

# HOTEL OCCUPANCY IN ISRAEL DOWN BY 24%



The "Unlimited" cease-fire was signed on August 26 in Cairo between Israelis and Palestinians. One of the industries considerably hit by the 50-day military conflict is tourism. Israeli tourism professionals estimate that 2 billion shekels (about 400 million Euros) loss was caused by the recent conflict between the Jewish state and Hamas. **The industry recovery is not expected before the start of the second quarter 2015.**

Hotel occupancy fell 24% since the beginning of hostilities on July 8. According to the Israeli association of hotels, rocket attacks on major cities in southern and central Israel in July have caused a drop of 24% in hotel occupancy (590,000 nights). The association estimated the decline of 24% in Jerusalem hotels and 39% in Tel Aviv. Meanwhile the region of Galilee (which was not under fire) recorded an increase of 8%, Tiberias and Nazareth experienced 21% increase in hotel occupancy.

## **Restoring the Image**

The number of foreign tourists decreased by 21% to 218,000 visitors, which is the lowest figure recorded for the period between 2008 and 2013. Most European countries and United States warned their citizens not to travel to the region, particularly in the 40km radius from Gaza, which is the most vulnerable to missile attacks. Israel has launched major international marketing campaigns including partnership with Eurosport to help restore the image of the destination.

## **Ryanair's New Base**

Assuming that peace is settled in the area, there is a good chance that winter holiday season in Israel may be successful. Low cost airline Ryanair is planning to set up its Israel base soon. This move will help to transform the destination and become a hub for cheap flights from Russia, Central Europe, Germany and UK. According to the Irish company such initiative could attract 4-5 million tourists to Israel per year (compared to 2.96 million in 2013).

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