

Iran's tourism among top 20 countries

Iran draws 7.1m foreign tourists amid hostile campaigns

Focusing on Iran's tourism sector is seen as a catalyst for economic growth and reducing dependence on oil revenues. This effort stimulates economic advancement, creates jobs, and involves various industries. Similar to trade, tourism relies on supply and demand and its success could trigger a chain reaction, boosting related businesses, especially micro-enterprises. Such a positive impact could spread across different economic sectors.

Tourism can be beneficial for achieving regional balance and sustainable progress in growing areas. It also helps remote regions overcome challenges. Statistics show that each tourism project provides employment for about ten people on average. In some countries, tourism incomes even surpass total tax earnings. That's why, the Iranian government emphasizes tourism in its development plans.

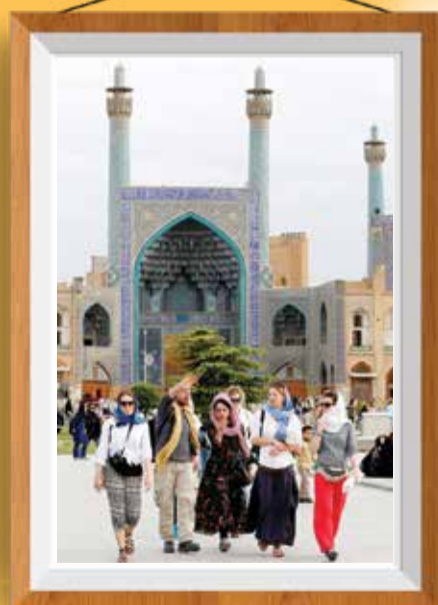
Despite recognizing its importance, Iran has lagged behind neighboring countries in tourism. The country's 7th Economic Development Plan highlights growing the tourism sector and the Ministry of Cultural Heritage, Tourism, and Handicrafts aims to attract 15 million tourists annually.

President Ebrahim Raeisi has stressed the need to tap into Iran's potential and attract foreign visitors to reach the ambitious target of 15 million. His vision includes family-focused tourism, easing visa requirements with target nations, and encouraging private-sector investments. The government prioritizes tourism, promoting collaboration across sectors to advance the industry as the concerted effort seeks to propel Iran's tourism landscape forward.

In recent years, tourism's role in Iran's economy has undergone significant shifts, as highlighted by the World Travel and Tourism Council (WTTC) report. From contributing 3.1% of the total economic activity in 2020, tourism's share in Iran rose to 4.6% in 2022. Conspicuously, Iranian tourists spent an impressive \$33.3 billion in 2021, ranking Iran 16th globally for tourism expenditures, trailing behind prominent players like the United States, China, Germany, and more.

The headway in domestic tourism spending signals Iran's ascent in the international tourism ranking, a result of the current government's focus on promoting both internal tourism and ties with neighboring nations.

As the tourism sector prospers, the potential for employment generation within Iran surges, rising by 11.2% in 2022 alone and employing around 1.44 million people. By the end of 2022, the broader tourism sector's share in Iran's overall employment reached 6.1%.



Tourism's contribution to GDP

Iran's tourism sector experienced remarkable growth in 2022, with growth rates surpassing 39%, amounting to approximately 454 trillion tomans. This sector contributed 6% to the GDP prior to 2019 and is projected to reach 313 trillion tomans by 2028, as per the World Bank's data.

Foreign tourists' financial engagement also saw a substantial rise, with expenditures of \$6.2 billion in 2022, marking a 73.5% increase from the previous year. This surge



is a significant improvement from the \$2.5 billion spent by foreigners in 2021, resulting in a total expenditure of \$8.7 billion. Considering domestic tourism, Iranians spent 225 trillion tomans on local trips in 2021, which rose to over 316 trillion tomans in 2022, showing a substantial 40.1% year-on-year increase. These statistics underscore the growing impact of tourism on Iran's economy, emphasizing the sector's potential for economic advancement.



Revival of Iran's tourism with 40% growth

The WTTC's report on Iran reveals a significant resurgence in the country's tourism sector over the past two years. In 2020, the sector faced a substantial setback with a 45% drop in its contribution to the GDP, but in 2021, it rebounded remarkably, growing by 40% within the national economy. Analyzing the council's statistics, it's clear that Iran's tourism gained prominence in 2022, with a 39.2% upsurge. This led to the tourism industry contributing 4.6% to Iran's total economic activity, amounting to 454 trillion tomans. This value closely aligns with the pre-pandemic figure of 499 trillion tomans from before the 2019 Coronavirus outbreak.

Attracting 7.1m foreign tourists in 2 years

With the new Iranian government taking office in August 2021 and the vaccination campaign, the tourism industry resumed operations after a two-year hiatus. The first steps included vaccinating hospitality and tourism employees, prioritizing accommodations and hotels, and implementing strategic tourism policies while following health protocols.

Despite initial contractions in 2021, the sector experienced a commendable turnaround. In the final quarter of 2021, Iran's tourism industry rebounded by 40%, and foreign visitors injected \$2.5 billion into the economy during this period. This outpaced the global growth rate of 21.7% for the same timeframe.

The revival gained momentum, especially in the first quarter of 2022, with the removal of restrictions on foreign tourist visas. Collaborative efforts between the Ministry of Cultural Heritage and the Ministry of Foreign Affairs led to the resumption of inbound tourism routes.

Iran's tourism sector has showcased resilience and growth, signaling a positive trajectory for the country's economy and global engagement in the post-pandemic era.