

Contemporary Situation and Problems in Tourism Industry of Islamic Republic of Iran

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Abstract

Development of tourism industry plays significant role in improvement of services, increase of employment, and rational use of natural- geographic condition as well as resources of territories. Tourism industry contributes to improvement of structure of cities' economy, allowing growth of role of tertiary sector in urban areas. Development of tourism industry also necessitates creation of corresponding base of legislature for successfully attracting tourist flows; rendering high-level touristic service; training of qualified personnel; and creation of needed infrastructure. Islamic Republic of Iran has relatively less-developed tourism industry in spite of existing great potential for development of recreational business in this country. There are many attractive natural and geographic objects of recreational significance as well as rich heritage of cultural and historical monuments in Iran. However, the country does not effectively and completely take benefit of this large potential. This paper deals with the study of contemporary situation and challenges in development of tourism industry of IR of Iran.

Key words: recreational, architecture, historical, pilgrimage, remnants

Iran has very rich nature as well as cultural and historical monuments. Creation of developed tourism industry on the basis of this resources stands as one of key issues for the country. Nature and natural landscapes are different and attractive in many places of Iran. Entertainments and services appointed for tourists are different. These include camping trips, celebrating holidays in the Persian Gulf region and Pre-Caspian areas, skiing as well as other enjoyments. Kish Island in the Persian Gulf hosts 1 million tourists each year.

According to Iran's Cultural Heritage, Tourism and Handicrafts Organization, Iran is among the first 70 countries for incomes attained from tourism industry. It is also considered that Iran is among the countries with the ten largest attractive potential of historical buildings and monuments. Domestic tourism of the country is also known to be as one of the largest in the world. 2,5% of the engaged population works in the tourism sector. The country plans to increase this indicator up to 10% within the next years.

In 2009, tourism industry of Iran attracted 2,3 visitors, 7% much more than that of previous figure. In recent years, annual amount of incomes of this area made about \$ 1 billion. Iran intends to increase the annual number of tourists (including both its citizens and foreigners) up to 20 million by 2025. About 30,000 people come to the country each year to receive medical treatment.

There are many natural monuments of recreational importance, territories with beautiful landscapes, including sandy beaches, forests, waterfalls, lakes, caves, etc. Tourists pay great attention to these places during their trips to Iran.

Among areas of recreational importance, it is notable to show Chabahar area located in south-eastern part of Iran, Pre-Caspian areas of the province of Mazandaran or beaches of Kish Island. Mazandaran is particularly lovely area for Iranians due to its mountains, forest landscapes, lakes, and numerous waterfalls. The lake of Valasht situated at the altitude of 1000 m attracts tourists, mostly Iranian citizens. Situated in the mountainous province of Zanjan, the geographical object of Katala-Khor with its underground tunnels and passes is of great interest as very beautiful cave. Another cave named Rudafshan near Damavand Mountain is known to be the largest one in the country. The botanical garden of Eram situated in Shiraz has long history is also well-known area for being a public museum. This place is rich in various trees, pavilions, and medieval architecture.

Dizin, the ski resort is being developed at the slopes of Alborz Mountains, to the north of Tehran city. Dizin area covers slopes altitudes of which are up to 3600 meter. It is one of most famous areas of winter tourism not only in the Middle East but also among 40 highest recreational areas in the world. Skiing period in Dizin lasts much more compared to areas of winter tourism of Europe. People spend their leisure time here in summer season as well due to variety of services.

Iran with its long history is also rich in cultural touristic resources because of monuments, reflecting both ancient and medieval centuries. In this regard, the province of Fars, including Shiraz city is particularly should be noted. This area is very rich in historical buildings and monuments.

Among famous cultural monuments of the province of Fars, Nagsh-e Rostam, the place of ancient cemeteries, and adjacent areas are notable. The mentioned area includes remnants of cemeteries of ancient centuries when the Achaemenids (550-330 BC) and the Sassanids (226-651 AD) ruled; the famous ruins of Persepolis (7th and 6th centuries BC); and the grave of Cyrus the Great (6th century BC) who founded Achaemenid Empire. These historical objects are UNESCO World Heritage. It is considered that tombs of other Iranians kings – Xerxes, Darius I, Artaxerxes and Darius II are also situated in Nagsh-e Rostam.

The most famous monuments of cultural and recreational importance in Iran also include the following: scraped drawings of ancient Iranian ruler Darius I on Behistun Inscription near Kermanshah city (7th century BC); ancient castle of Bam located in the south of Iranian plateau (6-4th centuries BC); ancient Pasagrade Palace in the province of Pars (6th century BC); Soltaniyeh city-located Oljeitu Mausoleum built in 14th century AD by Mongol Ilkhanids; the archeological and reservation area of Takht-e-Suleiman (6th and 7th centuries AD) located between the cities of Urmia and Hamadan; the large circular fence of ancient Elam near Ahvaz city (13th century); the Shah Mosque built by king Shah Abbas I in the beginning of 18th century and surrounded by Imam Square (Nagsh-e Jahan), etc. All these mentioned monuments and buildings also are included into the list of cultural objects of UNESCO World Heritage.

In Shiraz city, the tomb of the noted Iranian poet Hafiz who lived in 18th century is remained in existence. Koran Gates is also a historical and beautiful edifice constructed in Shiraz. Another edifice is Palace of Ali Gapu in Isfahan built in 16th century. Miandasht, the historical building used as a guest house for merchants and travelers in medieval centuries has an area of over 15 thousand sq. meter and locates in Dasht-e Kabir field, between the cities of Tehran and Mashhad. This edifice has been constructed on the Silk Way during period of Safavid State. All these cultural and historical buildings have recreational significance, visited each year by both Iranian tourists and foreign visitors.

Composition of tourists visiting Iran was considerably different in 70s, namely till Iranian revolution occurred in 1979 compared to present-day situation. For example, in 1977, 678 thousand people visited Iran of which 400 thousand tourists were Americans as well as 24 thousand were the Japanese. Since Iranian revolution in 1979, most visitors were religious pilgrims and also business people. After the mentioned year, the share of Americans has sharply reduced. Tourism sharply declined after the Iran-Iraq war, which found its reflection in decline of number of visitors during 80s. In 90s, majority of foreign visitors was comers from Europe. In 1999, Europeans, mostly citizens of Eastern European countries made three fourth of all tourists visiting Iran. Presently, still relatively less part of tourists are comers from Western Europe.

Definite changes by composition of foreign tourists took place after late 90s. Thus, the number of visitors from Asian countries has risen. Share of Europeans is less. In 2004, Iran was visited by 1659 thousand tourists of which the majority was citizens of Asian countries. From 2004, Iran experienced a 100% growth in foreign tourist arrivals until mid-2008 when the number of foreign visitors surged up to 2.5 million of which 10% of visitors were residents of countries of North America and Europe. Citizens of Germany, Italy, Bulgaria, France, and Belgium dominated among Europeans. Visitors from Europe prefer to see historical monuments and archeological places. Particularly, considerable growth was fixed by number of German tourists. According to Munich-based Studiosus Reisen touristic agency, Iran was at the top of Middle East countries where German citizens preferred to be.

Factor of transport plays significant role in development of inbound tourism in Iran. The country shares long border on land with Turkey, Azerbaijan, Armenia, Iraq, Pakistan, Turkmenistan, and Afghanistan.

Despite of dry climatic condition and deserts, connections with the countries of Central Asia is possible through the territory of Turkmenistan due to railway. This positively affects tourist flows from countries such as Uzbekistan and Kazakhstan. Iran has 15 road border crossings that connect it with other countries. Over 2/3 part of foreigners visiting Iran arrive the country by land, namely rail line or highway. About 1/3 part of tourists arrive the country by air as well as 1% by sea. In 2005, the Imam Khomeini International Airport was reopened under the management of a consortium of four local airlines – Mahan Air, Aseman, Caspian Air and Kish Air.

Works and measurements on simplifying and improvement of getting visa by foreigners have been made in recent years. An online hotel reservation system has been developed. Iran equipped all airports with electronic visa facilities. In 2003, visas were granted to about 300000 foreigners willing to have a trip to Iran. Most of those were from Muslim countries, and they visit sacred places such as Mashhad and Qom. Growth on number by visits from Muslim countries to Iran is increasing. In 2005, the country was visited by 1720 thousand tourists. Income from inbound tourism made \$ 971 million. In 1990-2005, the number of touristic agencies has been increasing from 91 to 2500.

In 2006, considerable growth were fixed by number of foreign tourists that made up 2,7 million people, according to official data. In the country, all foreign citizens both 'having business' and 'resting' are being registered as 'tourists'. This group of people also includes large number of diaspora Iranians visiting their families or making pilgrimage to holy Shia sites near Mashhad and other places. Most-visited cities are Isfahan, Mashhad and Qom. There are also many visitors from non-Muslim countries like China and India that have business or works at political entities in Iran. According to the World Travel and Tourism Council, in 2007, business tourism rose by 11,3% as well as personnel tourism by 4,6%.

Iranian Cultural Heritage, Tourism and Handicraft Organization informed that the number of tourists visiting Iran Islamic Republic in 2009 made 2,3 million people, of which 70000 persons were from Turkey, 3000 persons from Germany, and 3000 persons from China. Tourist entered the territory of Iran via 22 ports. In that year, about 1 million foreigners visited Mashhad city. The officials reported about negative influence of 'bird flu' on tourist flows. For the present, citizens of Turkey, Iraq, Pakistan, Afghanistan as well as countries of the Persian Gulf are the majority among all visitors. The share of South-eastern countries is much less.

The number of hotels is more than 6000, and the number of restaurants is over 70000. 80% of these enterprises are in urban areas. About 1/6 part of hotels is being managed by the cooperative- and state organizations. Approximately half of beds are in 3- and 5-star hotels. In 2010, 400 hotels and 200 apartments were fixed as being under construction. 2/3 of these objects are situated in cities of Tehran, Gilan, Mazandaran, Rezavi, Khorasan and Isfahan. During holiday of 'Novruz', 50 million Iranian citizens, or 70-80% of the country's population takes part at street festivities and ceremonies.

GDP of tourism industry of Iran made \$ 33,7 billion in from March 2009 to March 2010 (or 1388 of Iranian calendar's year) which means 8,4% of the overall GDP. Iran holds 30th position by this indicator among world's countries. International income from tourism is \$ 2,4 billion or 2,5% of Iranian export.

Construction, development and functioning of touristic enterprises in Iran are being regulated by Iran's Cultural Heritage, Tourism and Handicrafts Organization. The organization is also responsible for reconstruction of recreational enterprises at the expense of direct investments or crediting private sector as well as licensing of touristic activities. Iran's Cultural Heritage, Tourism and Handicrafts Organization controls functioning of hotels, restaurants and touristic agencies, and also defines their qualifications.

Investments in many trade zones of Iran were licensed to be free of taxes for up to twenty years. In 2010, the overall amount of investments in these zones made \$ 5,1 billion. Iran targets achieving over \$ 32 billion as investments in its tourism industry as it was expressed in '20-Year Vision' document. With a view of developing domestic tourism and increasing foreign direct investments, taxes imposed for the enterprises concern five-star hotels as well. Tariffs for communal services and industrial enterprises were defined equally. Non-state investments in tourism made \$ 3,3 billion annually which means 3,2% of all investments.

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