



## Iraq's Tourism Potential

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**Introduction:** While it will require further political stability and security, tourism in Iraq stands to be a major growth sector. The Iraqi tourism sector is currently underdeveloped and in a state of neglect, due to decades of war, closed regimes and recurrent instability and insecurity. However, as Iraq continues to develop and stabilizes, it can begin to meet its tremendous potential as a global tourist destination, and gain the associated economic benefits.

Long a destination for pilgrims, non-religious tourism has already begun, albeit in low numbers. In 2008, 5,000 tourists from the United Kingdom, Germany, and Ukraine visited Iraq.<sup>2</sup> According to the Ministry of Tourism, Iraq hosted 1.5 million tourists, primarily pilgrims, in 2010, who contributed approximately \$1 billion to the economy<sup>3</sup>, equivalent to only 1.2% of Iraq's \$81 billion GDP for that year.<sup>4</sup> By comparison, tourism comprises roughly 15% of GDP in neighboring Jordan.<sup>5</sup>

A more developed tourism sector in Iraq would play an important role in diversifying Iraq's economy and providing new private sector jobs, both in major cities and beyond. Iraq's construction sector will also benefit directly from the building of hotels, museums, restaurants, and other attractions as well as needed

infrastructure enhancements. In addition to construction activity, the private sector can manage, operate and maintain sector-specific infrastructure, as well as provide job opportunities as tour guides, operators and in travel agencies and beyond. With increased interest in Iraq's historic and archaeological sites, Iraq can further improve its archeological capacity with skills needed in excavation, restoration, and reconstruction work.

### A Typology of Tourism in Iraq<sup>6</sup>:

**Historic/Archaeological Tourism:** With over 5,000 years of recorded history and some of the world's most ancient cities built between the Tigris and Euphrates rivers, Mesopotamia (modern Iraq) is widely regarded as the cradle of civilization. The Sumerian civilization of southern Mesopotamia, was home to the development of cities, government, writing, the wheel, mathematics, astronomy, and other key facets of civilization, which were further refined by the successor civilizations of Akkad (the world's first empire), Babylon (the first polity to codify laws), Assyria (which controlled a large swathe of the Middle East from Iraq to Egypt), and others.

Sites from Iraq's ancient past are numerous and many that are close to large cities have been excavated. Babylon has seen major recent restoration; known for its famous Ziggurat (the inspiration for the Biblical Tower of Babel), the Hanging Gardens (one of the Seven Wonders of the World), and the Ishtar Gate, it is only a short distance from Baghdad, making it a prime destination. Nineveh, the capital of the Neo-Assyrian Empire, and a rival to Babylon, has also seen significant restoration and reconstruction, and lies close to Mosul. Ur, one of the first Sumerian cities, has been partially

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<sup>2</sup> Daily Mail. "Welcome to one of the most dangerous places on earth: Iraq launches itself as the hot, new holiday destination." July 17, 2008.

<sup>3</sup> Alsumaria News. "Tourism: 1.5 million foreign tourists entered Iraq in 2010." December 30, 2010.

<sup>4</sup> World Bank data.

<sup>5</sup> Ibid.

<sup>6</sup> See map of cited sites on page four of this Quick Note.

restored and is near Nasiriyya. These are only examples of some significant sites in a country with a tremendous archaeological and historic wealth.

Iraq's golden era followed the Abbasid Caliph Al-Mansour's founding of Baghdad in 762. Almost immediately, Baghdad became the center of the Islamic world and remained so for several centuries, providing Iraq with tourist destinations from the Islamic era as well. The later Abbasid capital of Samarra, north of Baghdad, still contains the intact 9<sup>th</sup> century spiraling minaret of its Great Mosque, one of three UNESCO World Heritage Sites in the country. In subsequent centuries, Baghdad, Mosul and Basra became important regional capitals under the Ottoman Empire.

Baghdad contains many other potential attractions. Its historic souqs could become tourist destinations such as Istanbul's Grand Bazaar or Cairo's Khan al-Khalili. The National Museum is one of the largest in the Middle East and holds collections from all eras of Iraq's long history. Other museums are housed in Ottoman-era buildings with traditional Baghdadi architecture.

In the Kurdish Region, Erbil is one of the world's oldest continuously inhabited cities, with an ancient, inhabited citadel and a scenic covered bazaar, while Sulaymaniyah is an elegant cultural center surrounded by beautiful scenery.

According to the Ministry of Tourism, Iraq holds 60,000 undeveloped archaeological sites in addition to the excavated ruins of legendary ancient cities such as Ur, Uruk, Babylon, Ctesiphon, and Nineveh, as well as sites remaining from Iraq's Islamic heritage.<sup>7</sup> Small numbers of tourists have already begun to arrive in Iraq to see these sites and experience Mesopotamia's legacy.

**Religious Tourism:** Religious tourism is currently the largest contributor to the tourism sector. In recent years, most tourists to Iraq have been Shi'a pilgrims from Iran and elsewhere, and the number of pilgrims has steadily grown.

As the center of the Islamic world for many centuries, Iraq holds many attractions of importance both to Muslims and to those interested in Islamic history.

Foremost are the bustling southern cities of Najaf – site of the shrine of Ali, the fourth Sunni Caliph and first Shi'a Imam – and Karbala, site of the martyrdom and mausoleum of Hussein, Ali's son and the third Shi'a Imam.

The two cities attract millions of pilgrims each year, many from within Iraq, to participate in a calendar of religious observances. Najaf's designation as the Capital of Islamic Culture in 2012 by the Islamic Educational, Scientific and Cultural Organization is a sign of the city's importance to religious tourism across the Muslim world. Currently both Najaf and Karbala are undergoing a hotel construction boom, with increasing numbers of accommodations ranging from luxurious to more economic options.

The Imam Kathim mosque in the Kathimiyya district of Baghdad is the site of the tomb of two additional Shi'a Imams, and is also a site of pilgrimage, as is the al-Askari mosque in Samarra.

Baghdad contains the frequently-visited tomb and mosque complex of Sunni scholar Abu Hanifa, known as Al-A'thamiyya. Iraq is also home to important Christian sites, as well as being the center of the Yezidi faith, whose founder Sheikh Adi's tomb in Lalish, near Mosul is a site of annual pilgrimage for Yezidis in Iraq and beyond.

**Eco- and nature tourism:** Still greatly underdeveloped, Iraq holds enormous potential for ecotourism of several varieties, thanks to its diverse physical landscape. Iraq's landscape varies from green, wooded mountains with waterfalls, lakes, and cool summer weather, including heavy winter snow falls (in Kurdistan) to the huge, empty, western and southern deserts.

With the Tigris and Euphrates rivers, their tributaries, including 5,275 km of canals and numerous lakes, Iraq is at an advantage over many of its neighbors in the Arab World for water-based tourism. There is great potential for private investments in river and waterfront tourism projects. Government tenders have already been issued for the development of waterfront tourist complexes in Basra.

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<sup>7</sup> *AKnews*, "Tourism Minister Plans to Boost Eco-Tourism." July 18, 2011

The marshes of Iraq, in the triangle between the cities of Nasiriyya, Amara, and Basra, were once the largest wetlands of the Middle East and Western Eurasia. They were home to a great amount of biodiversity, as well as the Marsh Arabs, who preserved a way of life dating back to the Sumerian period. Drained by the Ba'ath regime in the early 1990s, the marshes have been re-flooded since 2003 and are recovering, with much of its wildlife and many Marsh Arabs returning. The marshes represent a unique and prime potential for ecotourism. Indeed, they could provide the Ministry of Tourism with its first nature preserve and attract eco-visitors from around the world, not only because of its natural beauty but to experience a way of life unchanged for 5,000 years.

National Geographic listed Iraqi Kurdistan in their top 20 best trips of 2011, describing it as "an oasis of peace and stability with ancient cities, snowcapped mountains and bustling bazaars"<sup>8</sup> and the New York Times listed Kurdistan in their 41 places to visit for 2011.<sup>9</sup> Kurdistan is renowned for its scenery, green and in full bloom in spring, cool in summer, snowy in winter, and dotted with picturesque mountain villages.

Even Iraq's deserts, which cover a significant amount of its territory, have tourism potential. Many Arab states, such as Jordan and the UAE, have capitalized on their seemingly barren landscape by promoting desert tourism, with experiences ranging from hiking and camping to dune-bashing, camel-riding, and interacting with local tribes. Iraq has just as much potential for this as any of these countries.

**Business Tourism:** As the capital of a dynamic country with an enormous development agenda, Baghdad remains an active destination for representatives of foreign governments, donors, development agencies and the international business community. As such, it has the potential to become a hub for meetings, conferences, and events tourism. Currently, many Iraqi development or business conferences and events are held outside the country, with the number within Iraq slowly increasing. With time and increased security, all such events could be hosted in Baghdad, Basra, and elsewhere.

Erbil, the capital of the Kurdistan Region and now a prosperous boomtown, is the primary destination for business in Iraqi Kurdistan. The city's tourist infrastructure is rapidly expanding with luxury international chains already present or with properties under development, including large shopping malls. A new airport was recently built in Erbil to international standards, with flights arriving from major international carriers. This development is a byproduct of the region's stability and a bellwether for the rest of Iraq.

**Current Outlook:** The Iraqi government is confident that the arrival of tourists despite the numerous security and infrastructure obstacles demonstrates Iraq's tremendous potential as a tourism destination. Although Iraq suffers from a shortage of hotels and other tourist infrastructure, this has nonetheless been a prime area for investment and continued private sector engagement. Over \$400 million was invested in 2011 alone, with most projects located in Erbil, Mosul, Basra, and Najaf.<sup>10</sup> Potential for increased private sector engagement in tourism is thus significant.

Minister of Tourism Liwaa Sumaisem stated that the Ministry would like to see increased tourism from outside the religious category, which currently makes up about 90% of the sector.<sup>11</sup>

Currently the Ministry of Tourism has capacity constraints and there remain barriers to private investment. The institutional and regulatory environment in which the ministry operates is based on central planning practices that form a barrier for the participation of the private sector. The Ministry acts in both the regulator and service provider roles, which makes it a competitor to the private sector. The informal private tourism sector is increasing as a direct result of complicated regulatory procedures.

Growth in the tourism sector is also hampered by the continued focus on providing incentives to the international market, though this segment of the sector has not been performed as desired. There has not been effective support for diversifying the sector, offering higher value added segments for regional and local tourists. There are unclear investment regulations to facilitate new investment, a lack of information on

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<sup>8</sup> *National Geographic*. "20 Best Trips of 2011." *National Geographic Traveler* editorial staff.

<sup>9</sup> *New York Times*. "The 41 Places to Go in 2011." January 7, 2011.

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<sup>10</sup> "2011 Foreign Commercial Activity in Iraq." Dunia Frontier Consultants. February 2012.

<sup>11</sup> *AKnews*. "Tourism Minister Plans to Boost Eco-Tourism." July 18, 2011

potential new investment opportunities and insufficient focus on promotion of opportunities in the sector.

As the Iraqi and global economy recovers, however, it is clear that there is potential for new investment in the Iraq tourism sector. The key will be to help the government build an effective and integrated multi-sector approach to identify and attract high value added investment into the sector and provide the maximum development impact for the local economy.

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### Selected Iraqi Tourism Spots - At a Glance

