offer

### 3. The use of advanced technological means

As Al-Houri (2001) identifies that if the community is highly developed in term of technological that means are highly productive, it can be harnessed to serve the tourism activity and thus this means reducing the costs of production and economy in time

### 4. Tourism activity taxes

The obligatory taxes on tourism activity, whether directly as the annual taxes that enacted on some goods and tourist services, these taxes will increase production costs, so the relationship will be negative between the taxes imposed and the tourism offer, as the high taxes on tourism activity will lead to decline, because it will prime to a drop in the profits of tourism movement. Or carry the tourist to those taxes and thus raise prices and decrease the demand for tourism (Abdulla, 2005).

### 5. Subsidies and facilities granted by the state

States that subsidies provided by the state lead to the improvement of the tourism sector, whether through the facilitation or tourist loans provided by commercial banks to investors, or through direct investment for the benefit of the public sector, therefore, if the state provides subsidies and facilities for the tourism sector, it will lead to increase tourism supply represented by the establishment of new tourism projects and provide better tourism services (Abdulla, 2005).

## **1.4. Tourism Demand and Factors Affecting It**

### **1.4.1. The Concept of Demand**

According to Miskin (2016), demand in its economic sense represents the total desires of individuals and their capability to buying diverse quantities of goods and services, unlike the prices during a definite period of time.

### **1.4.2. The Concept of Tourism Demand**

As Miskin (2016), identifies that an appearance of tourist trends to purchase a tourist product or to visit a region and country, which is composed of a combination of

different elements: motives, desires, abilities, tendencies and personal needs that affect the tourism consumers in terms of demand trends in a region.

### **1.4.3. Types of Tourism Demand**

#### **1.4.3.1. General Tourism Demand**

As Mubarak (2005), reveal this type of public demand refers to the total tourism services or to tourism in general regardless of time, type and duration. Therefore, the public demand is related to the tourism process as a whole, not a specific type or a special program of its programs

#### **1.4.3.2. Special Tourist Demand**

According to Mubarak (2005), this kind of tourist demand is related to a specific tourist program that the tourist finds to satisfy his or her desires and needs. Special tourist demand program is specialized in satisfying these desires. Hence, this request for a particular program is a special request for a tourist or a group of tourists, not all tourists

#### **1.4.3.3. Tourism Derived Demand**

As Miskin (2016) states that this type of tourist services is complementary or component of the tourism program such as demand for hotels, aviation companies, tourism transport and other tourism services, and most countries are seeking to convert the demand derived to a special request and then a general request by providing programs various tourist and different prices are so varied.

### **1.4.4. Determinants of Tourism Demand**

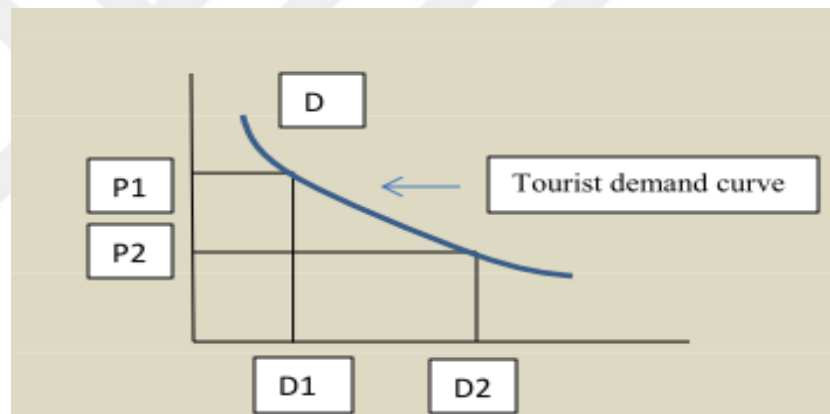
#### **1.4.4.1. Frequently Used Variables**

1-Income: the issue of the availability of material (income) is a prerequisite for achieving the tourism phenomenon. The relationship between income and tourism demand is a direct one, and this can be illustrated as in the following scheme. Income commonly used as an independent variable for explaining international travel. According to the empirical studies, the higher real per capita income of a country, makes the citizens to be able to buy foreign tourism. Empirical studies have supported this contention (Uysel, 1984).



2- Prices: price comes a close second to income, when choosing possible significant determinants of tourism demand. Also known as tourism or relative prices, they are difficult to measure precisely because of the wide range of products that tourists are likely to pay for while travelling. Additionally, tourism prices consist of two main parts transportation costs and the cost of living at the destination. (Vencoveska, 2014).

Some researchers even divided the tourism prices into more than the two parts by adding the substitute prices or other costs like travel insurance and the opportunity cost of travel time (Vencoveska, 2014). The tourist demand is affected very much by the prices of tourism services, and the relationship is usually counterproductive. The lower the prices of tourist services, the greater the tourism demand and vice versa, with the remaining factors constant, as in figure (1.1).



**Figure 1.1.** Tourist Demand Curve

The tourism services price itself, may exceed the prices of tourism goods and other goods that are accepted by tourists. Usually, tourists are characterized by a phenomenon of shopping. The tourist calculates the prices of some types of goods that can be carried in a tourist bag such as clothes, small electrical appliances, heritage goods, folklore pieces, handmade gifts, and Antiques, etc. (Al-Houri, 2001)

3- Exchange rates: according to Uysel (1984) the exchange rate may have an important consequence on the extent of worldwide travel. So, the price of the foreign currency will impact tourists. Therefore, if the price of foreign currency drops, tourists are likely to demand extra services, by assuming the other things being equal (Uysel, 1984).

#### 1.4.4.2. Other Economic and Non-Economic Variables

1. Trade openness: including the trade openness variable, also identified as the capacity of trade, in tourism demand analysis could be particularly useful when a destination's economy is greatly driven by international business. In such destinations, tourist arrivals for business purposes make up a fair share of total arrivals (Song, 2000)

2. Marketing: in order to increase awareness of a particular country as attractive tourism destination tourist organizations around the world spend a lot of money on various promotion activities. Identified that" diverse races and cultures are likely to react contrarily to marketing and diverse purposes vary in their capacity to use marketing efficiently, thus it is rather difficult to model the impact of destination promotion correctly (Dawyer, 2006).

According to Kulendran (2009) only a few researchers have decided to face this obstacle and incorporate a marketing variable into their tourism demand models. While, the total expenditures for tourism advancement among their elements of tourism flows, measured by the number of guests lodged in hotels and apartments in Tenerife. They found out that advancement expenditure has only a small effect on the number of tourists. Overall, due to data constraints on tourism promotion expenditure, marketing is not a very popular variable used to determine tourism demand.

3. Tourism tastes - country attractiveness: tastes vary from person to person. Moreover, they change and develop over our life. I already touched upon the subject of changing tastes when mentioning the effect of population aging. Age is just one among other various socio-economic factors that influence travelers taste. Sex, marital status and level of education also result in different tastes across the population. They can further change as a consequence of rising living standards, advertising or innovation (Song H. W., 2009). Due to the fact that there are so many influencing factors, it is very difficult to measure a variable to indicate tastes.

4. Population: it seems reasonable to include this variable between the elements of tourism demand. One can assume that the larger the populations of countries of tourism's origin, the more tourists will these countries generate. However, the inclusion of population variable in the tourism demand model represents a certain risk due to a possible correlation with income, as income is usually expressed in per capita form

(Leitao, 2010). That's why modifying the dependent variable (tourism demand) to be tourism demand per capita is a common way to account for the effect of the population on international tourism demand (Song, 2000)

5. The time accessibility: the accessibility of time for travel is an essential for tourism to happen. Perpetually, accessibility of free time has been a key factor for many decades. However, it no longer has an acute role because, over the years, duration of the paid leaves has been reduced significantly in most of the advanced countries. Not with standing, it is still a defining element in developing countries and in countries like Japan and USA (Raghavendra, 2016).

6. Dummy variables: dummy variables (also known as binary variables) are particularly made variables which yield the value "1" when the event occurs and "0" otherwise.

Seasonality has been dealt with by many authors but has been avoided by some due to modelling tourism demand based on annual data. Typically, if using monthly data, twelve seasonal dummy variables are included in the model and similarly, four seasonal dummy variables are incorporated regarding the quarterly data. An outbreak of a disease, organization of Olympic Games, terrorist attacks, oil crises, and wars, all of these is just some of many examples of one-off events, which can be captured by the inclusion of a dummy variable. Described and assessed the impacts of SARS (which Stands for Severe Acute Respiratory Syndrome) on international tourist arrivals to Malaysia. They investigated the effect of this infectious disease by including a dummy variable for the SARS outbreak in 2003 and estimated it had a negative effect on tourism flows from all of the seven Asian origin countries that were included in their analysis (Vencoveska, 2014).

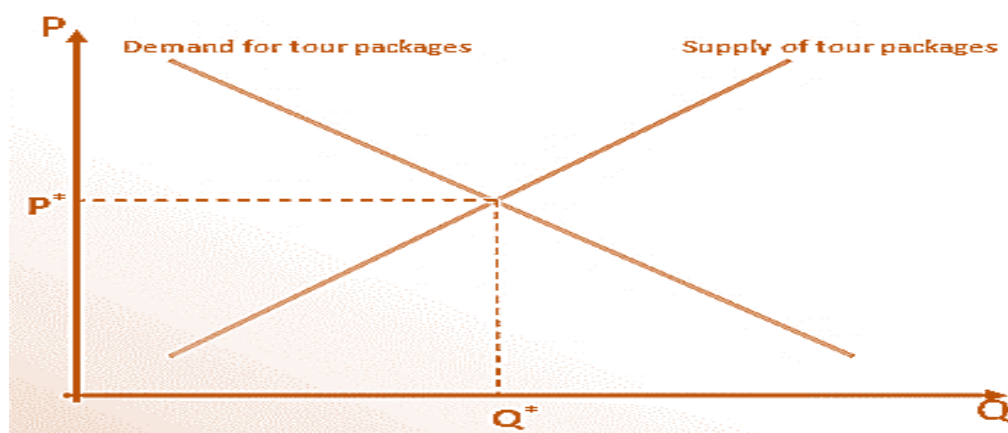
7. Repeated visits: people generally don't like taking risks, it could be said that they are risk-averse. Although this term is mostly used in relation to the behavior of investors, it aptly describes the reluctance to take risks by tourists, too. If they appreciated the stay in a certain target it is highly likely that they will return to the same place next time as well. Traveling to a diverse country they are not familiar with would represent a certain level of uncertainty (Song H. W., 2009).

### 1.5. Demand and Supply of Tourism

The tourism industry is not only signified as the pleasure industry offering leisure, refreshment, and enjoyment but it also plays an economic role (Biggs, 2010).

The economic factors that determine the price of the tour package depend on the consumer preference regarding the choice of destination, travel season, mode of transport, food options while the travel and other expenses involved in exploring the destination (DTP, 2015) this involves the cost of the arrangements which derives the price of tour packages. Another important factor is the price charged by the competitor which alters the pricing strategy of the tour operators. They would try to lower the price than the rival operator in order to gain the market share. Price rise in school holidays (by demand and supply analysis) the fundamental concept of economics is the determination of equilibrium price and quantity based on the market demand and supply. Based on the question provided we frame a demand and supply mechanism where tour package is the good and price of the product is the price of the tour packages (Hall, 2010).

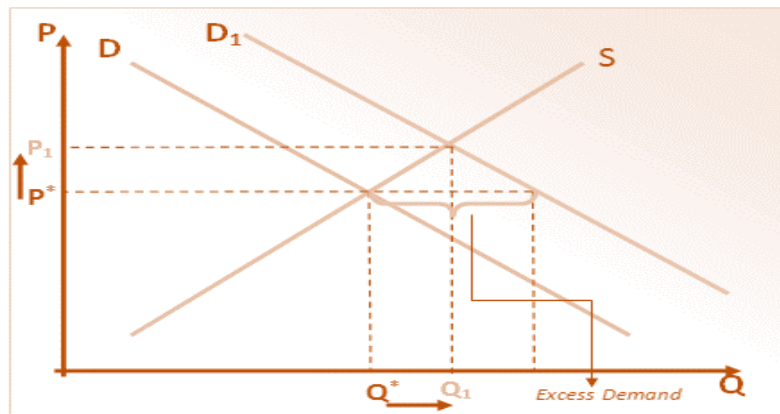
There is a negative relationship between the price of the tour package and the demand for tour packages so the demand curve for the tour packages is downward sloping. Now the supply of the tour package has a positive relationship with its price. Thus, the supply curve of the tour package is an upward sloping, (Anon, 2015). The intersection of the supply and demand curve yields the equilibrium price and quantity of the tour package. The following diagram shows the fundamentals of the demand and supply of the tour packages (Turaev, 2010).



**Figure 1.2.** Demand and Supply of Tourism.

**Source:** (Turaev, 2010)

We consider that during the school holidays, the price of the tour packages tends to increase compared to the time period when the schools are open (Yong, 2014). This can be clarified by the fact that throughout vacations, the children get free time which they want to utilize by visiting places for fun and recreation. Now the suppliers of the tour packages are aware of the phenomenon that the children and their parents would be interested in going out on vacations only when the schools of their children have declared holidays. With this fact, the tour operators know that the demand for tour package will increase in this time. This would create a situation of excess demand and drive up the price of the tour packages (Vanhove, 2011).



**Figure 1.3.** The Demand Curve of Tourism.

**Source:** (Vanhove, 2011)

The above diagram shows that during the school holidays, the demand for tour packages increases which is depicted by the shift of the demand curve from  $D$  to  $D_1$ . Then there arises an excess demand in the market which drives up the price from  $P^*$  to  $P_1$ . Thereby the tour packages also increased from  $Q^*$  to  $Q_1$  (Vanhove, 2011).

### 1.6. Risk Factors in Pricing

The pricing strategy of the international tourism depends on several risk factors. The fluctuation in the exchange rate is one such risk factor that alters the decision of the tourist. If the exchange rate variation is unfavorable then the tourist would decrease their visits to abroad as the foreign currency had become expensive. The tourist can completely change the destination of travel from international to national places, cut down his expenses and decrease the number days of his stay, and also change the mode

of travel and even can decide to travel in another season. All these would lead to a decline in the demand resulting in a situation of excess supply.

The tour operators would lower the price to maintain market stability. When the exchange rate changes in favor of the tourists then the opposite happens. Now as the foreign currency has become cheaper, the tourist can make frequent visit to abroad and make purchases of the international tour package, can buy additional goods and services, stay longer in a particular foreign destination and can even avail the expensive mode of transport. All these will augment the demand for tour packages and create a situation of excess demand. Capturing this market condition, the tour operators will increase the price of tour packages (De Vita, 2013).

According to Agarwal (2008) another risk factor that needs mention is the rate of inflation at the tourist destination. If there is substantial inflation in the tourist spot, then all goods and services would be costly there which would discourage the tourists to visit those places. This would decline the demand for tour packages and drive down the price. Thus, the tour operators consider all risk factors that affect the demand and supply of the tourism industry for pricing strategy.

### **1.7. The Relationship between Tourism and Economic Variables**

The most important of these relationships between commodity dumping and the following economic variables:

#### 1. The relationship between tourism and the environment

According to Salem (2009), the friendship between tourism and the environment is describing by mutuality, intersection and the success of investment projects in tourism as the result of its interaction with the environment where attractive places, landscapes and temperate climate all helped to expand tourism internationally, regionally and locally. So, with the influx of tourists in large numbers of tourist sites, the interest of tourists and the interest of tourists in biodiversity, many environments have been destroyed and destroyed and a threat to wildlife is threatened. It was found that the environment can only be preserved by involving the local population in its conservation and care. Thus, the relationship between tourism and the environment is inverse i.e., whenever tourism develops, it will destroy the natural environment.

## 2. The relation among tourism and investment

The relationship between tourism and investment, any increase the investment in economic sectors, which lead to the growth of the tourism sector in the country. The tourism investment is one of the lowest types of investment in other activities is risky as it (the recruitment of funds or allocation in the fields or investment opportunities which the investor believes as viable opportunities to achieve the best return at the lowest level of risk one of the areas is tourism investment (Meteb, 2012).

## 3. The relation among tourism and economic development

The tourism development is the newest of many development forms, which in turn pervades all the diverse features of development and is virtually same to the inclusive development. All the elements of comprehensive development include the elements of tourism development.

Therefore, if the concept of economic development means: Use the economic resources available in the community best use possible, so as to make the greatest possible use to increase the level of income and employment in society. The concept of tourism development means maximizing the role that tourism activity can play in the growth of the national economy in terms of improving the balance of payments, increasing the state's resources in foreign and domestic currencies, creating new jobs directly and directly, and increasing urban expansion by creating tourist attractions and population in remote areas (Saidi, 2013). Therefore, there is a direct relationship between tourism and economic development.

## 4. The relationship among tourism and the payment balance

The tourism sector is an astonishing export industry, that funds to refining the payments balance in the country. This is due to the inflow of foreign capital invested in tourism projects, the increase in foreign exchange resources and the benefits that can be gained as a result of the establishment of economic relations between the tourism sector and other sectors. Thus, shows the inverse relationship between tourism and balance of payments, i.e. with the revitalization of tourism leads to a decrease in deficit in balance payments (Saidi, 2013).

#### 5. The relationship between tourism and income

As for the relationship between tourism and income, there is a positive relationship, namely tourism development, which leads to an increase in average per capital income in the country. According to Alsuhiat (2014), the tourism is a new source of income for the country, the international tourism comes to the country with swimmers carrying the money to spend in the destination country for the goods and services provided by that country to win the country. This money is included in its economic resources and added to and supported by its national income. A major and important source of income that drove most of the world to compete for its share of tourism revenues

#### 6. The relationship between tourism and unemployment

The tourism sector provides job opportunities directly or indirectly. The institutions that provide direct use, those essentials that deal with tourists and provide them with services such as hotels, restaurants, transport companies, marketing institutions, and guides. The indirect employment in the field of tourism is the employment opportunities in the complementary activities of tourism, where the opportunities for employment in these activities as tourism flourished towards this country. Thus, direct and indirect employment constitutes a large part of the total employment opportunities in the economy. Therefore, the development of tourism in the country will lead to an increase indirect and direct employment opportunity and consequently a decrease in the unemployment rate in the country (Alsuhiat, 2014).

This indicates the opposite relationship between tourism and unemployment. Any development with tourism will lead to a drop in the unemployment rate.

#### 7. The relationship between tourism and inflation

Tourism sector's activity increases production and consumption as well as other productive sectors, for instance, prices tend to rise because of the high standard of living and as an outcome of the growing demand for new types of goods and services, especially if supply cannot meet demand (Reshida, 2013). Therefore, there is a positive relationship between tourism and inflation, any development and revitalization of tourism will lead to high inflation rates.



#### 8. The relationship between tourism and economic globalization

Conferring to Abdulla (2005), the relationship between tourism and economic globalization is a positive relation with the expansion of the scope of economic globalization leading to the development of the tourism sector. So, globalization has become a tangible and concrete phenomenon in our contemporary world as a consequence of the global tourism and economic trend, and the rapid technological developments in the means of communication, freedom of movement, travel, and trade.

Thus, there is a reciprocal relationship between tourism and globalization: Tourism is in fact one of the most important manifestations of globalization in modern times, and the most important factors aggravated, where some researchers prepare the third pillar of the pillars of globalization, as well as the first pillar of the revolution of information and telecommunications network, and the second on the liberalization of trade.

#### 9. The relationship between tourism and the public budget

According to Saudi (2001), the expected rise in tourism is expected to raise state incomes from fees collected for public services provided to tourists. So, the development of the tourism sector will develop the venture climate in this sector. In addition, the growth of the tourism sector will lead, through the multiplier, to increase the gross domestic product by increasing the relative revenue revenues in the public budget and improving its status, therefore, when the relationship between tourism and public budget is negative, any development or progress in tourism leads to reduce the public budget deficit.

## **CHAPTER TWO**

### **2. MATERIAL AND METHOD**

The aim of this chapter is to spectacle the material and method implemented in this study. In order to analysis the tourism economic market in Erbil province-Iraq: during the period time 2007-2016.

Hence, the study applied a numerical method. A numerical method is shown appropriate for the aim. So, a numerical method is frequently practical in the study when working with numerical data. Also, the quantifiable study can be perceived as a study method that concluded numerical and quantified outcomes that are established on the actuality tries to measure aims in order to produce generalizable information. Accordingly, the chapter discusses the study design, sources of data, source criticism and the limitation of the study.

#### **2.1. Study Design**

The present study designed to analysis the tourism economic market in Erbil province-Iraq. Therefore, the study established analytical study design as it followed to define and establish the relations between the study variables and their components, specifically, tourism economic market in Erbil province. The design was more applicable as it qualified secondary data were provided information and data from the published annual reports during the period time 2007-2016, on the issue of importance to the study.

#### **2.2. Sources of Data**

According to the Saunders (2009) there are two categories of data, primary and secondary, where scholars tend to manage obtainable data in partiality of creating one's own database. The current study procedures only secondary data were provided information and data from the published annual reports from Ministry of Municipalities and Tourism, General Directorate of Tourisms and Investment Authority. So, the source is spanning ten years. Besides, the sampled concerns' annual reports, using a previously existing database can protect both time and means though also countenancing the scholars to be able to effort more on the clarification and analysis of data than the data gathering itself (Bryman & Bell, 2011).

### **2.3. Criticism of the Source**

According to Thoren (2013), criticism of the source is a gathering of approaches which are applied by scholars in order to value if rather is true and how dependable a source is. There are diverse types of sources counting as oral, transcribed or in the form of material. When guiding a study, it is essential for scholars to examine the dependability of a source.

### **2.4. Reliability**

The reliability in the study is connected to whether the outcomes of the research would be constant if the research would be reiterated with the same data and technique. Reliability is of assured interest in numerical researches as it is more obvious if the quantities are constant or not. In this specific study, the Economic and structural analysis of the tourism market, scores are taken from Ministry of Municipalities and Tourism, General Directorate of Tourisms and Investment Authority. And Authorities published official records which add consistency, as secondary data of this type is often very consistent (Saunders, 2009). However, there are three main standings of what reliability in study contains of constancy, internal dependability, and inter-observer reliability (Bryman & Bell, 2011).

### **2.5. The Validity**

According to Saunders (2009) it is additional feature that scholars have to ruminate to ensure the credibility of a study. The validity of a study is absorbed on the involved dimensions and that the study technique essentially processes what it is supposed to measure. While, (Houston, 2004) stated that the use of consistent secondary data within the field of economics and finance is frequently ideal to the use of self-generated data.

### **2.6. The Study Limitation**

It is distributed bounds of the study to the boundaries as follows: First, the spatial boundaries, the study sources of data have been smeared on a sample of the published annual reports from the ministry of municipalities and tourism, general directorate of tourism and investment authority to the analysis of the tourism economic market in Erbil province-Iraq. Second, time boundaries: signified by the period of the study

pragmatic (During the Period 2007-2016) lastly, the human boundaries: that comprise human limits to look at the ministry of municipalities and tourism, general directorate of tourism.



## CHAPTER THREE

### 3. RESULTS AND DISCUSSION

The aims of this chapter are to analysis and discuss the reality of tourist institutions in the province of Erbil during the period time 2007-2016. Through illustrating the data and information obtained from Ministry of Municipalities and Tourism, General Directorate of Tourisms and Investment Authority. So, the data Official Records and published by the Authorities.

#### 3.1. Analysis the Reality of Tourism Institutions in the Province of Erbil

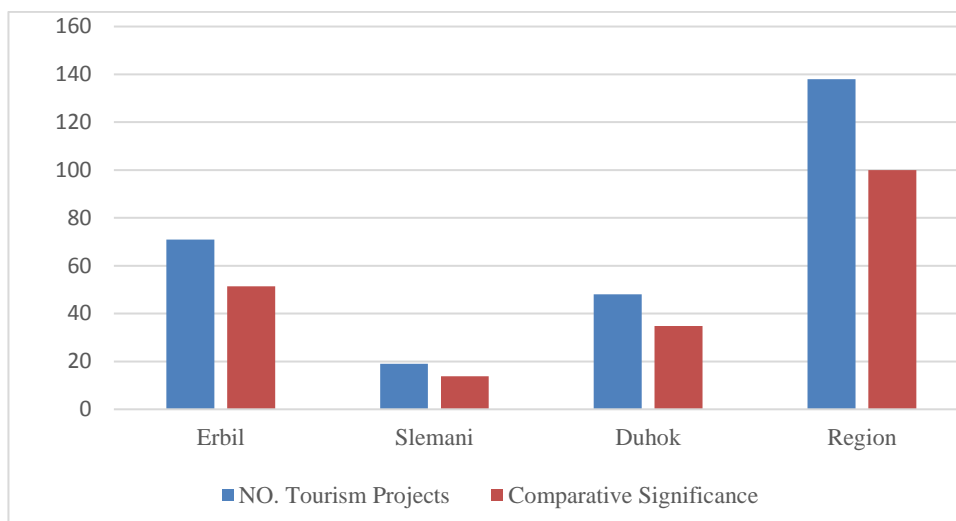
##### 3.1.1. The Comparative Significance of the Tourism Sector in the Province of Erbil to other Provinces in the Region

As shown in a table 3.1 the comparative significance of the tourism sector in the province of Erbil to the tourism sector in the Kurdistan region for the year 2016. That revealed the province of Erbil constitute the proportion 51.44% of the whole tourism projects in the region and this is due to: first, Erbil, the capital of the region as well as the existence of many tourist and archaeological sites in Erbil compared to other provinces. Second, rise the number of tourists to the province of Erbil that led to increasing tourism projects in the city of Erbil. Thus, the relative importance of Duhok and Slemani came at the rates of 34.78% and 13.76%, respectively. Also, see figure (3.1).

**Table 3.1.** The Comparative Significance of the Tourism Sector in the Province of Erbil to other Provinces in the Region for the year 2016

Provinces	Number	Relative Importance
<b>Erbil</b>	71	<b>51.44</b>
<b>Slemani</b>	19	<b>13.76</b>
<b>Duhok</b>	48	<b>34.78</b>
<b>Region</b>	<b>138</b>	<b>100</b>

**Source:** Prepared by the researcher based on Investment Authority's published Official Records.



**Figure 3.1.** The Comparative Significance of the Tourism Sector in the Province of Erbil to other Provinces in the Region for the year 2016

### **3.1.2. The Comparative Significance of the Tourism Sector to the other Economic Sectors in the Province of Erbil**

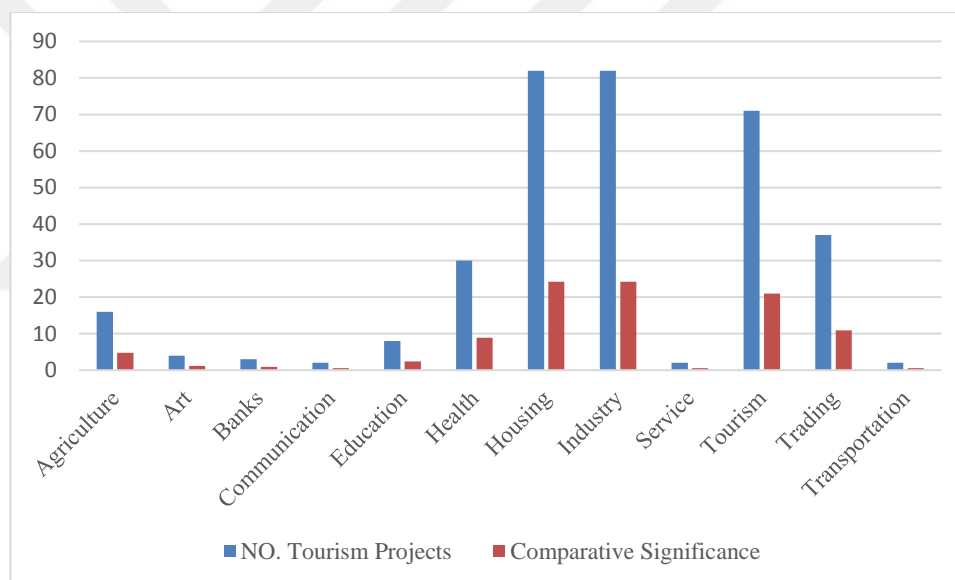
As summarized in a table 3.2 the comparative significance of the tourism sector to the economic sectors in Erbil during the period 2007-2016 illustrate that constitutes 20.94%. That means the tourism sector comes in third place after each of the industrial and housing sectors, and this indicates the provision of facilities necessary for the tourism sector, as well as increased demand for tourism generated by the appearance of tourism projects in the province, especially in the province of Erbil.

But there are obstacles to all economic sectors, including the tourism sector, if most of the vacations of tourism projects in the form of investment in order to obtain land grants and then sold in the black market, and this is a defect in the investment law in the region, in order to continue the implementation of licensed projects. See figure (3.2).

**Table 3.2.** The Comparative Significance of the Tourism Sector to the other Economic Sectors in the Province of Erbil during the period 2007-2016

Economic sectors	No.	%
Agriculture	16	4.71
Art	4	1.17
Banks	3	0.88
Communication	2	0.58
Education	8	2.35
Health	30	8.84
Housing	82	24.18
Industry	82	24.18
Service	2	0.58
Tourism	71	20.94
Trading	37	10.91
Transportation	2	0.58
<b>The Overall</b>	<b>339</b>	<b>100</b>

**Source:** Prepared by the researcher based on Investment Authority's published Official Records.

**Figure 3.2.** The Comparative Significance of the Tourism Sector to the other Economic Sectors in the Province of Erbil during the period 2007-2016

### 3.1.3. Development of the number of tourist institutions

As it is presented in a Table 3.3 the growth of the number of tourist establishments in the Erbil for the period 2007-2016, where it was found that the highest rate of annual change is in 2009 (202.89%). This is due to the following reasons Granting loans to tourism projects in the region.

However, the lowest annual rate of change falls in 2014 by (12.18%), and this is due to: first: the emergence of ISIS (Al-Da'ash) in Iraq and reflected negatively on the region. Second: the stifling financial crisis due to the political conflict between the region and

the center. As for the growth rate during the study period by (46.23%), this is in addition to the existence of positive indicators for the tourism sector in the province of Erbil because of the provision of necessary facilities by the KRG. For more details, see figure (3.3).

**Table 3.3.** Development of the Number of Tourist Institutions in the Province of Erbil during the period 2007-2016

Institutions the years	No. hotels	Number of motels	Number of villages	Tourism companies	Total	Annual rate of change
2007	25	7	3	6	41	--
2008	31	9	5	24	69	68.29
2009	39	11	6	153	209	202.89
2010	85	33	15	164	297	42.10
2011	114	46	19	177	356	19.86
2012	159	64	22	283	528	48.31
2013	199	86	31	275	591	11.93
2014	251	103	34	275	663	12.18
2015	275	124	42	278	719	8.44
2016	285	125	43	281	734	2.08
<b>Growth Rate</b>						<b>46.23</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.3.** Development of the Number of Tourist Institutions in the Province of Erbil during the period 2007-2016

### 3.1.4. The Relative Importance of Tourism Institutions in Erbil to Tourism Institutions in the Region

From the table 3.4 illustrate the relative importance of tourism institutions in Erbil to tourist institutions in the Region for the period (2007-2016). Where it is found that



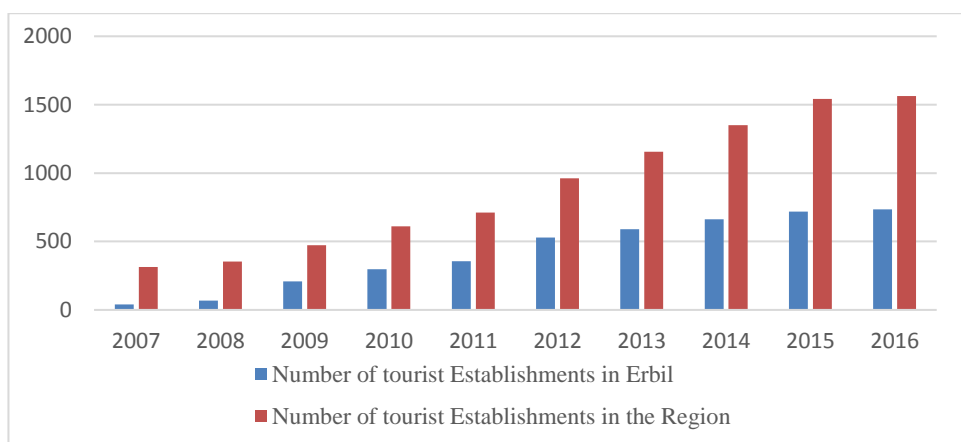
the highest relative importance lies in the year (2012) and through (54.82%), and this is due to: - first: provide the necessary qualifications by the provincial government. Second: a substantial growth in the number of tourists to the province, especially the province of Erbil because of the Syrian crisis.

However, the lowest percentage is located in 2007 due to the lack of necessary facilities by the government as well as the existence of administrative obstacles to tourists to the region. With regard to the proportion of tourism institutions in the province of Erbil to tourism institutions in the province during the study period (13.09%) and height, this percentage is due to the fact that Erbil is the capital of the Kurdistan Region, for more details, see figure (3.4).

**Table 3.4.** The Relative Importance of Tourism Establishments in Erbil to the Tourism Establishments in the Region during the period 2007-2016

Years	Number of tourist Establishments in Erbil	Number of tourist Establishments in the Region	Relative Importance
2007	41	313	13.09
2008	69	353	19.54
2009	209	473	44.18
2010	297	611	48.60
2011	356	712	50
2012	528	963	54.82
2013	591	1157	51.08
2014	663	1351	49.07
2015	719	1542	46.62
2016	734	1564	46.93

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.4.** The Relative Importance of Tourism Establishments in Erbil to the Tourism Establishments in the Region during the period 2007-2016

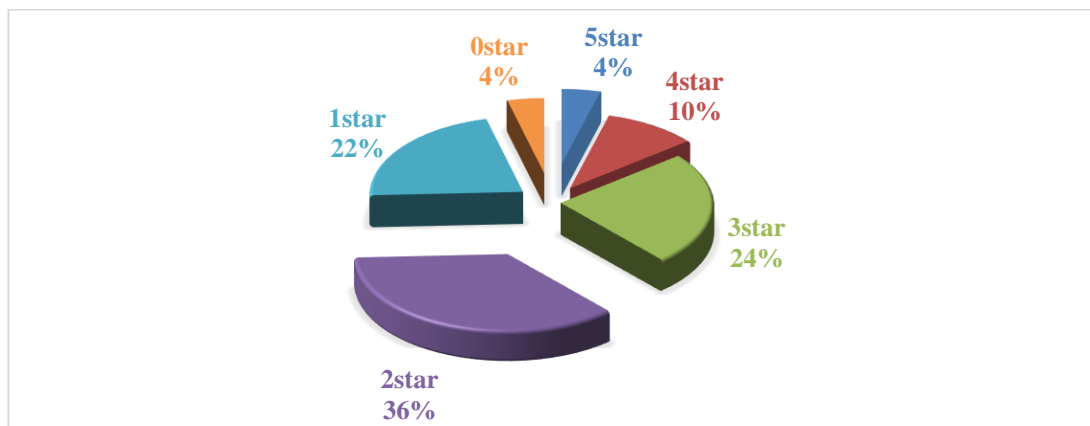
### 3.1.5. The Relative Importance of the Number of Hotels, Motel and Tourist Villages in the Province of Erbil via a Number of Stars

As its presented in a table 3.5 the relative importance of the number of hotels and tourist villages in the province of Erbil via number of stars until 2015, where revealed that hotels, motels and tourist villages with (1), (2) and (3) stars together constitute (81.74%) of the tourist establishments. So, (4) and (5) stars together constitute (14.7%) the fact that a small percentage of tourists with high incomes. Besides the remaining percentage (3.95%) of those with very low incomes. See figure (3.5).

**Table 3.5.** The Relative Importance of the Number of Hotels, Motels and Tourist Villages in the Province of Erbil by a Number of Stars until 2015.

No of stars	No.	%
Five Stars	19	4.17%
Four Stars	46	10.10%
Three Stars	110	24.17%
Two Stars	163	35.82%
One Star	99	21.75%
0 star	18	3.95%
<b>Total</b>	<b>455</b>	<b>100</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.5.** The Relative Importance of the Number of Hotels, Motels and Tourist Villages in the Province of Erbil by a Number of Stars until 2015.

### 3.1.6. The Comparative Significance of Tourism Institutions in Erbil to Tourism Institutions in the Region through Number of Stars

As given in a table 3.6 the comparative significance of tourism institutions in Erbil to the tourism institutions in the Kurdistan Region - Iraq for the period (2007 - 2015), simplified that the tourism institutions with stars (2) in the province of Erbil to a

region that constitutes (62.93%) this proportion is due to the fact that Erbil, the capital of the Kurdistan Region, as well as most tourist institutions in Erbil with two stars, because this amount of tourism institutions is appropriate to the level of entry most of the tourists other provinces in Iraq. As for the tourist establishments with stars (3), (4) and (5), the province of Erbil constitutes (60.11%, 60.52%, and 55.88%) respectively. This percentage is outstanding to the point that Erbil is the capital of the region. And foreign consulates.

**Table 3.6.** The Relative Importance of Tourism Institutions in Erbil to Tourist Institutions via Number of Stars in the Kurdistan Region for the Period (2007 - 2015).

No. of stars	Number of tourist Establishments in Erbil	Number of tourist Establishments in the Region	Relative Importance
Five Stars	19	34	55.88%
Four Stars	46	76	60.52%
Three Stars	110	183	60.11%
Two Stars	163	259	62.93%
One Star	99	225	44%

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

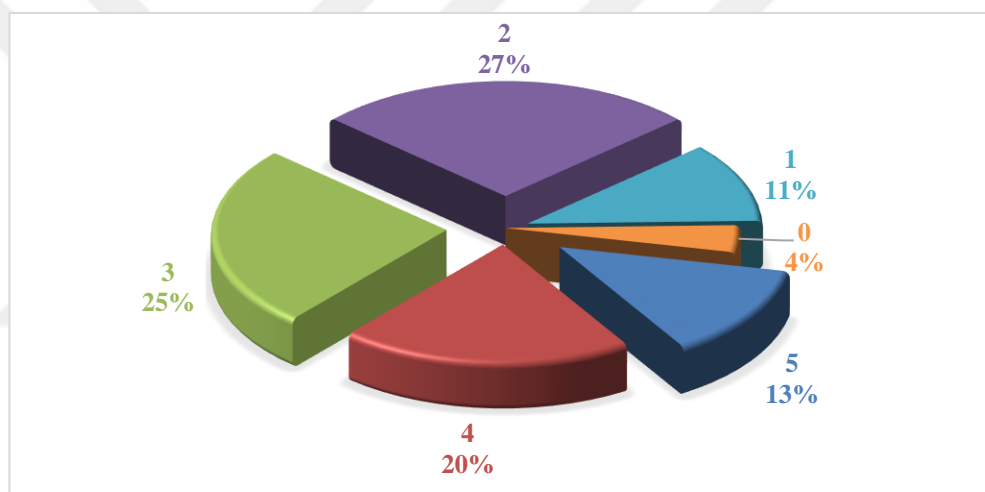
### 3.1.7. The Development of the Number of Rooms in Hotels, Motels and Tourist Villages

As shown in a Table 3.7 the number of rooms in hotels and motels in Erbil province up to 2015, where the number of rooms in hotels, motels and tourist villages with stars (2), (3) and (4) together constitute (72.22%) of the establishments. Besides (12.85%) (5) Stars. This is in contrast to the fact that a small percentage of tourists with high incomes or foreign tourists, while the remaining percentage of (3.73%) of those with low incomes. Also, see Pie chart (3.6).

**Table 3.7.** The Number of Rooms in Hotels, Motels and tourist villages in Erbil Province has increased until 2015

Number of Stars	The Number of Rooms	Relative Importance
Five Stars	1512	12.85%
Four Stars	2366	20.12%
Three Stars	2973	25.28%
Two Stars	3154	26.82%
One Star	1314	11.17%
0 Star	439	3.73%
<b>Total</b>	<b>11758</b>	<b>100%</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.6.** The Number of Rooms in Hotels, Motels and tourist villages in Erbil Province has increased until 2015

### 3.1.8. The Relative Importance of Rooms for Hotel, Motels and Tourist Villages in the Province of Erbil to the Number of Rooms for Hotels and Motels in the Region for the Year 2015.

As summarized in a Table 3.8 the relative importance of the number of rooms In Hotels, Motels and Tourist Villages in Erbil province to the number of rooms for hotels, motels and tourist villages in the Region for the year 2015.

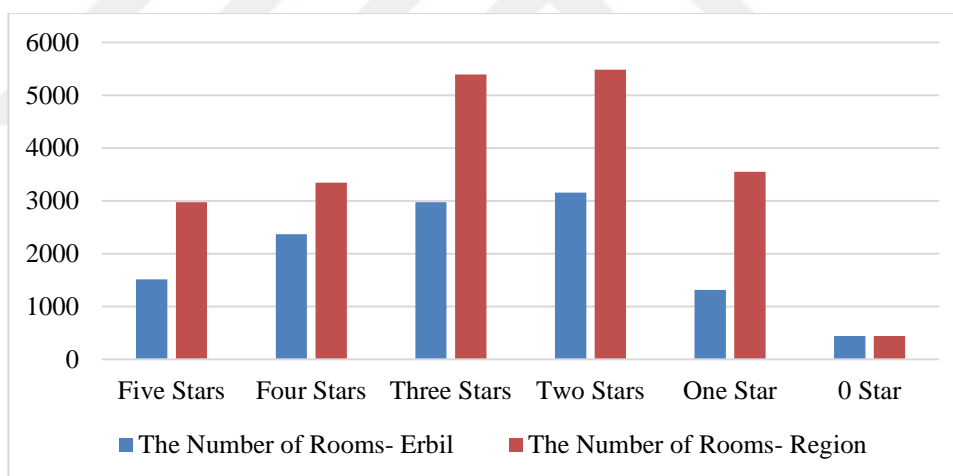
That demonstration the Hotels, Motels and Tourist Villages with stars (4) constitute 70.77% the number of rooms for hotels and motels in Erbil province. This is outstanding to the fact that most of the four-star hotels in Erbil have a large capacity because of the large size of those hotels, while the proportion of (50.80%) of the

number of rooms for hotels and motels with (5) stars, it alone owns more than half the number of rooms for these Hotels, Motels in the Region. Hotels and Motels with 2 and 3 stars have 55.12% and 57.48% respectively. As for the number of hotel rooms and one-star hotels, Erbil has 37.02%. See figure (3.7).

**Table 3.8.** The Relative Importance of Rooms for Hotel, Motels and Tourist Villages in Erbil Province to the Number of Rooms for Hotels and Motels in the Region for the Year 2015

No. of Stars	The Number of Rooms- Erbil	The Number of Rooms- Region	Relative Importance
Five Stars	1512	2976	50.80%
Four Stars	2366	3343	70.77%
Three Stars	2973	5393	55.12%
Two Stars	3154	5487	57.48%
One Star	1314	3549	37.02%
0 Star	439	439	100%

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.7.** The Relative Importance of Rooms for Hotel and Motels in Erbil Province to the Number of Rooms for Hotels and Motels in the Region for the Year 2015

### 3.1.9. The Relative Importance of the Number of Beds for Hotels, Motels and Tourist Villages by Number of Stars in the Region of Kurdistan in 2015

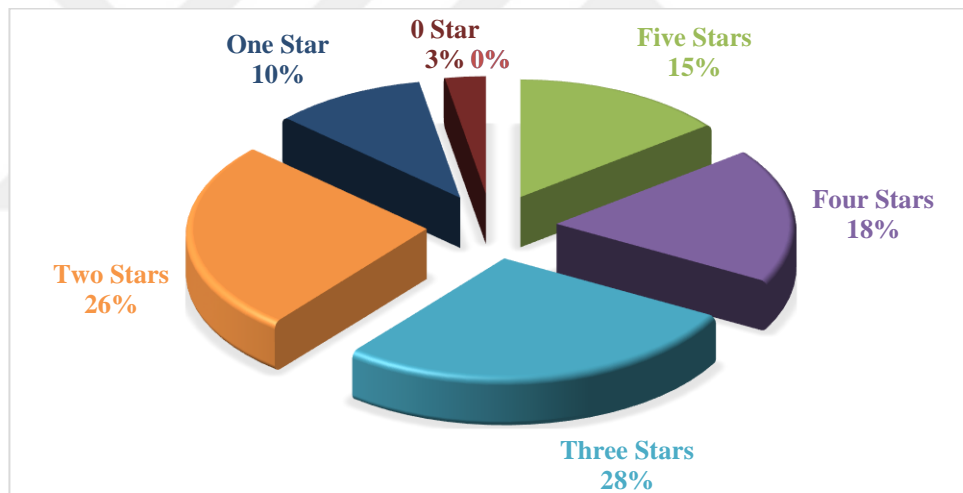
Table 3.9 illustrated that the number of beds for hotels, motels and tourist villages with stars (2), (3) and (4) constitute 72.18%. This is due to the fact that most tourists want to stay in these hotels, motels, and tourist villages because their prices are suitable. (14.58%) of the total number of hotels and motels is (5) stars. This indicates that a small

percentage of tourists want to buy in these hotels because of the high prices. The remaining 12.121% constitute the family of one-star hotels without a star. See Pie Chart (3.8).

**Table 3.9.** The Relative Importance of the Number of Beds for Hotels, Motels and Tourist Villages by Number of Stars in the Region of Kurdistan in 2015

Number of stars	Number of beds	Relative Importance
Five Stars	4356	14.58%
Four Stars	5492	18.38%
Three Stars	8323	27.86%
Two Stars	7750	25.94%
One Star	3111	10.41%
0 Star	837	2.80%
<b>Total</b>	<b>29869</b>	<b>100%</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.8.** The Relative Importance of the Number of Beds for Hotels, Motels and Tourist Villages by Number of Stars in the Region of Kurdistan in 2015

### 3.1.10. The Relative Importance of the Number of Beds for Hotels, Motels and Tourist Villages in the Province of Erbil to the Region

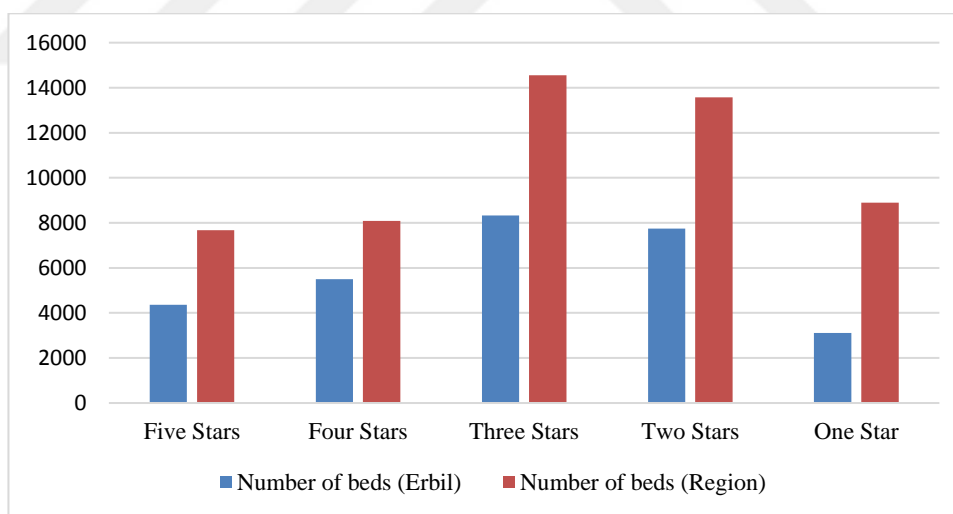
As given in the table 3.10 the relative importance of the number of beds for hotels, motels and tourist villages in the province of Erbil to the region, shown that the number of beds for hotels, motels and tourist villages with a four-star constitute the highest beds rate (67.91%) and the rise in this rate is due to an increase in the number of beds for those hotels and motels in Erbil.

Thus, hotels, motels and tourist villages in Erbil, with stars of (5, 3, 2) make up rates (56.78%) and (57.21%) and 57.59% respectively. Then hotels, motels and tourist villages with only a star make up (34.97%). this means that the province of Erbil could accommodate more than (50%) of the flow of tourists to the Region. This is due to most of the tourists from the middle-incomes. However, the percentage of (34.97%) of the number of beds for hotels and motels that a small percentage of tourists with low incomes. Also, see figure (3.9).

**Table 3.10.** The Relative Importance of the Number of Beds for Hotels, Motels and Tourist Villages in the Province of Erbil to the Region.

Number of stars	Number of beds (Erbil)	Number of beds (Region)	Importance of Relativity
Five Stars	4356	7671	56.78%
Four Stars	5492	8087	67.91%
Three Stars	8323	14548	57.21%
Two Stars	7750	13575	57.09%
One Star	3111	8896	34.97%

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.9.** The Relative Importance of the Number of Rooms for Hotels, Motels and Tourist Villages in the Province of Erbil to the Region.

### 3.1.11. The Capacity of Hotels, Motels and Tourist Villages by Stars in the Province of Erbil

From the Table 3.11 displays the capacity of hotels, motels and tourist villages conferring to the stars in Erbil province. Hence, revealed that the hotels, motels and tourist villages with stars (2), (3) and (4) together constitute 72.51% of Erbil Province.

This is outstanding to the fact that the increase in demand for this type has a straight impact on the increase in the supply of tourist organizations in the province of Erbil. However, the proportion of (10.15%) of organizations with (5) stars of this shows that the absorptive capacity sufficient to receive customers in hotels, (1), (0) and (16.1%) are sufficient to meet the needs of tourists.

**Table 3.11.** The Capacity of Hotels, Motels and Tourist Villages by Stars in Erbil Province for the Year 2016

Stars	Erbil City			Shaqlawa City			Sorana City			Koya City			Total	%	
	Hotels	Motels	Tourist Villages	Hotels	Motels	Tourist Villages	Hotels	Motels	Tourist Villages	Hotels	Motels	Tourist Villages			
5	2200	0	200	2400	300	0	250	2950	0	0	1400	1400	0	6750	10.15
4	5965	204	120	6289	587	60	0	6936	0	0	65	65	0	13290	19.99
3	5781	895	996	7672	280	200	180	8332	275	100	0	0	0	16004	24.07
2	6256	2447	176	8879	582	170	150	9781	112	0	0	112	140	18912	28.44
1	2515	1885	20	4420	428	112	492	5452	0	0	0	0	40	9912	14.91
0	486	220	0	706	0	0	0	706	0	0	0	0	0	1412	2.12
	23203	5651	1512	30366	2177	542	1072	34157	387	100	1465	1952	180	66655	100.0

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

### 3.1.12. Tourist Revenues for Hotels, Motels and Tourist Villages by Stars in the Province of Erbil for the Year 2016

As summarized in a table 3.12 the result of tourism revenues of hotels, motels and tourist villages in Erbil province. Publicized that the revenues of hotels, motels and tourist villages (97.198%) are between (1-200) million dinars annually, while the remaining proportion of (2.802%) the revenues of more than 201 million dinars annually, and this indicates that the profits of tourism institutions are large and fast, because most tourist institutions (hotels, motels, and tourist villages) absorb customers more than capacity, as well as not fixed pricing.



**Table 3.12.** Tourist Revenues for Hotels, Motels and Tourist Villages by Stars in the province of Erbil for the Year 2016

Revenue Categories	Number	%
1--200	347	97.19
201--400	7	1.96
401--600	1	0.28
601--800	0	0
801--1000	1	0.28
1001-abav	1	0.28
<b>Total</b>	<b>357</b>	<b>100</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

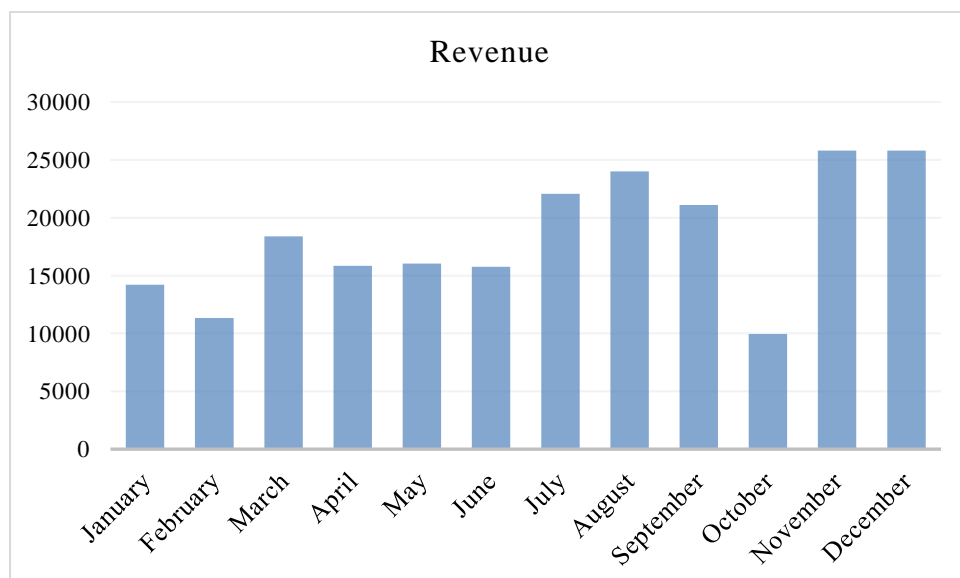
### 3.1.13. Tourism Revenues of Enterprises Operating in the Province of Erbil during the Months of 2016

As it's presented in the table 3.13 the months of (July, September, and September) gained high revenue due to increased influx of tourists to the Region. This increase is due to higher temperatures in central and southern Iraq, and an increase in revenues in the months (November, December, and January) respectively, New Year's Day 2016, as well as the snowing trips to the Region. The lowest percentage of revenues is in the month of (October) because of the beginning of the academic year in central and southern Iraq and this led to a drop in the flow of tourists to the province of Erbil. For more details, see figure (3.10).

**Table 3.13.** Tourism Revenues for Enterprises Operating in the Province of Erbil during the Months of 2016

The month	Revenue	%
January	14214	6.45
February	11329	5.14
March	18389	8.34
April	15835	7.18
May	16045	7.28
June	15766	7.15
July	22063	10.01
August	24000	10.89
September	21091	9.57
October	9957	4.52
November	25798	11.71
December	25796	11.71
<b>Rate growth</b>	<b>220283</b>	<b>100</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.10.** Tourism Revenues for Enterprises Operating in the Province of Erbil during the Months of 2016

### 3.1.14. Prices of Rooms in Hotels, Motels and Tourist Villages in the Province of Erbil for the Year 2016

From the Table 3.14 displays the prices of rooms in hotels, motels and tourist villages in Erbil Province for 2016, where shown that the prices of one room per night for hotels, motels and tourist villages (95.17%) are between (1-200) thousand dinars per night, the remaining rooms are (4.82%). The prices of the rooms are between (201- 600) thousand dinars. This indicates that the room prices are very high and this is a low quantity demand. However, hotels, motels, and tourist villages absorb more customers than the capacity of the rooms, prices set by request.

**Table 3.14.** Price of Rooms in Hotels, Motels and Tourist Villages in the Province of Erbil for 2016

Categories of Room Rates	Number	%
1--100	298	<b>84.65</b>
101 -- 200	37	<b>10.51</b>
201 -- 300	13	<b>3.69</b>
301 -- 400	2	<b>0.56</b>
401 -- 500	1	<b>0.28</b>
501 -- 600	1	<b>0.28</b>
<b>Total</b>	<b>352</b>	100

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

### 3.2. The Complementary Aspects of Tourism Institutions in Erbil Province for the Period 2007-2016

#### 3.2.1. Evolution of the Number of Restaurants in the Province of Erbil

As summarized in a table 3.15 the evolution of the number of restaurants in Erbil Province during the period 2007-2016. The highest annual rate of change was in 2009 and at the rate (228.57%). This is due to increased demand for meals by tourists. The high level of per capital income of tourists in Iraq. The lowest annual rate of change was in 2014 (-0.41%). The cause back to the severe financial crisis in the region, as well as the emergence of ISIS (Al-Da'ash) in Iraq, and the annual growth rate for the period (2007-2016) was 68.329%.

**Table 3.15.** The Number of Restaurants in Erbil Province Increased During the Period 2007-2016

Year	Numbers of Restaurants	The Annual Rate of Change
2007	7	-----
2008	21	<b>200</b>
2009	69	<b>228.571</b>
2010	103	<b>49.275</b>
2011	114	<b>10.679</b>
2012	173	<b>51.754</b>
2013	239	<b>38.150</b>
2014	238	<b>-0.418</b>
2015	323	<b>35.714</b>
2016	327	<b>1.238</b>
<b>Growth</b>		<b>68.329</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

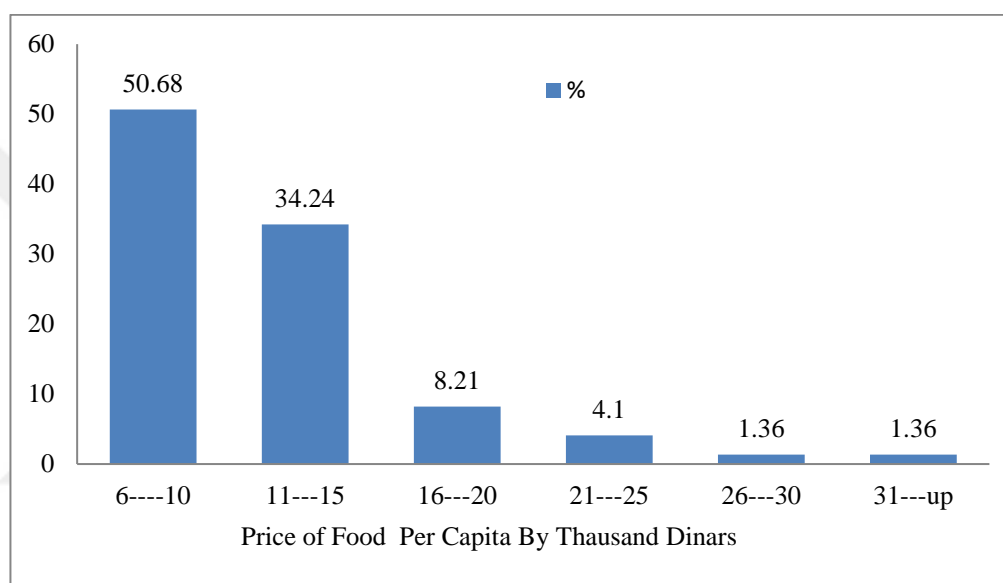
#### 3.2.2. Prices of Food per Person in Restaurants

Table 3.16 summarizes the result on the prices of food per person in the restaurants of Erbil province for the year 2016. Hence, publicized that the proportion of (84.93%) of restaurants in the Erbil were between (6-15) thousand dinars, that indicating the prices of the meal in Erbil's restaurants is high compared to the prices of the meal in the restaurants of neighboring countries, especially the State of Turkey. As for the remaining percentage (15.07%) of the restaurants of Erbil province, the prices of one meal per person were between (16 thousand dinars - and above), For more details, see figure (3.11).

**Table 3.16.** Prices of Food Per Capita in the Restaurants of Erbil Province for the Year 2016

Price Categories	Number	%
6---10	37	50.68
11---15	25	34.24
16---20	6	8.21
21---25	3	4.10
26---30	1	1.36
31---up	1	1.36
<b>Total</b>	<b>73</b>	<b>100</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.11.** Prices of Food Per Capita in the Restaurants of Erbil Province for the Year 2016

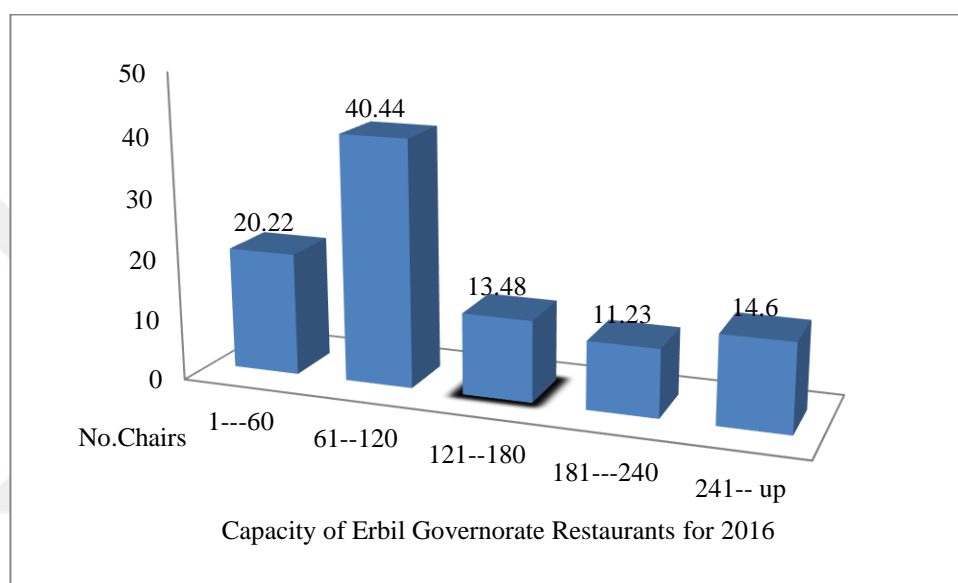
### 3.2.3. The Capacity of Restaurants in the Province of Erbil

As given in a table 3.17 the capacity of the restaurants of Erbil province for the year 2016, were at the rate (74.15%) of the restaurants of Erbil province capacity of between (1-180) chairs, although the remaining 25.844% of restaurants capacity Between (121-up) of the chairs of this shows the capacity of the restaurants of Erbil province less than the proportion of works, so it is necessary to increase the number of restaurants, as well as increase their stars, see Figure (3.12)

**Table 3.17.** Capacity of Erbil Province Restaurants for 2016

Chairs Categories	Number	%
1--- 60	18	20.22
61--120	36	40.44
121--180	12	13.48
181--240	10	11.23
241-- up	13	14.60
<b>Total</b>	<b>89</b>	<b>100</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

**Figure 3.12.** Capacity of Erbil Province Restaurants for 2016

### 3.2.4. Distribution of Restaurants by Number of Stars in the Province of Erbil

In the table 3.18 illustrated the distribution of a number of restaurants according to the number of stars in Erbil province for the year 2016. Whereas, the percentage (83.504%) of the restaurants in the group (1, 2 and 3) stars, however the remaining 16.496% of the number of restaurants (4, 5) of this shows that the prices of restaurants within the star (1, 2, 3) is a high proportion of the fact that most tourists in the center of southern Iraq are among the owners of limited incomes. It requires an increase in the number of restaurants through investors of economic feasibility to achieve the establishments of tourism.

**Table 3.18.** Distribution of Restaurants by Number of Stars in Erbil province for the year 2016

Number of Stars	Number	%
5	8	4.12
4	24	12.37
3	29	14.94
2	55	28.35
1	78	40.20
<b>Total</b>	<b>194</b>	<b>100</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

### 3.2.5. Founders of Entertainment (Massage)

From the Table 3.19 the number of recreational establishments by a star in Erbil for 2016 shows that hotels, motels and tourist villages with 5 stars possess 42.86% of the massages in Erbil Province, but 57.14% Hotels, motels, and tourist villages have 4-star massages. This indicates that these recreational establishments in the Kurdistan Region are new and managed by foreign teams.

**Table 3.19.** Number of Recreational Establishments (Massage) by Stars in Erbil for the Year 2016

Stars	Number	%
5	3	42.86%
4	4	57.14%
<b>Total</b>	<b>7</b>	<b>100</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

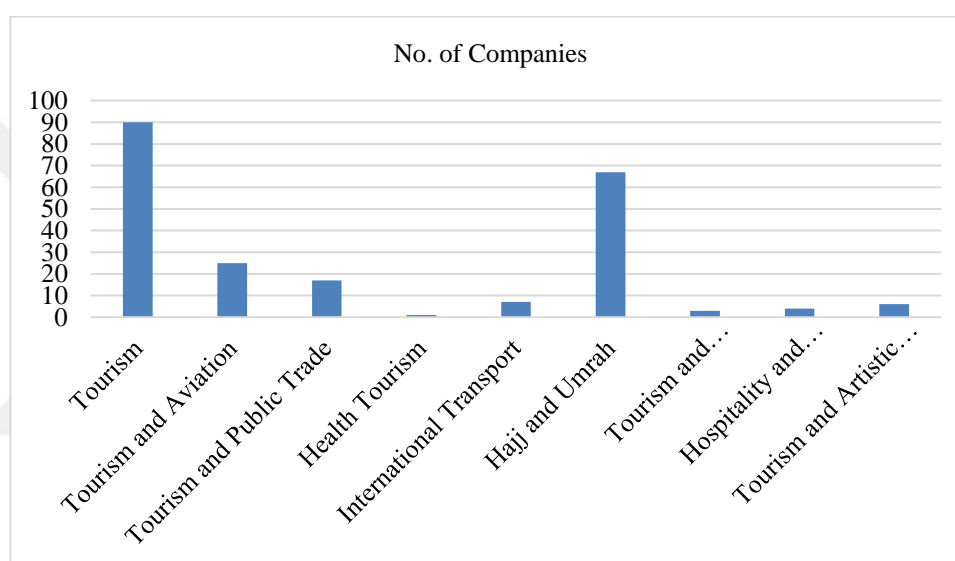
### 3.2.6. Tourism Companies Operating in the Province

As it showed in a table 3.20 the number of tourist companies by type of tourism in Erbil province for 2016, displays that tourism companies are related to tourism and religious tourism (Hajj and Umrah). The proportion of tourist companies in the province of Erbil is (71.35%). Nevertheless, the proportion of (28.65%) of tourism companies practicing other activities such as tourism (aviation, general trade, health, international transport, commercial advertising, hotel and investment, artistic activity), see figure (3.13)

**Table 3.20.** Number of Tourist Companies by Activities Relating to Tourism in Erbil Province for 2016

Areas of activity	No.	%
Tourism	90	40.90
Tourism and Aviation	25	11.36
Tourism and Public Trade	17	7.72
Health Tourism	1	0.45
International Transport	7	3.18
Hajj and Umrah	67	30.45
Tourism and Commercial Advertising	3	1.36
Hospitality and Tourism Investment	4	1.81
Tourism and Artistic Activity	6	2.72
<b>Total</b>	<b>220</b>	<b>100</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

**Figure 3.13.** Number of Tourist Companies by Activities Relating to Tourism in Erbil Province for 2016

### 3.2.7. Number of the Tourist Cafes

From the Table 3.21 confirm that the number of tourist cafes according to their classification in Erbil province for the year 2016, where at the rate (84.67%) of the coffee shops in Erbil, and ranked in the second, third and fourth grades. This is due to the level of per capital income of tourists in Erbil, conversely, the remaining (15.33%) of tourist cafes are classified as an excellent and first class, and the customers are the owners of high incomes.

**Table 3.21.** Number of Tourist Cafes by Their Classification in Erbil province for the Year 2016

Class	No	%
Excellent	4	4.08
First	11	11.22
second	17	17.34
Third	44	44.89
Fourth	22	22.44
<b>Total</b>	<b>98</b>	<b>100</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

### 3.2.8. Number of Official Markets for Selling Alcohol

Table 3.22 summarizes the number of official markets for the sale of alcohol in Erbil province for the year 2016. Accordingly, the highest percentage was during the period (2014-2016) and at the rate (51.15%). This is due to the following reasons: First, increasing the number of displaced Christians in Mosul and has opened the alcohol selling markets in numerous areas in Erbil. Though, the lasting 48.85% in the opening of their markets fall before 2014. This appearance that an importantly rise in the number of alcohol markets and will be reflected in the form in the Kurdish community, see figure (3.14)

**Table 3.22.** Number of Official Markets for the Sale of Alcohol in the Province of Erbil for the Year 2016

Opening Date	Numbers	%
before 2003	11	5.06
2003	1	0.46
2004	1	0.46
2005	1	0.46
2006	1	0.46
2007	13	5.99
2008	22	10.13
2009	14	6.45
2010	14	6.45
2011	5	2.30
2012	14	6.45
2013	9	4.14
2014	19	8.75
2015	47	21.65
2016	45	20.73
<b>Total</b>	<b>217</b>	<b>100</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.





**Figure 3.14.** Number of Official Markets for the Sale of Alcohol in the Province of Erbil for the Year 2016

### 3.2.9. A Number of Employees in the Tourism Sector

Through the Table 3.23 illustrates the evolution of the number of workers in the tourism sector in the province of Erbil, for the period 2007-2015 which shows that the highest annual rate of change is located in (2010) by (78.25%) and this is due to the reasons for the following:(1) Evolution of the number tourism organizations have a direct impact on the rise in the number of workers in the tourism sector, while the lowest annual rate of change in the fall of 2015 by (- 0.18%) and after much decreased especially in (2015) recorded the lowest rate (0.18%) this due to a decline in the number of tourists from central and southern Iraq, because of the appearance and occupation ISIS (Daesh) many areas of the financial crisis, which contributed to the decline in the flow of tourists to the region and thus speeding up the work For the tourist institutions. And the growth rate during the study period by (36.95%). This is in contrast to the growth in the number of employees in touristic establishments in Erbil province due to increased demand for tourism.

**Table 3.23.** Percentage of the Number of Workers in the Tourism Sector to the Total Population of Erbil for the Period 2007-2015

The Years	Total Number of Employees in The Tourism Sector	Annual Rate of Change
2007	671	--
2008	1015	51.26
2009	1646	62.16
2010	2934	78.25
2011	3622	23.44
2012	4767	31.61
2013	7062	48.14
2014	7128	0.93
2015	7115	-0.18
<b>Average</b>		<b>36.95</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

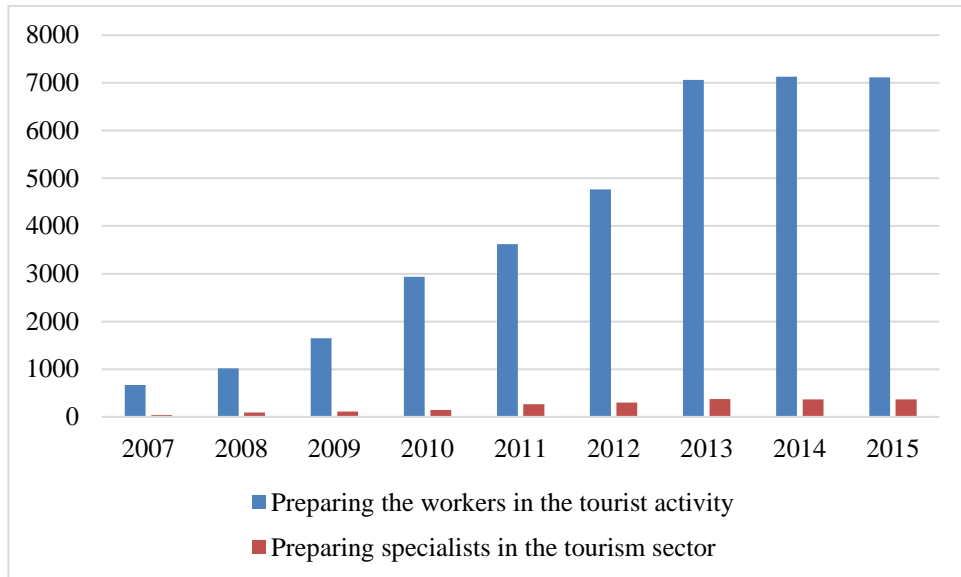
### 3.2.10. The Workforce in the Tourism Sector by Specialization

As summarized in a table 3.24 the labor force in the tourism sector by specialization in the city of Erbil for the period 2007-2015. Showed that the average proportion of specialists in the field of tourism during the period of study (5.71%) and this percentage is very low, and one of the difficulties to the progress of tourism in the Iraqi Kurdish Region. This requires the obligation of tourist institutions to operate professionals in the field of tourism as well as the increase and expansion of tourism departments in colleges and colleges in the region, see figure (3.15)

**Table 3.24.** The Workforce in the Tourism Sector by Specialization in the city of Erbil for the Period 2007 – 2015

Years	Preparing the workers in the tourist activity	Preparing specialists in the tourism sector	Ratio of specialists in the field of tourism to total%
2007	671	36	5.36
2008	1015	93	9.16
2009	1646	113	6.87
2010	2934	143	4.87
2011	3622	266	7.34
2012	4767	297	6.23
2013	7062	376	5.32
2014	7128	368	6.57
2015	7115	363	7.24
<b>Average</b>			<b>%5.71</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.15.** The Workforce in the Tourism Sector by Specialization in the city of Erbil for the Period 2007 – 2015

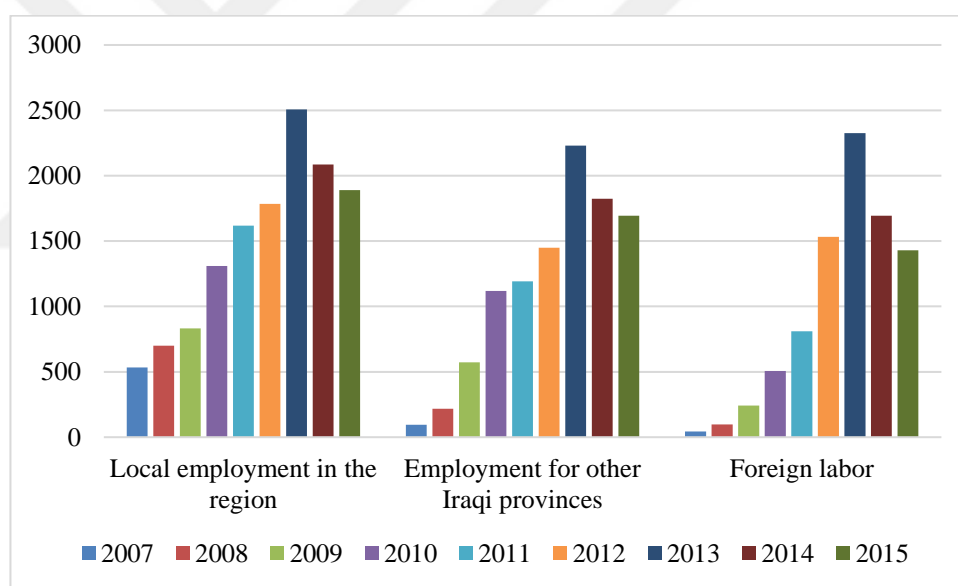
### 3.2.11. The Workforce in the Tourism Sector by Nationality

As a Table 3.25 indicates the workforce in the tourism sector by nationality in Erbil for the period 2007-2015, It was found that the percentage of workers in Erbil in the decline is continuing and in turn the rise of the proportion of Arabs and foreigners in the tourism sector so that the average percentage of local workers in Erbil (41.51%) and in contrast Arab and foreign workers constitute (58.99%) and this shows a large proportion of revenue institutions Tourism in the province of Erbil is leaking out of the Kurdistan region, which lies with the provincial government gradually take away from Arab and foreign workers and the price gap by local employment, For more details, see figure (3.16).

**Table 3.25.** Manpower in the Tourism Sector by Nationality Erbil City for the Period 2007 – 2015

years	Distribution by residence			Total	Percentage of workers in Erbil in the tourism sector to the total	Percentage of Arabs to total	Percentage of foreigners to total
	Local employment in the region	Employment for other Iraqi provinces	Foreign labor				
2007	533	95	43	671	79.43	14.16	6.41
2008	701	217	97	1015	69.06	21.38	9.56
2009	833	572	241	1646	50.61	34.75	14.64
2010	1309	1119	506	2934	44.61	38.14	17.25
2011	1618	1193	811	3622	44.67	32.93	22.40
2012	1784	1450	1533	4767	37.42	30.42	32.16
2013	2506	2231	2325	7062	35.48	31.60	32.92
2014	2086	1824	1693	7128	37.23	32.55	32.22
2015	1891	1693	1429	7115	37.72	33.77	28.51
<b>Average</b>					<b>%41.01</b>	<b>%32.15</b>	<b>%26.84</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

**Figure 3.16.** Manpower in the Tourism Sector by Nationality Erbil City for the Period 2007 – 2015

### 3.2.12. Supermarket for Tourists in the Province of Erbil for the Year 2015

From the Table 3.26 the number of supermarkets in Erbil province for the year 2015, discovered that the city of Erbil, being the center of the province of Erbil owns (72.72%) of the supermarkets in the province, while the remaining percentage (27.28%) of the district of Shaqlawa and Koya, However, Soran does not own any supermarkets, so it is necessary to open supermarkets in Soran to meet the needs of the displaced.

**Table 3.26.** Supermarkets in the Province of Erbil for the Year 2015

Erbil province	Number	%
City of Erbil	16	72.72
Shaqlawā	4	18.18
Koya	2	9.09
<b>Total</b>	22	100

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

### 3.3. Analysis of the Flow of Tourists to the Province of Erbil during the Period 2007-2016

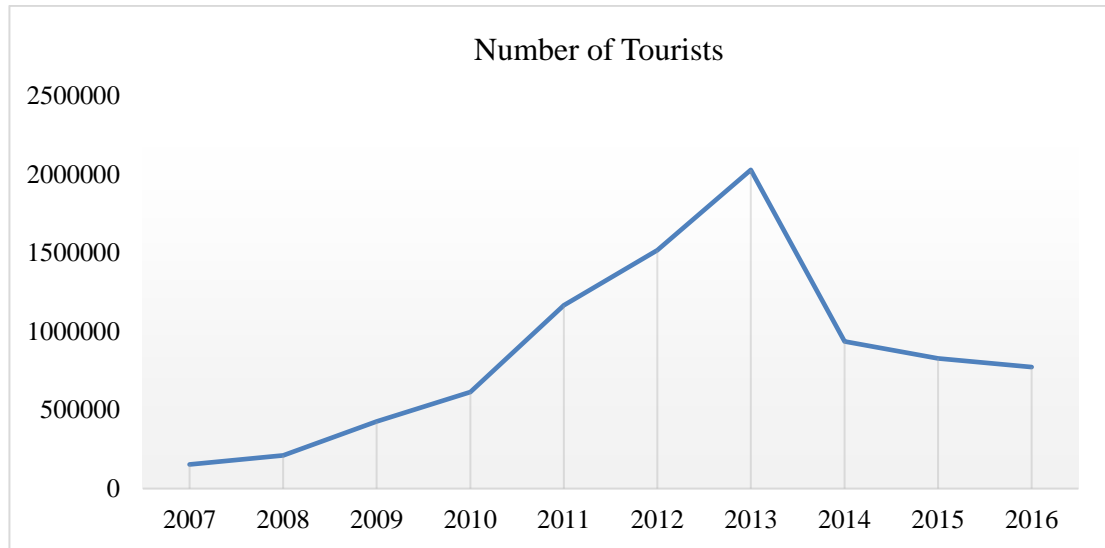
#### 3.3.1. The Growth of the Number of Tourists to the Province of Erbil

Table 3.27 shows the growth of the number of tourists to Erbil province for the period 2007-2016, the highest annual rate of change is in 2009 by (101.34%). This is due to the following reasons: (1) Provide the necessary administrative facilities for tourists either the lowest rate of annual change is located in 2014 by (-53.80%) and this is due to (1) the appearance of the ISIS (Da'ash) in Iraq and reflected negatively on the region. (2) The financial crisis suffocating because of the political conflict between the region and the center. With regard to the growth rate during the study period by (29.44%) and this stimulates the growth of tourism institutions in the Kurdistan Region. see Figure (3.17)

**Table 3.27.** The Evolution of the Number of Tourists to Erbil Province for the Period 2007-2016

The Years	Number Of Tourists	Annual Rate Of Change
2007	153571	----
2008	211780	37.90
2009	426398	101.34
2010	615479	44.34
2011	1168174	89.79
2012	1518830	30.01
2013	2029623	33.63
2014	937591	-53.80
2015	828394	-11.64
2016	773940	-6.57
<b>Growth Rate</b>		29.44

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.17.** The Evolution of the Number of Tourists to Erbil province for the Period 2007-2016

### **3.3.2. The Relative Importance of the Number of Tourists in the City of Erbil to the Region**

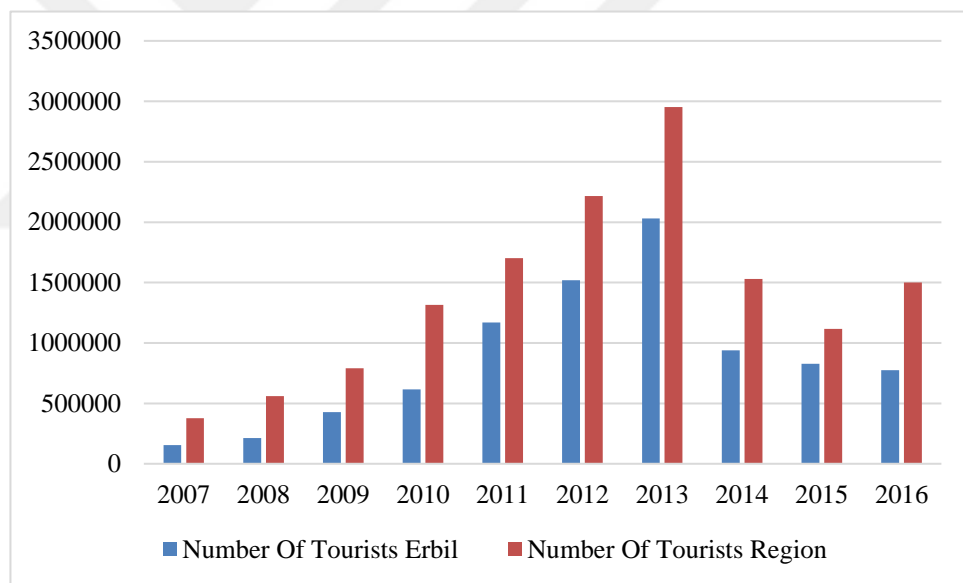
As summarized in a Table 3.28 the relative importance of the flow of tourists to Erbil, hence, the highest relative importance lies in the year (2015) and by (74.12%), and this is due to (1) to provide the necessary qualifications by the Government of the region (2) rise the total of tourists to the province of Erbil. The lowest rate due to the lack of facilities required by the government is in 2007, as well as the existence of administrative obstacles to tourists to the region.

The result also clarifies that the flow of tourists to the province focused on the province of Erbil because of the possession of many tourist institutions, as well as the existence of many tourist and archaeological sites, also, see Figure (3.18)

**Table 3.28.** The Relative Importance of the Flow of Tourists Erbil Province to the Influx of Tourists to the Region (2007 - 2016)

Years	Number of Tourists Erbil	Number of Tourists Region	%
2007	153571	377397	40.69
2008	211780	558860	37.89
2009	426398	791345	53.88
2010	615479	1313841	46.84
2011	1168174	1702390	68.61
2012	1518830	2216993	68.50
2013	2029623	2952027	68.75
2014	937591	1529434	61.30
2015	828394	1117501	74.12
2016	773940	1500000	51.59
<b>Medium</b>			<b>57.21</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

**Figure 3.18.** The Relative Importance of the Flow of Tourists Erbil Province to the Influx of Tourists to the Region (2007 - 2016)

### 3.3.3. The Growth of the Number of Tourists into the City of Erbil

As given in a Table 3.29 the development of tourists to the city of Erbil during the months of 2015, where the highest rate of change in the month of September is (32.16%) and this is due to the following reasons: Providing administrative facilities for tourists. The lowest rate of change in the month is in October (-10%) and this is due to

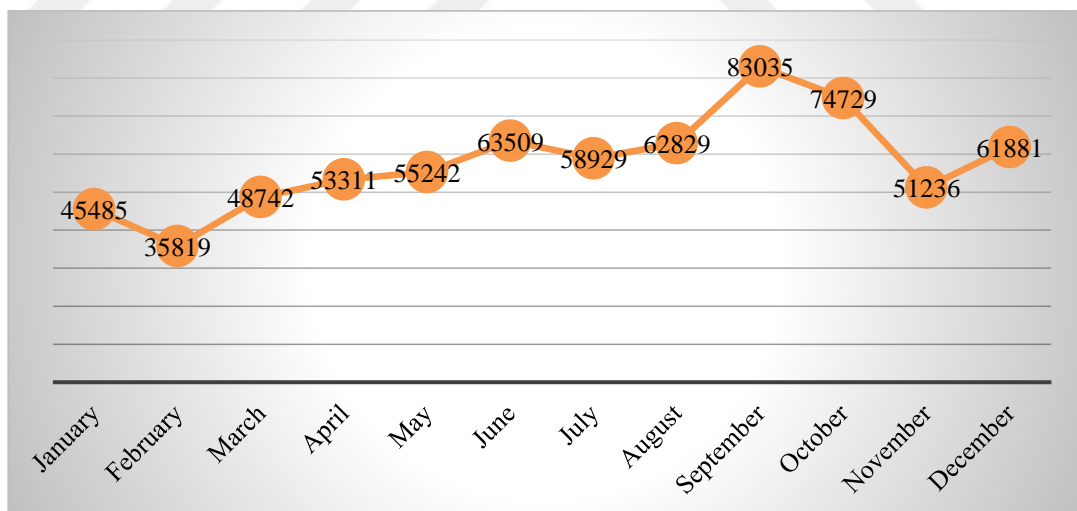
(1) the beginning of official hours in schools and universities in Iraq (2) low temperatures.

While the growth rate during the study period by (4.87%) in the presence of growth of the flow of tourists to the province, especially the province of Erbil, which encourages investors to increase tourism institutions in the province of Erbil. Also, see Figure (3.19)

**Table 3.29.** The Number of Tourists to the City of Erbil during the Month of 2015

Months	Number	Annual Rate of Change
January	45485	---
February	35819	-21.25
March	48742	36.07
April	53311	9.37
May	55242	3.62
June	63509	14.96
July	58929	-7.21
August	62829	6.61
September	83035	32.16
October	74729	-10.00
November	51236	-31.43
December	61881	20.77
<b>Rate growth</b>	694747	<b>4.87</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.19.** The Number of Tourists to the City of Erbil during the Month of 2015

### 3.3.4. The Growth of the Number of Tourists to the District of Shaqlawa

From the Table 3.30 the growth of the number of tourists to Shaqlawa district during the months of 2015. The highest monthly change rate is in July (124.15%), outstanding to the subsequent reasons: (1) the highest rate of change in the middle and southern provinces. The lowest rate of change in the month is in October and the



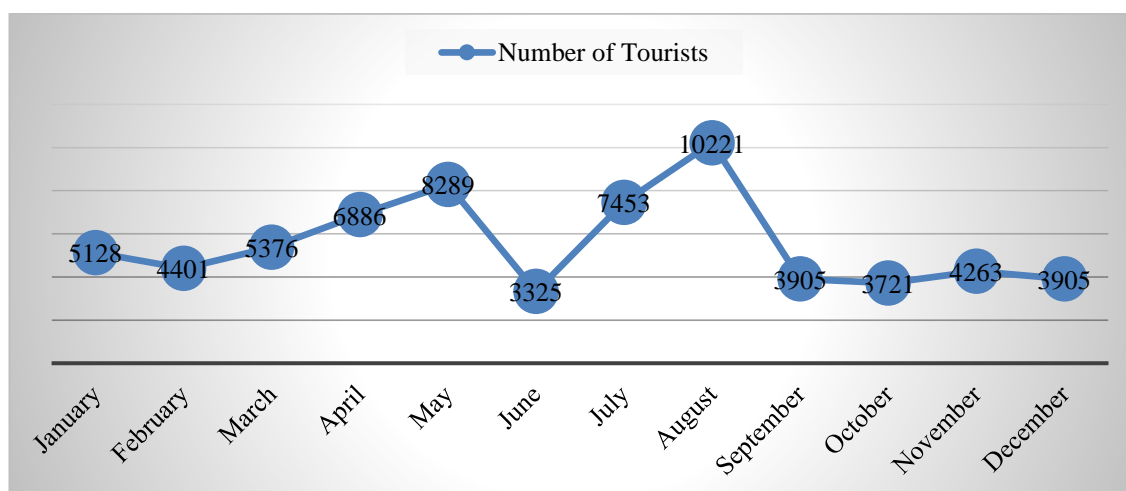
percentage (38.20%), and this is due to (1) the beginning of the official hours of schools and universities. (2) Low temperatures.

And the growth rate during the study period by (8.86%). This indicates the growth of the tourism sector in Shaqlawa, which encourages investors to establish more tourism institutions because the capacity of tourism institutions in Shaqlawa district is less than the operational capacity. For more details, see Figure (3.20)

**Table 3.30.** The Number of Tourists to Shaqlawa District Increased During the Month of 2015

Months	Number	Annual Rate of Change
January	5128	---
February	4401	-14.17
March	5376	22.15
April	6886	28.08
May	8289	20.37
June	3325	-59.88
July	7453	124.15
August	10221	37.13
September	3905	-61.79
October	3721	-4.71
November	4263	14.56
December	3905	-8.39
<b>Rate Growth</b>	66873	<b>8.86</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.20.** The Number of Tourists to Shaqlawa District Increased During the Month of 2015

### 3.3.5. The Development of the Number of Tourists to the District of Soran

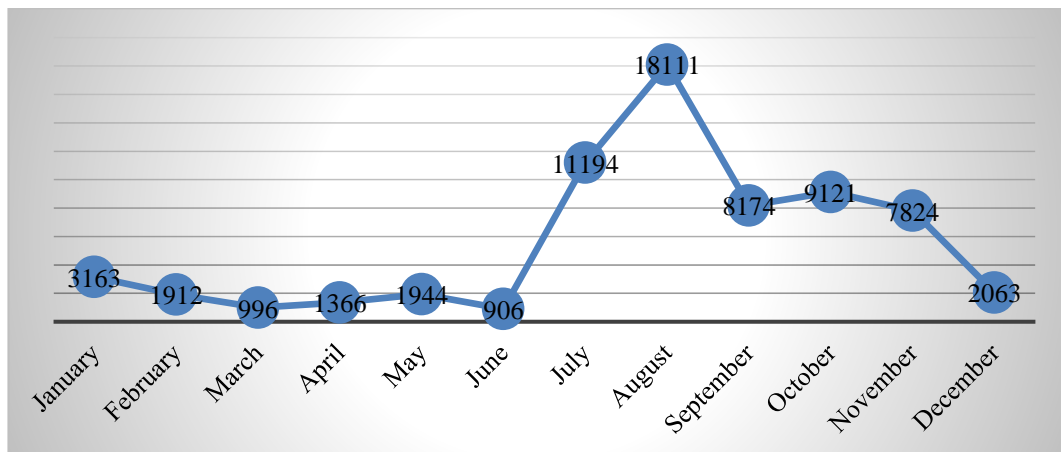
As summarized in a Table 3.31 the evolution of the flow of tourists to Soran district during the months of 2015, where it is found that the highest rate of monthly change is in July and (1135.54%). This high percentage of tourists is due to high temperatures, summer in Iraq.

The lowest rate of monthly change is in October (11.58%) and this is due to the beginning of the official hours of Iraqi schools and universities as well as low temperatures. And the growth rate during the study period by (91.34%). This indicates the presence of tourism sector growth in the district of Soran, allowing investors to invest more in the tourism sector. See Figure (3.21)

**Table 3.31.** The Number of Tourists has increased to Soran in the Months 2015

Months	Number	Annual Rate of Change
January	3163	-----
February	1912	-39.55
March	996	-47.90
April	1366	37.14
May	1944	42.31
June	906	-53.39
July	11194	1135.54
August	18111	61.79
September	8174	-54.86
October	9121	11.58
November	7824	-14.2
December	2063	-73.63
<b>Rate Growth</b>	<b>66774</b>	<b>91.34</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.21.** The Number of Tourists Has Increased to Soran in the Months 2015

### **3.3.6. The Relative Importance of the Number of Tourists in Hotels, Motels and Tourist Villages by Stars**

As given in a Table 3.32 A- the relative importance of the number of tourists in hotels according to the stars of Erbil province during the months of 2013, where the number of tourists by stars (2) is the highest percentage (27.9%). At the rate (18.7%) of hotels with (5) stars, which indicates that a small percentage of tourists with high incomes and the remaining (8.33%) of those with low incomes and for this hotel customers without the stars of this shows the number of nights in hotels with stars (1, 2 and 3) is also 58.62%. This is another indication that tourists in the region and abroad Foreigners prefer these hotels.

B- The relative importance of the number of nights in motels according to the stars of Erbil Province during the months of 2013, where it is found that the number of nights by stars (1) is the highest percentage (73.96%) of the number of nights in Erbil province. This is due to the fact that most of the tourists have middle incomes, (13.89%) of the motels with (3) stars, and this was replaced by a small percentage of tourists with high incomes, while the remaining percentage, which is high year researcher (12.13%) any of the owners of low-income motels without star.

C- The relative importance of the number of nights in tourist villages according to the stars of Erbil Province during the months of 2013, where it is found that the number of nights by stars (5) and (4) is the highest percentage (62.94%) of the number of nights in Erbil province, Of the prices of hotels with stars (5,4), which led to an increase in the demand for tourist villages, especially middle-income owners (25.63%) of tourist villages with (1.2) stars, indicating that a small proportion of tourists with low incomes.

**Table 3.32.** The Relative Importance of the Number of Tourists in Hotels by Stars for the Province of Erbil during the Months of 2013

Number of Stars	Number of Tourists Within the Region		Number of Tourists Outside the Region		Number of Foreign Tourists		Number of Tourists	Number of Nights	Relative Importance
	Number	Nights	Number	Nights	Number	Nights			
<b>Hotels</b>									
<b>5</b>	1348	2496	4799	9300	7415	14742	13562	26538	18.71
<b>4</b>	1269	2698	5832	11339	2852	6267	9953	20304	14.32
<b>3</b>	1989	3761	10464	19834	1664	3205	14117	26800	18.9
<b>2</b>	868	2081	14552	35424	1001	2055	16421	39560	27.9
<b>1</b>	1149	2303	6430	12654	884	1801	8463	16758	11.82
<b>0</b>	683	1197	3759	9185	752	1435	5194	11817	8.33
<b>Total</b>	<b>4689</b>	<b>9342</b>	<b>35205</b>	<b>77097</b>	<b>4301</b>	<b>8496</b>	<b>44195</b>	<b>141777</b>	<b>100</b>
<b>Motels</b>									
<b>3</b>	364	728	1985	3870	115	229	2464	4827	13.89
<b>2</b>	301	886	4209	8059	376	480	4886	9419	27.11
<b>1</b>	651	1277	7687	14620	179	377	8517	16274	46.85
<b>0</b>	266	532	1640	3452	123	230	2029	4214	12.13
<b>Total</b>	<b>1582</b>	<b>3423</b>	<b>15521</b>	<b>30001</b>	<b>793</b>	<b>1316</b>	<b>17896</b>	<b>34734</b>	<b>100</b>
<b>Tourist Villages</b>									
<b>5</b>	900	1800	500	1000	100	200	1500	3000	31.52
<b>4</b>	138	290	1465	2580	86	120	1689	2990	31.42
<b>3</b>	63	126	465	930	15	130	543	1086	11.41
<b>2</b>	112	242	962	1804	0	0	1074	1208	12.69
<b>1</b>	45	90	571	1142	0	0	616	1232	12.94
<b>Total</b>	<b>1258</b>	<b>2548</b>	<b>3963</b>	<b>7456</b>	<b>201</b>	<b>450</b>	<b>5422</b>	<b>9516</b>	<b>100</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

### 3.3.7. The Growth of the Number of Tourists Coming through the Airport to Erbil

It is presented in a Table 3.33 the growth of the number of tourists arriving from the airport to the province of Erbil for the period 2007-2016. The highest annual change rate is in 2013 by (85.36%). This is due to the provision of administrative facilities crisis for tourists, either the lowest annual rate of change falls in 2016 by (1.52%) or this is due to (1) the appearance of ISIS (Da'ash) in Iraq and reflected negatively on the region. (2) The financial crisis suffocating because of the political conflict between the

region and the center. With regard to the growth rate during the study period by (27.12%) and this stimulates the growth of tourism institutions in the Kurdistan Region.

**Table 3.33.** The Number of Tourists Coming through the Airport to Erbil province

Years	Number of Tourists Arriving by Airport	Annual Rate of Change
2007	131055	----
2008	146589	11.85
2009	169539	15.65
2010	221551	30.67
2011	306348	38.27
2012	322302	5.21
2013	597410	85.36
2014	522211	12.59
2015	877947	68.12
2016	891297	1.52
<b>Growth Rate</b>		<b>27.12</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.

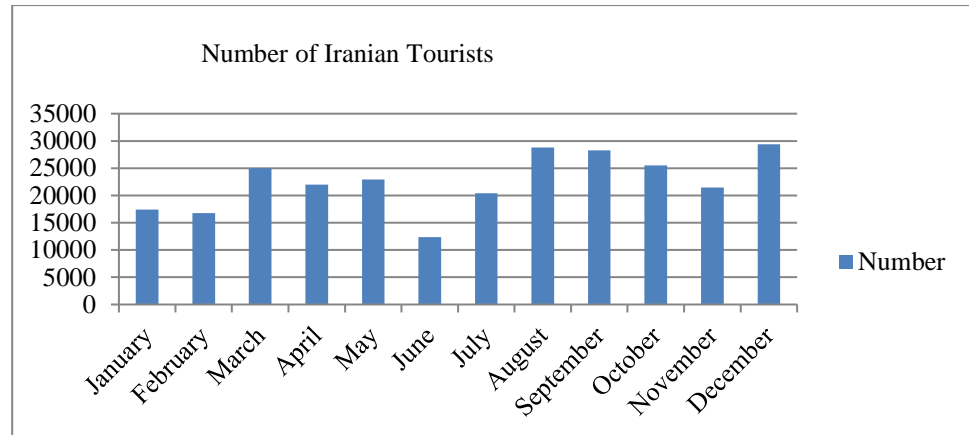
### 3.3.8 The Number of Iranian Tourists to Erbil Increased Through the Hajomran Point

As summarized in a Table 3.34 the evolution of the number of Iranian tourists through the Haj Omran point to the province of Erbil for the year 2016, where it is found that the highest monthly change rate is in October (10.87%). While the lowest rate of change in the month is in June (4.57%) and this is due to the beginning of the rise in temperature in the province of Erbil.

**Table 3.34.** A Rise in the Number of Iranian Tourists Arriving in the Province of Erbil through the Haj Omran Point of 2016

Months	Number	%
January	17433	6.45
February	16789	6.20
March	24995	9.24
April	22008	8.13
May	22927	8.47
June	12376	4.57
July	20403	7.54
August	28774	10.64
September	28277	10.45
October	25530	9.44
November	21449	7.93
December	29401	10.87
<b>Total</b>	<b>270372</b>	<b>100</b>

**Source:** Prepared by the researcher based on Ministry of Municipalities and Tourism, General Directorate of Tourism's published Official Records.



**Figure 3.22.** A Rise in the Number of Iranian Tourists Arriving in the Province of Erbil through the Haj Omran Point of 2016

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

The aim of the current study is the economic and structural analysis of the tourism market in Erbil province-Iraq. Hence, through this study, the following conclusions can be drawn:

The study revealed that the province of Erbil constitutes more than half of the total tourism projects in the region that means tourism projects may play an important role in developing Erbil provinces.

Accordingly, the study concludes that the comparative significance of the tourism sector to the other economic sectors constitutes good rate. The tourism sector comes in third place after the industrial sector and the Real Estates sector. This indicates the provision of the necessary facilities for the tourism sector, as well as increased demand for tourism, generates display the territory's tourist and private enterprise in Erbil. Also, the proportion of tourism institutions in the province of Erbil to the tourist institutions in the region during the period rate thirty six percent, that indicates the Erbil is a center for tourist and archaeological sites in the region.

Thus, the study found that a high rate of their annual revenues are hotels, motels and tourist villages. The percentage is between one to two hundred million dinars, while the remaining proportion of nearly three percent revenues more than 201 million dinars annually, and fast because most tourist institutions (hotels, motels and tourist villages) absorb customers more than the capacity of absorption, in addition to their prices jealousy constant. The study found that increased revenue in the months (July, August, September) due to the increasing flow of tourists to the territory, and this increase is due to rising temperatures in Central and southern Iraq increased revenue in the months (November, December, and January) because New Year's Day, a snowy trip to the region.

Consequently, the study found that a high percentage of the restaurants of Erbil province prices of one meal between six to fifteen thousand dinars and when compared with the prices of the meal in the restaurants of neighboring countries, especially Turkey is very high. Meanwhile, that the tourism companies related to tourism and religious

tourism (Hajj and Umrah) constitute seventy one percent of tourist companies in Erbil province.

In addition, the study shows that the proportion of tourists in central and southern Iraq has decreased significantly because of the emergence of an ISIS and financial crisis, which contributed to the decline of tourists to the region and thus accelerates the workers in tourism institutions.

Finally, the study found that the percentage of specialists in the field of tourism during the same only nearly six percent, and this percentage is very low, and is one of the obstacles to the development of tourism in the Kurdistan Region of Iraq.

### **Recommendations**

In light of the conclusions reached, the following recommendations can be reached:

So, in order to develop the tourism sector, the pricing of hotel rooms, motels, and tourist villages should be between the minimum and the highest, as well as Encouraging and providing the necessary facilities for all investors in an equal manner for the establishment of tourism enterprises and particularly the launch of hotels, motels, and resorts.

Therefore, the researcher recommended that it is necessary for the General Directorate of Tourism in the region to reduce the prices of meal per person in the restaurants of the region, especially restaurants in Erbil, close to the prices of food meals in neighboring countries, especially the State of Turkey.

Consequently, issuing a special law for tourism with the aim of regulating the tourism sector and achieving justice between the events convoluted in the tourism sector.

And it is the responsibility of the territorial government to oblige tourist institutions to employ specialists in the field of tourism.

Besides, the researcher also recommended that work on increasing and expanding tourism departments in institutes and colleges in the Kurdistan Region.

However, it is necessary to establish a specialized union and graduate's complete tourism in order to defend their interests' profession.



### **Proposals for Upcoming Studies**

The conclusions and results of this study complement to the prevailing form of study literature related to the study variables, therefore, future studies would utilize a larger number of tourism market influences in order to investigate for importance in the connection in widely tourism market in Iraq and Kurdistan Region.

Further, the future studies could implement comparable analyses in more new years to investigate if the affiliation between the economic and structural analysis of the tourism market is extra substantial than in the time span examined in this study. However, future studies could apply a larger sample or diverse data collection technique than the one gathered in the present study.



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## APPENDICES

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