Islamic Republic of **Iran**

سازمان توسعه تجارت ایران
Trade Promotion Organization of Iran

National Export Strategy
2021-2025

Tourism Strategy

Iran: Everywhere is yours

This Tourism Strategy was developed as part of the National Export Strategy of Iran on the basis of the process, methodology and technical assistance of the International Trade Centre (ITC) within the framework of its Trade Development Strategy programme.

ITC is the joint agency of the World Trade Organization and the United Nations. As part of ITC's mandate of fostering sustainable development through increased trade opportunities, the Research and Strategies for Exports section offers a suite of trade-related strategy solutions to maximize the development pay-offs from trade. ITC-facilitated trade development strategies and roadmaps are oriented to the trade objectives of a country or region and can be tailored to high-level economic goals, specific development targets or particular sectors, allowing policymakers to choose their preferred level of engagement.

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The International Trade Centre

Street address: ITC, 54–56, Rue de Montbrillant, 1202 Geneva, Switzerland
Postal address: ITC, Palais des Nations, 1211 Geneva, Switzerland
Telephone: (41-22) 730 01 11
E-mail: itcreg@intracen.org
Website: http://www.intracen.org

Layout: Jesús Alés / www.sputnix.es
Translation to Farsi: Mahdi Yasini and Masood Taghavi Zavareh
Editor of Farsi version: Vahid Bozorgi

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FOREWORD
BY THE MINISTRY OF INDUSTRY, MINE, AND TRADE

Non-oil exports have become increasingly important to Iran in recent years. Increasing international trade is not only a means of boosting economic growth and the nation's welfare, but also contributes to strengthening international relations and the stabilization of economic and political affairs by paving the way for reinforcing friendly relations based on mutual interests with a wide range of trade partners. Trade is one of the most important forms of exchange between countries and fostering this will lead to connections such as foreign investments, scientific and technical exchanges, and cultural relations, all of which will contribute to the country's growth and prosperity in all respects. Hence, expanding trade would provide a basis for development in other areas of cooperation and is of great importance from this perspective. In addition to substantial investment to expand export potential, growing foreign trade requires strategic targeting as well as addressing constraints. In this context, Iran's Trade Promotion Organization developed a National Export Strategy (NES) with the support of the International Trade Center (ITC) that has similar experience in designing NES in more than 50 countries. The strategy is going to cover general trade-related factors such as ensuring export quality that is relevant to the export of all goods. It also addresses a number of sector-specific strategies in form of independent strategies. All activities in the framework of designing strategies have led to diagnosing sets of plans of actions in order to tackle issues and problems to facilitate export procedures.

The plan of actions indicated in the strategies will be implemented by I-TPO in close collaboration with national stakeholders during the next 5 years and I-TPO will enjoy ITC support during the implementation period.

I would like to thank each and every entity from the private sector, distinguished exporters as well as managers and exports from various ministries and institutions who have contributed to the development of the NES and sincerely appreciate their contributions. Also, the initiative would not be successful without supports from the European Union and the ITC. We hope all contributors to the designing of the NES would continue their support to the I-TPO during the course of implementation of the recommended actions so that we achieve the goals of this strategy in practice and we witness the export promotion of non-oil exports in our country.

Ministry of Industry, Mine, and Trade

FOREWORD
BY IRAN'S TRADE PROMOTION ORGANIZATION

The ITPO signed a Memorandum of Understanding with the International Trade Centre (ITC) in 2016 in order to benefit from its expertise in expanding non-oil exports. One of the most important clauses of this MOU concerned the development of the NES. Implementation of the memorandum materialized after the European Union (EU) made a fund available for the ITC to provide technical assistance to ITPO in 2018. The NES development process started at the beginning of the Iranian year 1398 (April 2019), enjoying the technical assistance of the ITC as well as the contribution of international experts. The result of the 1.5 years of cooperation is now being presented to you.

The following points as regards these documents are worth mentioning:

- The NES has been developed in collaboration with the public and private sectors, relying on the expertise of the ITC. In fact, public and private stakeholders in each sector were consulted by the experts of the ITC in the process of designing the NES and, therefore, the results are agreed upon by these entities. Reaching such a consensus on non-oil exports is unprecedented and thus the proposed plans of actions in the NES are of great importance.
- Around 500 key participants from the production and export sectors of the country have been consulted by the expert group of the ITPO and the ITC during the process of NES preparation.
- While proposed solutions envisaged in the document address Iran's specific problems, they also make use of worldwide experience and international expert's viewpoints.
- Independent International consultants have been consulted in addition to the ITC experts and their views have been reflected in the documents.
- International experts' field visits to production and export chains and sites played a key role in understanding the current situation and designing the NES.
- The implementation of planned activities of the NES will take several years and require the support of the ITC and international experts.
- Through the process of the NES development in each sector, a set of reviews, consultation with stakeholders, and also field visits were organized and strategic objectives were set in order to address problems and remove constraints at the first step; then, operational objectives were set under each strategic objective; after that, relevant activities were designed under each operational objective; and finally, a leading entity and its partners were listed for each activity. More than 350 actions have been designed in total. We expect that non-oil exports to be revolutionized as a result of the implementation of this plan of action. More information regarding the NES and expert recommendations are listed in the following table:

Sectors	Strategic Objectives	Operational Objectives	Activities
Fruits and Vegetables	3	11	47
Medicinal Herbs	3	13	40
Tourism	3	11	41
ICT	3	15	50
Auto parts	3	8	29
Petrochemicals	4	12	33
Trade information and Promotion	3	7	35
Quality Management	3	15	56
Entrepreneurship	3	10	28
Total	28	102	359

- The NES has been developed with the goals of:
  - Fostering coherence and coordination between stakeholders at the sectoral and national levels;
  - Elaborating a comprehensive approach to removing constraints and expanding exporting in priority sectors;
  - Identifying and addressing exporters' needs for support services;
  - Supporting the SMEs throughout the export process;
  - Providing necessary training in priority sectors with the support of national and international experts;
  - Developing export promotion and branding;
  - Making effective use of ICT in export-oriented marketing; and
  - Identifying and assigning appropriate entities for the implementation of the designed activities in the NES.

The design of the NES would not have been possible without the support of the ITC and its experts, who have experience in designing export strategies in more than 50 countries. The NES is also the result of cooperation between representatives of 17 national ministries and various organizations and stakeholders with mandates related to the promotion of non-oil exports. This collaboration benefitted the design of the NES. Also, the process enjoyed the network and sincere cooperation of Iran's Chamber of Commerce, Industry, Mine, and Agriculture in inviting the private sector to participate in consultation meetings and as a result, a large number of the private sector and associations' representatives and a variety of stakeholders were engaged. None of this would have taken place without the support of the EU and its work on "Trade for All" that is promoting economic and trade relations between countries as the best way to secure worldwide stability and peace.

Therefore, the ITPO, for its part, appreciates all entities and individuals who contributed to the designing of the NES. We hope to be privileged to have support from all actors in the implementation phase of the NES. Like the designing of the document that has resulted from the contribution of a wide range of national and foreign institutions and individuals, its implementation also could not happen without relying on all of those actors. Therefore, the ITPO, during the implementation phase, will seriously maintain and strengthen the established mechanisms and networks built during the course of the NES development. We hope that this move proves to be a big step towards the promotion of the non-oil export of the country and contributes to the improvement of the Iranian nation's living standards.

Iran's Trade Promotion Organization


سفال کرمان

FOREWORD BY THE INTERNATIONAL TRADE CENTRE

Iran's place between east and west has long put it in a pivotal position in global trade. With natural resources, a rich tourism offer, high-quality agricultural products and a well-rooted manufacturing industry, the country is well positioned to take the next step toward greater trade-led growth.

The country has the potential to leverage its assets to become a centre of innovative digital solutions. With its highly-educated and productive labour force and investment attractiveness Iran could position itself to be a major exporter to markets across the region and around the world.

These strengths have been cultivated in a challenging external context. But there have also been clear domestic constraints which have contributed to impeding the realization of Iran's potential for growth. However, the need to build greater economic resilience, especially with the impact of global pandemics, has taken centre stage.

Against this backdrop, Iran has developed its new National Export Strategy (NES). The document reflects a growing consensus on the need to focus on trade-led growth to complement domestic resilience.

Trade-led success will require consistent and organized efforts. In developing the strategy, key actors have acknowledged the need to tackle the private sector's critical challenges. The NES proposes tailored solutions and leverages the country's strengths and competitive advantages.

During the consultations for this NES, all stakeholders recognized the need for further policy convergence and stronger coordination at the level of institutions if the country was to move forward. This coherence is at the core of the NES – joining forces toward a shared vision and making strategic choices that further develop the economy. The NES provides a framework for setting priorities, coordinating action and defining concrete steps. It was designed through analysis and consultation involving hundreds of voices from across the public and private sectors and input from international market experts.

The International Trade Centre (ITC) commends the leadership of the Ministry of Industry, Mine and Trade, the Iran Trade Promotion Organization and applauds the enthusiastic involvement of the private sector in the design of this strategy. ITC will continue to support Iran to ensure that the objectives of the NES are attained rapidly to support greater inclusive, sustainable, and resilient development.

Finally, ITC wishes to thank the European Union for its support to this initiative as part of its EU-Iran Trade Development project.

Pamela Coke-Hamilton
Executive Director of the International Trade Centre

ACKNOWLEDGMENTS

The Tourism Strategy forms an integral part of Iran's National Export Strategy (NES). It was developed under the aegis of the Islamic Republic of Iran and the leadership of the Ministry of Industry, Mine and Trade (MoIMT) and the Iran Trade Promotion Organization (ITPO), in close collaboration with the Ministry of Cultural Heritage, Handicrafts and Tourism (MCTH). This strategy was enhanced by the technical assistance of the International Trade Centre (ITC) and falls under the framework of the project "European Union (EU) – Iran Trade Development: Trade-Related Technical Assistance, capacity building, and value chain development for inclusive and sustainable trade-led growth in Iran".

The document benefited particularly from the inputs and guidance provided by the sector stakeholders that steered the formulation of the strategy, namely:

Item No.	Institutions / Natural and Legal Persons
1	Ministry of Cultural Heritage, Tourism and Handicrafts
2	• Deputy of Tourism
3	• Deputy of Investment
4	• Deputy of International Affairs
5	• Deputy of Management Development
6	• Office of Tourism Planning and Development
7	• Office of National Tourism Cooperation and Agreements
8	• Office for Exportation of Knowledge-Based Services and Products
9	• Office of Tourism Entrepreneurship and Start-ups
10	• Office of Studies and Education
11	• Office of Supervision and Assessment
12	• Provincial offices in Yazd, Isfahan, etc.
13	International Affairs Department of the Ministry of Health and Medical Education
14	• Office of Health Tourism
15	• Research Institute of Tourism
16	• Tehran's Shariati Hospital
17	• Tehran's Moheb e Mehr Hospital
18	Office of Diplomacy, Tourism and Health Economics- Ministry of Foreign Affairs
19	Tourism Department of Mazandran University
20	National Professional Society of Eco-tourism
21	Iranian Tour operators Association
22	Representatives of private sector companies active in tourism sector
23	Tourism sector activists and experts
24	Institute for Trade Studies and Research
25	ITPO's Tourism Desk
26	Other entities (to be added later)

Technical support and guidance from ITC was rendered by the following people:

Name	Designation	Organization
Trade Strategy team		
• Ms. Barbara Oliveira Ramos	Chief, Research and Strategies for Exports	ITC
• Mr. Anton Said	Head, Trade Development Strategies Programme	ITC
• Mr. Eric Buchot	Senior advisor	ITC
Assisted by:		
• Ms. Alexandra Golovko	Associate advisor	ITC
• Mr. Frederic Thomas	International tourism expert	ITC
• Ms. Tamari Bitchashvili	International consultant	ITC
ITC local team		
• Mr. Mirhadi Seyedi	ITC representative in Iran	ITC
• Mr. Majid Bahrami Forouzan	ITC representative in Iran	ITC
• Mr. Mehdi Yaghoubi	Media support consultant	ITC

NOTE TO THE READER

The Iran NES was developed on the basis of a participatory approach, during which more than 400 Iranian industry leaders, small business owners, farmers and public sector representatives held consultations to reach consensus on key sector competitiveness issues and priority activities. These inclusive consultations were held in Tehran and in some sector-specific regions, including Kerman, Yazd and Isfahan.

Besides in-depth research and value chain analysis, these consultations were complemented by:

- Factory visits where supply chain assessments were carried out to gain further knowledge on key issues such as quality procedures, technical skills, lean management, quality of raw materials and access to markets, etc.
- Interviews with domestic, regional and international buyers to guide the NES with strategic insights and market intelligence as well as buyers' requirements in terms of quality standards, food safety, packaging, buying cycles, distribution channels and prices, etc.

The NES is aligned with existing national and sector-specific plans and policies and builds on ongoing initiatives in areas related to private sector development, regional integration, investment and economic empowerment of youth. Equally importantly, the NES initiative already accommodates budgeting to support

implementation of critical pilot activities identified during the design process. This will ensure that impact and momentum are generated from early on, and support further resource mobilization and confidence-building.

The principal outputs of the Iran NES design initiative are endorsed, coherent and comprehensive export strategy documents with a five-year detailed plan of action (PoA) and implementation management framework. These documents include:

I. A main NES document, which contains trade support functional strategies, offering critical support across value chains and acting as enablers for sector development;
II. Individual NES priority sector strategies packaged as separate documents, but in alignment with the main NES findings and overarching strategic objectives.

NES Iran	Main NES document including trade support functional strategies: • Quality management • Trade information and promotion • Entrepreneurship
	Individual NES priority sector documents: • Fruits and vegetables • Medicinal herbs • Information and communication technology (ICT) • Tourism • Petrochemicals • Automobile parts

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ACRONYMS AND ABBREVIATIONS

CBT	Community-based tourism
E&R	Education & Research Department
ICHTO	Iranian Cultural Heritage, Tourism and Handicrafts Organization
IPD	International patients department
ITC	International Trade Centre
METS	Monitoring and Evaluation of Tourism Services Department
MOOC	Massive open online courses
NEC	National Ecotourism Committee
NES	National Export Strategy
PoA	Plan of action
SMEs	Small and medium-sized enterprises
TMP	Tourism Marketing and Promotion Department
UNESCO	United Nations Education, Scientific and Cultural Organization
UNWTO	United Nations World Tourism Organization

EXECUTIVE SUMMARY

Every industry has trends and innovation. The tourism industry is no exception. In today's tourism, formerly beloved concepts and products go out of style, to be replaced by more modern elements that end up capturing more of the market. Changing demographics, advances in technology, shifting social mores and behaviours and other influences have caused major shifts in the tourism industry (eco-travel, local experience, personalization, bleisure, healthy and organic food, and the Internet of Things, etc.). Although cultural and historical tourism, in its traditional form, continues to represent significant volumes of visitors to destinations, the new generation becomes increasingly relevant in the marketplace.

Today's consumers increasingly expect experiences or services that closely match the ideals driving their purchasing decisions, from destinations to accommodation and the kinds of activities they will engage in. The more closely an experience can be tailored to a client's desires and expectations, the more likely they are to return and use the same service again. Actually, tourists increasingly want to engage with and participate in the local culture, which helps to spread the benefits towards a greater variety of actors.

The goal of Iran's Tourism Strategy is, therefore, to develop three types of tourism accordingly, namely (i) Ecotourism and community-based tourism (CBT), (ii) Medical tourism, and (iii) Cultural and historical tourism, by addressing constraints in a comprehensive manner and defining concrete opportunities that can be realized through the specific steps detailed in the strategy's plan of action (PoA). This tourism strategy is an integral part of Iran's National Export Strategy (NES).

Iran has both comparative and competitive advantages for sustainable development of these three selected types of tourism. Iran has natural, cultural and technical endowments to generate growth, trade and employment opportunities, which have yet to be tapped. From enjoying local cuisine to celebrating regional festivals, local experiences are set to become some of the top tourist trends to follow. With an average of one festival per week in each of its 31 provinces, and approximately 500 "tourism villages" all over the country, Iran has a lot to offer that could benefit a broader range of people.

Currently, the three selected types of tourism are emerging industries whose clientele remains mainly composed of regional visitors. Tourism sector growth is impeded by weaknesses in the policy framework and a lack of any adequate response to the current propaganda by the marketing departments. The strategy's main focus is, therefore, to make profit from the recent creation of the Ministry of Cultural Heritage, Handicrafts and Tourism to facilitate the development of the necessary support, policies and regulations to frame each of the industry's subsectors and to propose new responsible and high-value activities that cater to less risk-adverse markets.

The three types of tourism sectors selected for the strategy have very different characteristics and markets, and they will be handled separately in this strategy, but the likely links between the different customer segments will be addressed. The strategy will focus mainly on new markets outside South Asia and the Middle East, the latter to be covered in the next tourism master plan, which this strategy aims to complement.

- The development of eco-travel and community-based tourism includes enlarging the customer base to other market segments and probably generations. However, tourism stakeholders, from vocational training institutes to the private sector, lack access to information and materials concerning the latest trends and opportunities in both ecotourism and other aspects of tourism (rural tourism, creative tourism and CBT, etc.) Yet, real rural life and eco-travel experiences are already offered by some local stakeholders and could be duplicated through peer-to-peer trainings and technical assistance.
- The development of health tourism services should focus on therapeutic services in thermal areas of Iran to carry out a full range of medical activities and to extend the length of stay of foreign patients. This offer of therapeutic tourism must be separated from that concerning well-being in general (brain, body and soul), because the audiences are different. This implies

the establishment of infrastructures specific to each segment and innovative promotion mechanisms to tap into the trends to appeal to wellness-driven customers.

- Historical and cultural tourism must be developed beyond traditional destinations. Thematic routes, based on existing ones (Silk Road and Marco Polo Road, etc.), will make it possible to capitalize on an imagination that is very present among international tourists. Product development, rebranding and increased promotion will be essential to change the mindset of international visitors and gain the trust of as many customers as possible. It will be essential to raise awareness of Iran as a unique and world-open multicultural destination in a similarly unique geographical and climatic environment.

The objective of this tourism sector strategy is, therefore, not to negate what exists, but, on the contrary: (i) To capitalize on the past and current efforts and projects of the government and private operators; and (ii) To provide the necessary elements for their success and sustainability as well as to replicate the good practices in order to enrich both the visitors' and the residents' experience in all Iran. It also comes to complement and align with the forthcoming tourism master plan with the objectives to provide Iran with short-term and mid-term recommendations able to boost international visitor arrivals within a more sustainable pattern.

The following delineates the proposed vision and strategic approach in this strategy. This vision emanates from the discussions with all stakeholders in the tourism value chain in Iran:

"Iran: Everywhere is yours"

The plan of action (PoA) responds to this vision by addressing the sector's constraints and leveraging opportunities in a comprehensive manner. Extensive efforts will be made to meet the following strategic objectives:

1. To enhance coordination and cooperation in ecotourism/nature-based tourism and community-based tourism	2. To leverage Iran's expertise in medicine/science to gain a competitive advantage in health tourism	3. To upgrade and capitalize on existing public and private sector practices as well as untapped assets	4. To change Iran's image through rebranding
•1.1. Provide a framework for coordination, convergence and control of activities in the field of ecotourism and CBT •1.2. Constantly update the institutional knowledge on new trends in tourism with a focus on wellness tourism, ecotourism and CBT •1.3. Establish a more effective coordination and cooperation mechanism between tourism stakeholders	•2.1. Align health tourism-related services to international standards •2.2. Improve knowledge and exchange experiences and best practices on medical tourism •2.3. Raise awareness about and improve access to medical services to foreigners	•3.1. Enrich the experience and the storytelling for historical and cultural tourism •3.2. Products and brand development for specific thermal area	•4.1. Promote the openness and diversity of tourism supply •4.2. Support off-the-beaten-track product development •4.3. Increase promotion and branding

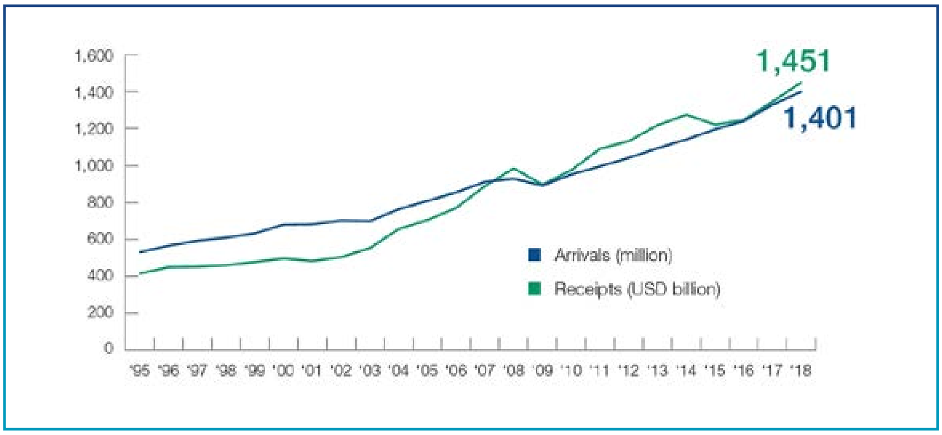
This strategy's objective is to offer a clear framework to guide the Government of Iran in changing its identity as a tourism destination while making profit from the tourism sector's high resilience and unique potential. Achieving this ambitious objective will depend on the government's ability to develop necessary support, policies and regulations as well as on the private sector to adopt responsible practices for achieving sustainability and fair trade practices.

GLOBAL TRENDS IN SUPPLY AND DEMAND

"An activity essential to the life of nations because of its direct effects on the social, cultural, educational, and economic sectors of national societies, and on their international relations" – as the Manila Declaration (1980) highlights, tourism supports sustainable growth and represents one of the fastest-growing sectors of the global economy.

Tourism significantly contributes to economic development, with the increase in the international tourism arrivals that reached 1.4 billion in 2018 (Figure 1) and export earnings generated by the sector, which marked $1.7 trillion.[1] Both advanced and emerging economies benefit greatly from tourism's positive economic impact, as jobs are created, entrepreneurship supported and millions of peoples' living conditions improved.

Figure 1: International tourism arrivals (million) and tourism receipts (USD billion)



Source: United Nations World Tourism Organization (UNWTO), 2019.

Influenced by globalization and technological advancements, tourism has been growing worldwide, leading to a broad range of consequences and behaviours that are the trends of contemporary tourism. Actually, tourism today is mostly a sector that is particularly under scrutiny for both its resilience to shocks and its growth prospects, but it is still under fire from critics in view of a growing exasperation for some populations on every continent with the never-ending and sometimes damaging flow of tourists (touristophobia).[2] Therefore, some governments are now considering whether to impose taxes or restrictive measures to better regulate and spread the inflow in their country, because the growing amount of visitors is not only positive for their tourism – it also causes price explosions, saturation of accommodation or even modification of the tourist structure. Others are trying to identify and attract responsible investors in order to improve the distribution of visitors' expenditures for the benefits of local populations. Last, but not least, tourism stakeholders themselves have put in place voluntary corporate social responsibility practices to help them manage the social, economic and environmental issues they encounter in their daily operations. The knowledge that today and in the future, the most significant pressure on tourism businesses to adopt corporate social responsibility practices and to report on their performance is likely to come from their customers. If well managed, tourism can be a true success factor for the sustainable development of territories.

1.– World Tourism Organization (2019), *International Tourism Highlights, 2019 Edition,* UNWTO, Madrid, DOI: https://doi.org/10.18111/9789284421152.

2.– Aversion towards tourists, which manifests itself in acts of rejection – or even aggression – committed against them.

Table 1: Key global trends in tourism

Trends	Implications
Increasing attention to sustainability	Sustainability is a common trend that has emerged in world tourism, gaining significant importance. Rapid and unplanned tourism negatively affects community, its quality of life and surrounding environment, deterioration of which significantly weakens tourism too. Therefore, the issue of sustainability has become critical in designing tourism development policies. The United Nations World Tourism Organization (UNWTO) surveyed its 101 member states in order to identify their main focus in tourism policy development. As illustrated in Figure 2, 100% of the member states refer to sustainability as an overall objective; 64% of the member states link sustainability to competitiveness, as more and more travellers are aware of and take into account destination sustainability issues when making travelling choices. The increased attention to sustainability is one of the travel trends. The survey thus highlights an overall intention of UNWTO member states and shows the growing awareness of the issue among decision makers. However, there is usually a gap between intention and action, and there are only a few examples of concrete implementation of broad sustainability policies globally.
Technological advancements	Recent technological advancements are transforming tourism's traditional value chain and creating both opportunities and challenges in sector development. On the one hand, digital technologies allow access to a wide range of information, optimize digital marketing and simplify travelling arrangements. On the other hand, issues of privacy and security are raised. In order to exploit the potential of digital technologies and avoid the negative impact, governments need to provide a supportive environment that promotes innovation as new technologies emerge – direct technologies and digital marketing should connect to international visitors and, at the same time, keep guests' security and data protection as a high priority.[3]
Overtourism	Results of decades of tourism development in some large cities have resulted in a type of touristophobia or overtourism. The term "overtourism" was invented to describe the negative effects of an excessive load on fragile environments (Machu Pichu, Mont Saint-Michel and natural sites, etc.), which is clearly not the case for large cities. However, tourism development often meets this criterion for the tourism governance of a territory, but rarely for its inhabitants. On the contrary, residents sometimes inherit concentrated costs (i.e. daily irritants) and receive only diffusely the benefits received by their community (taxes, other income and jobs).
Co-living and sharing economy	This overflow of visitors, sometimes outside of traditional tourist areas, was facilitated by the development of the so-called collaborative economy. It came first as a solution for sharing revenues and experiences towards a larger group of beneficiaries (visitors and residents), but it quickly became a significant cause of raising local housing costs. Still, co-living and sharing economy experiences are in trend, as many offer real benefits to everyone.
Demand for authentic travel experiences	One of the main reasons behind the growth of the sharing economy is the growing demand for authentic travel experiences. For many international tourists, their demand has switched from the traditional visit to products and activities offering a real experience that includes more social justice. While mass tourism continues to increase with the first access to leisure for a growing proportion of the population in emerging economies, the number of tourists seeking experiences closer to local communities or nature (ecotourism) is also growing.
Last chance tourism	For some, the question of how many tourists a country or a city can still welcome without ruining the very resource that attracts the most visitors leads to the opposite effect of a faint hope tourist destination (last chance tourism). The objective is to enjoy what will no longer be. In some cases, however, such as in the Republic of Cuba, this may have an advantage as a promotional argument provided that the flows and their impacts are controlled.
Sustainable food sourcing	In light of the growing commitment to sustainable practices, many tourism stakeholders promote, as a good practice, the development of the circular economy that includes exchanges with local producers. Sustainable food sourcing is pushing for closer linkages between the tourism sector and its local economy and it encourages the use of organic waste from hotels and restaurants as a source of fertilizers for food production.

Figure 2: Integration of sustainable consumption and production patterns into tourism policies (2019)

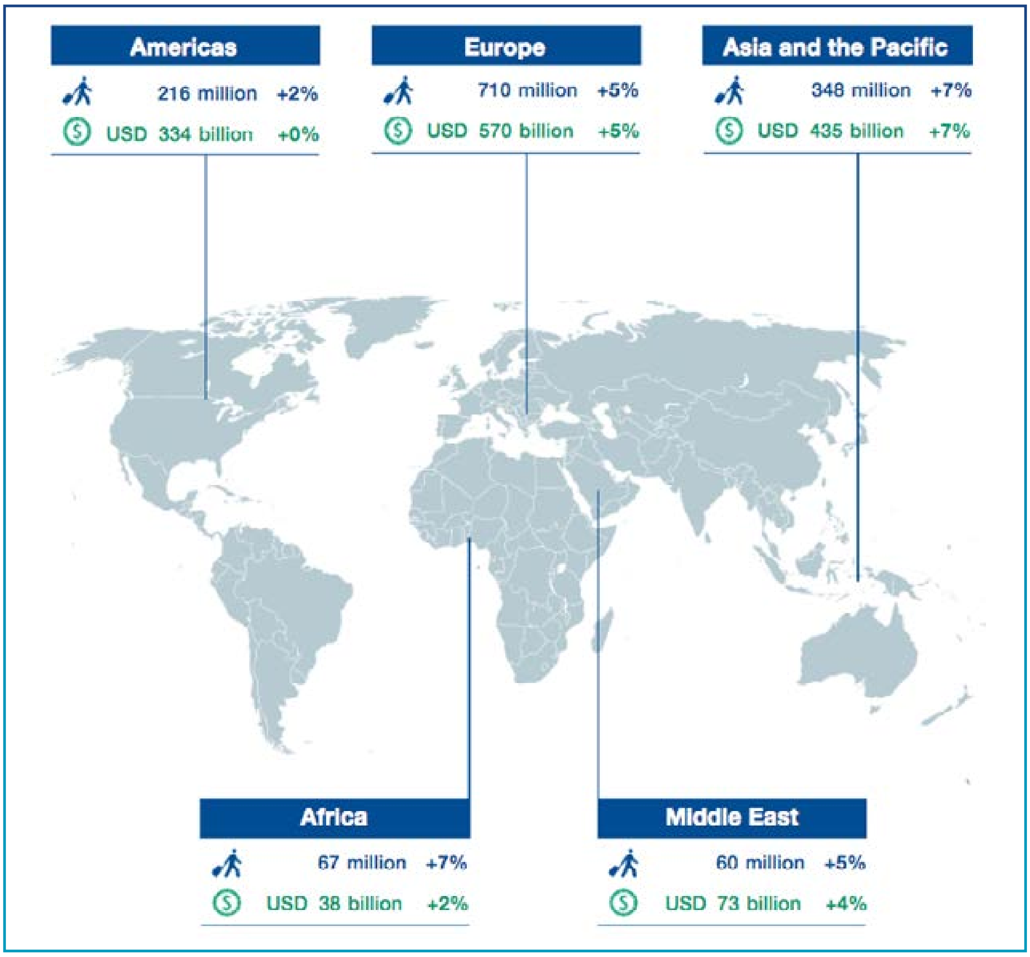
Source: UNWTO.

3.– Organization for Economic Co-operation and Development (OECD) (2018), OECD Tourism Trends and Policies 2018, OECD Publishing, Paris. Available from http://dx.doi.org/10.1787/tour-2018-en.

Trends in tourism flows globally

Globally, inbound tourist arrivals (overnight visitors) grew to reach the 1.4 billion mark in 2018, an increase of 74 million (6%) on the previous year. The international tourist arrivals in emerging economy destinations are projected to grow at double the rate of advanced tourism economies. As a result, the market share of emerging tourism economies is expected to increase from 45% in 2016 to 57% in 2030. The French Republic, the United States of America, the Kingdom of Spain and the People's Republic of China continued to fill the top four places for inbound arrivals in 2018, while China, the United States and the Federal Republic of Germany are the highest outbound markets in their respective regions (UNWTO, 2019). Today, four out of five tourists travel within their own region.

Figure 3: Map of international tourist arrivals (millions) and tourism receipts (USD billions)



Source: UNWTO (July 2019).

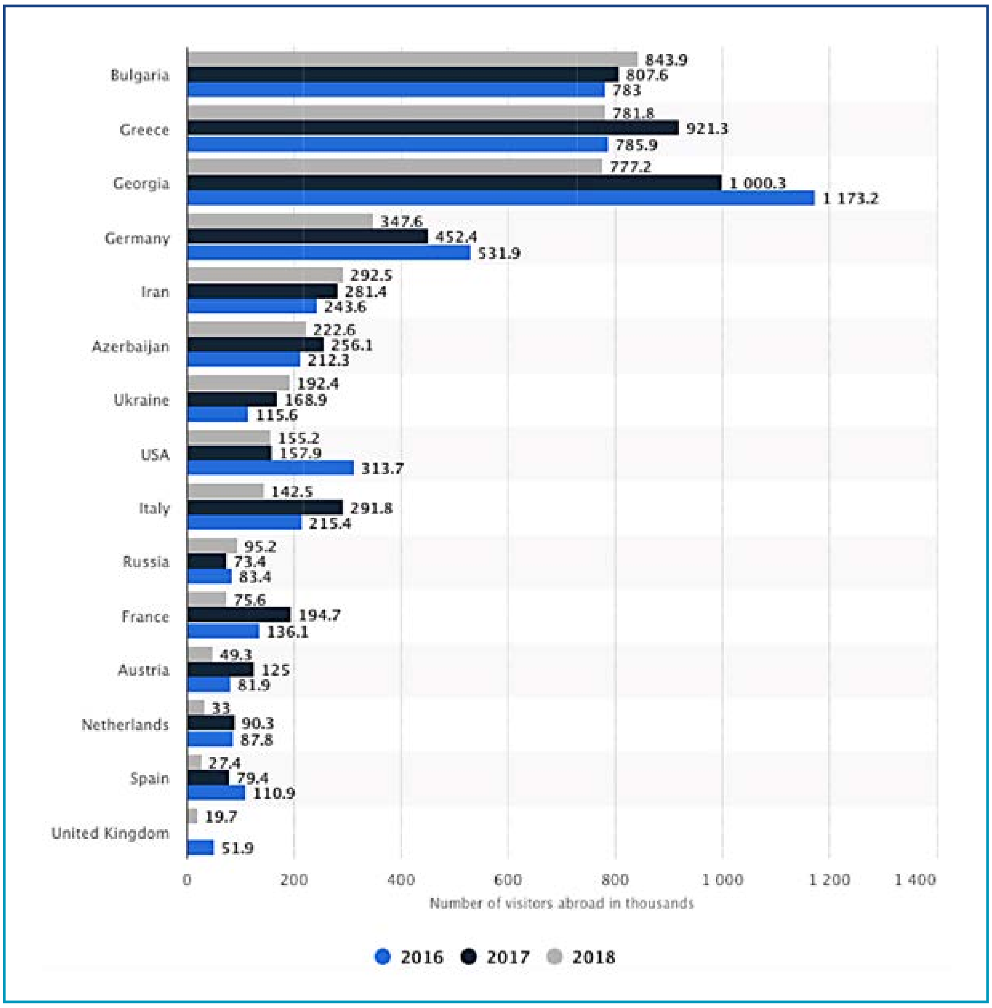
Recently, the travel and tourism industry has been characterized by the increasing Chinese investments in the West. This was mostly recorded in the hotel industry, in the growth of digital companies like Trip.com Group Limited (Ctrip), or in outbound tourism flows that many destinations are working to attract. The number of Chinese visitors to Iran is, however, decreasing, probably due to a lack of appropriate response to international propaganda.

In South Asia, of which Iran is geographically part, tourism has been an important element in the rebuilding of the economy of a country such as the Democratic Socialist Republic of Sri Lanka since a ferocious civil war lasting more than a quarter of a century came to an end in 2009. The 650,000 visitors to the island in 2010 soared to 2.3 million in 2018 thanks to appropriate policies and communication strategies. The Islamic Republic of Pakistan has also had its own security issues, but has recently enjoyed strong growth in visitor numbers. In the face of adversity, the tourism industry has always demonstrated its resilience and development potential.

Across the Middle East, tourism is seen as one of the most viable tax-raising alternatives for oil-producing nations as those revenues start to decline. Cultural initiatives such as the 2017 opening of the Louvre Abu Dhabi art gallery, which cost an estimated $1 billion to build, as well as the World Expo to be held in Dubai in 2020, are expected to expand United Arab Emirates tourist numbers to 45 million a year by 2021. The Middle East has seen a huge rise in tourist numbers in the past 30 years. International visitors to the Kingdom of Saudi Arabia, for example, jumped from 3.3 million in 1995 to 16.1 million in 2017, according to the World Bank. New airline routes and the relaxation of visa rules, together with the organization of big events or the development of mega projects – including cultural ones – in some countries over the past few years have helped drive up visitor numbers, particularly from China and the Russian Federation.

Europe still accounts for almost one in two trips in the world, but only a few are visiting Iran (0.2%) and the majority are visiting Europe itself. The Republic of Turkey, the main European market for Iran, has seen a decrease in the number of its citizens travelling abroad for most countries, with the exception of Iran in particular.

Figure 4: Number of citizens visiting destinations abroad from Turkey in 2016–18 (in 1,000s)



Source: https://www.statista.com/statistics/679035/turkey-outbound-visitors/.

On the other side, Turkey evidently being the most popular destination among the Azerbaijan tourists, the country is a strong concurrent destination for Iran. Unlike Turkey, where visitors from Azerbaijan and other countries in the region travel mainly for business, leisure and visiting friends and relatives, Iran attracts more of these nationalities for religious and medical tourism.

GLOBAL DEMAND IN SUBSECTORS RELEVANT TO IRAN

Global trends in community-based tourism

Today, more and more travellers exhibit increasing concern regarding environmental and cultural impacts, and are more likely to choose low-impact, sustainable travel options. These options include the community-based tourism (CBT) approach.

CBT became popular in the mid-1990s, reversing the development approach to bottom-up, in an effort to provide real and all-inclusive community participation at all levels of development (Asker et al, 2010).[4] Community-based tourist initiatives are crystallizing all around the world, under different names (CBT, rural tourism and fair tourism, etc.). The diversity of nomenclature reveals the relative expansion of this means of organizing the tourism business. According to Richards (2016),[5] a community-based tourism approach empowers the community to participate in, benefit from and influence tourism.

The differences in the types of tourism products offered as CBT are:

- Classic CBT: Overnight village stays in simple homestays/lodges;
- Comfortable accommodation developed through joint investments;
- Short visits to support a local craft cooperative or eat a meal, etc.

According to CBI,[6] European holidaymakers are increasingly interested in unique and authentic experiences. A growing number are willing to pay a premium for these special experiences, especially if it benefits local communities. From 20% to 40% of European travellers would share interests for CBT excursions. It is, however, hard to measure the economic size of CBT and the number of travellers involved in this type of tourism. As cited by industry experts, popular CBT destinations include the Plurinational State of Bolivia, Cuba, the Republic of Indonesia, the Lao People's Democratic Republic Laos, the Kingdom of Morocco, and the United Republic of Tanzania.

Global trends in cultural–historical tourism

According to the initial findings of the Tourism and Culture Survey 2015 by UNWTO, cultural tourist arrivals are growing steadily compared to overall international arrivals. Of international arrivals, 40% are considered to be "cultural tourists"; that is, travellers who participate in a cultural visit or activity as part of their stay (UNWTO, 2018, Report on Tourism and Culture Synergies). More precisely, the World Tourism Organization defines "cultural tourism" as trips with the main or concomitant goal of visiting sites and events with cultural and historical value. Another definition (Report Linker, 2017[7]) refers to the involvement of travellers with the culture of a country or region, which includes lifestyle, history, religion, art, culture and architecture.

An important aspect of cultural tourism is indeed intangible cultural heritage. This is defined as those practices, expressions, knowledge and skills that communities and individuals recognize as part of their cultural heritage. Interest in cultural tourism continues to grow, driven by the growing importance and inclusion of creative arts and indigenous culture as key aspects

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4.– Asker, S., Boronyak, L., Naomi, N. and Paddon, M. (2010). *Effective Community Based Tourism: A Best Practice Manual*. Last viewed on 03/05/2013, on the WWW: http://www.isf.uts.edu.au/publications/askeretal2010effectivecbt.pdf.

5.– Peter Richards (2016). *Community based tourism as a global trend,* Tourism Forum 2016, Thailand. Available from https://tattourismjournal.files.wordpress.com/2016/01/6-mr-peter-richards-presentation.pdf.

6.– Centre for the Promotion of Imports.

7.– Infiniti Research Limited (2017). *Global Cultural Tourism Market 2017-2021*, P. 76. Available from https://www.reportlinker.com/p05090609/Global-Cultural-Tourism-Market.html.

of cultural tourism or heritage tourism. Today, the cultural traveller is a subset of the leisure travel market. Both are growing as the baby boom population continues to reach retirement age and as the new generation (Xers and millennials) seek evermore authentic and immersive travel experiences including CBT experiences. These new markets are well educated and technologically savvy. Travellers of all ages seek and attain information prior to making detailed plans and use technology –primarily the internet and mobile devices– to implement their plans.

Global trends in ecotourism

Ecotourism or nature-based tourism is described as responsible travel to natural areas that conserves the environment, sustains the well-being of the local people and involves interpretation and education.[8] Therefore, ecotourism:

- Is non-consumptive/non-extractive;
- Creates an ecological conscience;
- Holds ecocentric values and ethics in relation to nature.

The growing demand for ecotourism has provided a major boost to the global ecotourism market as more people are shifting their preferences to this growing sector. It has been witnessing a steady rise for the past decade owing to its rise in applications in its relevant industry. The product is being actively used across the globe, resulting in the quantitative increase in demand, which, in turn, pushed the revenue generation year on year. Ten years ago, globally, ecotourism generated $77 billion in revenue and made up 5–7% of the overall travel and tourism market. However, ecotourism has come under criticism, with some calling it “ego-tourism” or “greenwashing”. Additionally, some destinations, such as the Republic of Costa Rica, have seen an expansion of ecotourism into mass ecotourism, which has decreased its environmental sustainability. Actually, the more successful an ecotourism destination becomes, the more difficult it is to avoid having an environmental and/or cultural impact. In order to avoid this paradox, businesses and destinations can adopt or engage in one of the numerous voluntary certification programmes that exist for sustainable tourism and ecotourism, ranging from self-monitoring programmes to ISO 14000 certification, the “green” standard for the hotel industry.

Table 2: Sustainable vacation activities that add to vacation enjoyment

Sustainable vacation activities that add to vacation enjoyment	Percentage of global travellers who do this
Buying locally made products instead of mass-produced tourist souvenirs	53%
Being adventurous and using public transport instead of a taxi	52%
Going out of the way to find a local restaurant that only uses local ingredients	41%
Skipping tourist highlights in favour of less busy and often more rewarding sights	40%
Opting for a unique place to stay that is also a certified eco-accommodation over a traditional hotel	30%

Source: Booking.com – Sustainable travel report (2018).

From an online survey by Booking.com amongst 12,134 respondents across 12 markets (1000+ from Australia, the Federative Republic of Brazil, Canada, China, Germany, France, the Republic of India, the Republic of Italy, Japan, Spain, the United Kingdom of Great Britain and Northern Ireland, and the United States), more than two-thirds (68%) of travellers intend to stay in an eco-accommodation in 2018, up from 65% in 2017 and 62% in 2016. This means that the percentage of travellers who are not considering eco-friendly stays is declining. However, 42% of respondents consider that they are not able to afford the extra expenditure that sustainable trips represent. To conclude, many global travellers also indicated that they engage in sustainable travel behaviour because the activity itself adds a positive vacation experience to their trip.

Global trends in health tourism

Health tourism refers to those types of tourism that have as a primary motivation the contribution to physical, mental and/or spiritual health through medical and wellness-based activities that increase the capacity of individuals to satisfy their own needs and function better as individuals in their environment and society.[9]

8.– The International Ecotourism Society (2018). Retrieved from https://www.ecotourism.org/.

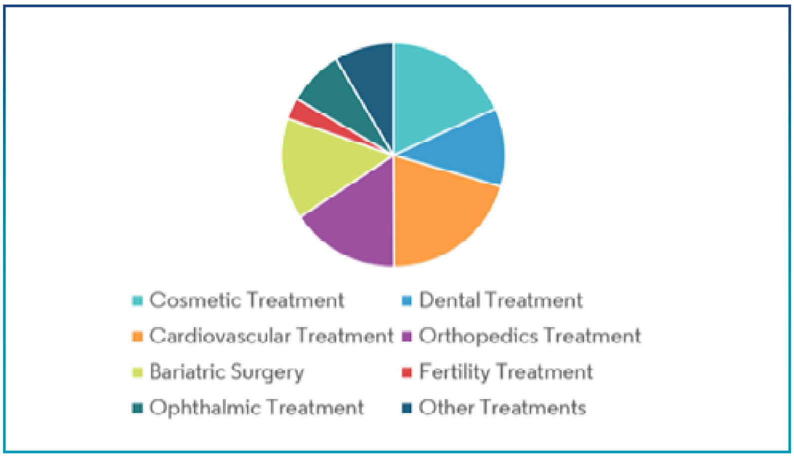
9.– World Tourism Organization and European Travel Commission (2018), *Exploring Health Tourism – Executive Summary,* UNWTO, Madrid, DOI:

Health tourism is the umbrella term for the following subtypes.

- *Wellness tourism* is a type of tourism activity that aims to improve and balance all of the main domains of human life, including physical, mental, emotional, occupational, intellectual and spiritual. The primary motivation for the wellness tourist is to engage in preventive, proactive, lifestyle-enhancing activities such as fitness, healthy eating, relaxation, pampering and healing treatments.
- *Medical tourism* is a type of tourism activity that involves the use of evidence-based medical healing resources and services (both invasive and non-invasive). This may include diagnosis, treatment, cure, prevention and rehabilitation.

Nowadays, health tourism is often summarized to medical tourism. The global medical tourism market size was valued at $36.9 billion in 2018 and is expected to reach $179.6 billion by 2026, according to a new report by Grand View Research, Inc.[10] The fertility treatments segment of the medical tourism market is believed to show the fastest growth over the forecast period. The segment is expected to record a compound annual growth rate (CAGR) of 9.7% over the forecast period.[11]

Figure 5: Medical tourism market: Revenue share (%) by treatment type, global (2018)



Source: Mordor Intelligence (2019).

https://doi.org/10.18111/9789284442030.8

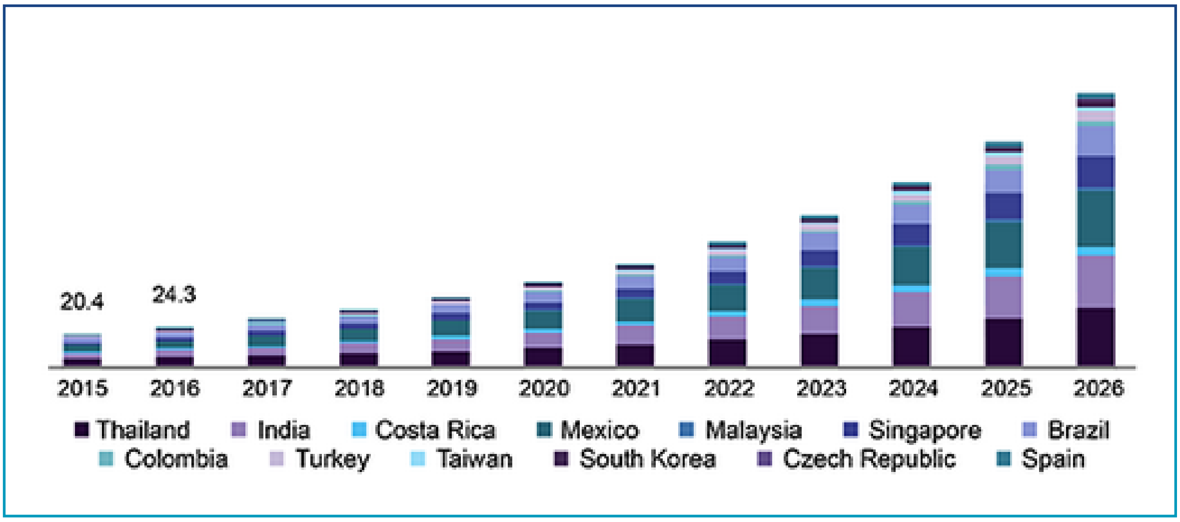
10.– https://www.grandviewresearch.com/industry-analysis/medical-tourism-market.

11.– https://www.mordorintelligence.com/industry-reports/medical-tourism-market.

Factors propelling market growth include inadequate insurance benefits, access to low-cost medication[12] and waiting time. Other factors catalysing the growth of the global medical tourism market include better patient comfort and customized medical services, availability of the latest medical technologies, growing compliance with international quality standards, high quality of service, health insurance portability, alternative treatment methods, and advertising and marketing of medical tourism.

The global medical tourism market is moderately competitive and consists of several major players. In terms of market share, few of the major players dominate the market. According to a report by Fortune Global Insights, the major players in the global medical tourism market include Mount Elizabeth Hospital in the Republic of Singapore, Apollo Hospitals Enterprise Limited and the Asian Heart Institute in India, Asklepios Kliniken GmbH in Germany and Bumrungrad International Hospital in the Kingdom of Thailand, among others.

Figure 6: Global medical tourism market size, by country, 2015–26 (USD billion)



Source: www.grandviewresearch.com.

The most popular destinations in the medical tourism market are currently Thailand, India, Costa Rica, the United Mexican States, Malaysia, Singapore, Brazil, the Republic of Colombia, Turkey, Taiwan Province of China, the Republic of Korea, the Czech Republic, and Spain.[13] While Thailand is popular for cosmetic procedures, India is most preferred for cardiovascular and orthopaedic procedures. Brazil and Costa Rica are preferred for dental procedures. This reflects the increased risk of a strategy covering all types of procedures and the fact that it needs to identify comparative and competitive advantages for each medical procedure as well as how the overall facilities and infrastructures can play a role in attracting international medical tourists. Needless to say, the general reputation and political stability of the host country are also key factors driving the medical tourism market.

12.– Fortune Business Insights *Medical Tourism Market Size, Share and Global Trend By Type (Domestic, International).*

13.– Grand View Research (2019). Medical Tourism Market Size, Share & Trends Analysis Report By Country (Thailand, India, Costa Rica, Mexico, Malaysia, Singapore, Brazil, Colombia, Turkey, Taiwan, South Korea, Spain, Czech Republic), And Segment Forecasts, 2020–2027, P. 140. Available from https://www.grandviewresearch.com/industry-analysis/medical-tourism-market.

THE POTENTIAL TO EXPAND TOURISM AND PREPARE FOR A MORE COMPETITIVE FUTURE

The competitiveness of a tourist destination is based on a destination's resource endowments (comparative advantage) as well as its capacity to deploy resources (competitive advantage). Although the concept of comparative advantage is generally applied to the agricultural and extractive industries, it is also critical to understanding the tourist industry in Iran.

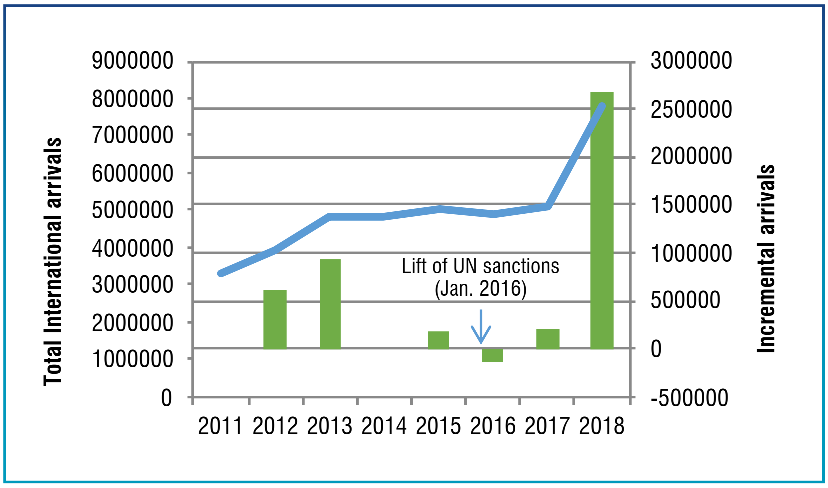
Favourable geographical location

Iran's location at the intersection of major Asian, Middle Eastern and European countries and trade routes has shaped its diverse cultures and history and offers the country unique tourism assets.

Historically famous destination

Historically, tourism has been part of the economy in Iran; the country was considered to be one of the Middle East's top tourist destinations for both Western and regional visitors during the period 1967–77 (Morakabati, 2011). For example, tourist arrivals increased to 700,000 in 1978 and Iran's main tourism markets were the United States, the United Kingdom, West Germany, Turkey and Saudi Arabia (Bureau of Statistics and Marketing, 1978). However, the Iranian tourism industry, despite enormous potential, has suffered significantly since the fall of the Pahlavi dynasty in 1979 and subsequent negative imagery in many tourism-generating markets (Seyfi et al., 2018). Following this event, the amount of inbound tourism declined considerably and it was not until 1997 that inbound tourism started to increase again from fewer than a million people in 1997 to more than 2.5 million in 2005.

Figure 7: International visitor arrivals to Iran (2011–18)



Source: Iranian Cultural Heritage, Tourism and Handicrafts Organization (ICHTO) (2018).

As shown in Figure 7, the number of international tourists in Iran remained stable during the period 2013–17 before a strong increase in 2018, mainly due to the growth of Middle East markets. With regards to the official statistics, the lift of United Nations (UN) sanctions had no impact on the overall trend of international arrivals. However, a more in-depth analysis allows to observe that the lift has mostly influenced the trend of arrivals for the Western market only (Figure 7). On one hand, religious and medical tourism today tend to be the subsectors that compensate a strong drop in the Western leisure markets after the reinstatement of sanctions by the US Government on November 2018. On the other hand, Iran's tourism future can be positively influenced by the collaboration of the public, private and non-profit sectors to take advantage of a growing trend towards unique community experiences and landscapes, in which Iran is rich. Finally, information on the various markets remains limited, because there is no statistical monitoring system for tourism.

Tourism as a priority sector

To date, the development of a new master plan for tourism is underway with a technical support from the UNWTO. Overall, the summary of Iran's National Strategic Document for Tourism Development from the Office of Planning and Support of Tourism Development (2019) states that its objectives for the tourism development of Iran should result in:

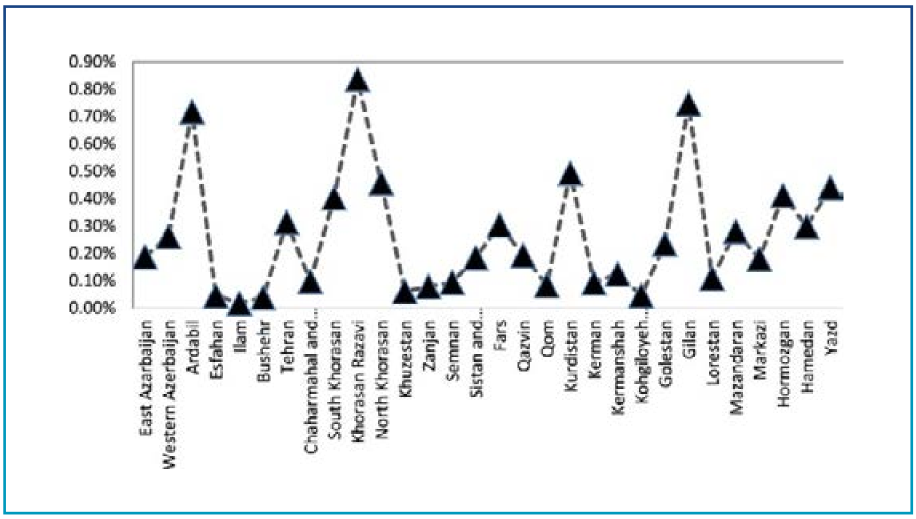
- Preserving, strengthening and providing cultural identity and ruling values of society;
- Promoting knowledge and culture making in the field of tourism, improving the country's competitiveness in this area;
- Promoting the quality of the tourist experience through the innovation and diversification of tourism products, and time – and place-balanced distribution for traveling in the country;
- Facilitating entering into the tourism business;
- Job creation;
- Making currency;
- Money making;
- Leading the main stakeholders in the development of the tourism industry with a sustainable tourism approach.

The recent creation of the Ministry of Cultural Heritage, Handicrafts and Tourism originates from the prioritization given to the tourism sector in Iran and, therefore, in the objective to rely on a stronger governmental body to implement the forthcoming tourism master plan.

Positive economic impact

The only statistical information available is that of volumes by nationality. Otherwise, there is qualitative information on markets, including trends and objectives of tourist visits to Iran and academic research papers written by Iranian and international scholars. In 2005–14, Habibi et al. (2018) found that the impact of tourism on economic growth is positive. Thus, it appears that tourism on the whole supports the growth of the general economy. Results of the average contribution of tourism to economic growth in provinces in Iran show that Razavi Khorasan (Mashhad – religious tourism) had the highest contribution to economic growth, Gilan (Caspian Sea) took the second place and Ardabil was third, with more than 1%, and a further 28 provinces still had a positive contribution, although less than 1%.

Figure 8: The average contribution of tourism to economic growth in 2005–14 (provinces of Iran)

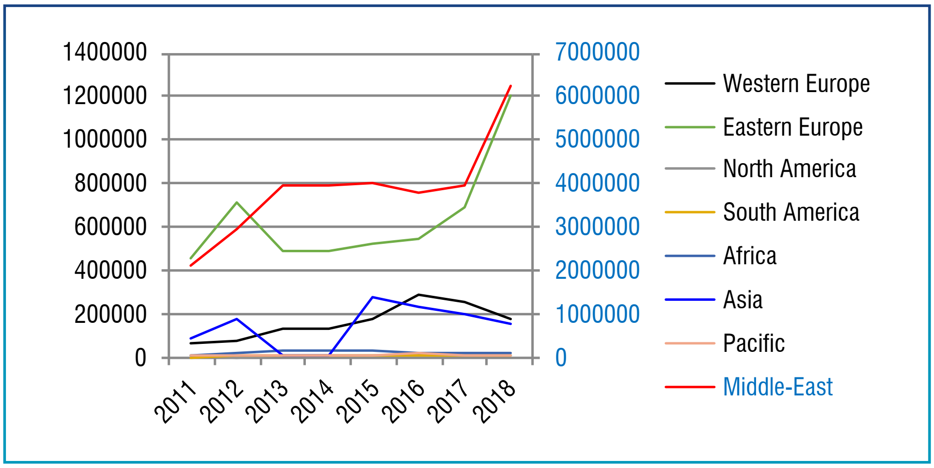


Source: Habibi et al. (2018).

Contribution to GDP

The yield per tourist (in-country expenditures) in Iran is estimated to be $1,200. Out of the 5.1 million tourist arrivals in Iran in 2017, more than 70% came from short-haul markets (flight time under 5 hours), especially from neighbouring countries. This increased to 90% in 2018, with 7.8 million tourist arrivals. According to the World Travel & Tourism Council (WTTC, 2018), the direct contribution of travel and tourism to gross domestic product (GDP) was IRR 391,923.0 billion ($11.8 billion), 2.8% of total GDP in 2017, and was forecast to rise by 7.4% in 2018, and to rise by 2.5% per year from 2018–28, to IRR 537,128.0 billion ($16.2 billion), 2.7% of total GDP in 2028. Iran's travel sector came 35th in the latest World Travel & Tourism Council (WTTC) report that has ranked performance of 185 countries in 2011–17. According to the report, which was released late in September 2018, visitor exports in Iran grew at an average rate of 19.9% per year during 2011–17, with the strongest growth witnessed during 2013 and 2014, when a newly elected government adopted a looser visa policy. During the same period, Iran's currency, the rial, fell sharply in value under international sanctions over Tehran's disputed nuclear programme. This attracted international tourists who were not affected by the trade ban.

Figure 9: International visitor arrivals by region of origin in Iran (2011–18)



Note: Eastern Europe includes Turkey.

Source: World Tourism Organization (2019), Compendium of Tourism Statistics dataset UNWTO, Madrid, data updated on 07/10/2019.

For tourism to be successful, there is a need to go from a planned to a market mechanism (while government interventions are also to compensate the sanctions) and Iran has sufficient tourism assets to be successful. Despite the international sanctions, the number of international tourist arrivals is still growing.

Unique and competitive offer

Subsector selection and prioritization

The richness and variety of Iran tourism assets create fruitful bases to develop different types of tourism, among which the following have the highest potential to produce high return on investment: community –and nature-based tourism, cultural and historical tourism, and health tourism. These tourism types were selected by a tourism core team, and based on extensive market research and public–private sector consultations throughout the country.

Rich traditions and local customs

Community-based tourism is a prospective in Iran, as approximately 40% of Iranians live in rural regions; they preserve and exhibit rich local traditions and culture that can be high points of interest for visitors. There are various types of handicrafts, carpets and pottery being produced in rural areas; considering high demand of travellers in experiencing local culture from the closer perspective, there is high potential to develop joint activities with local communities, which will enrich travellers' experience and add value to the community life.

History and cultural diversity

Iran's cultural–historical tourism assets belong to different periods of Persian Zoroastrianism (3000 BC), Ackaemenian (559 BC) and the Sasanian (224 AD) empires, to the post-Islamic dynasties of Samanid (864 AD), Ghaznavid (977 AD) and Safavid (1501 AD). The invasions of Alexander of Greece (330 BC), Arabs with their new Islamic religion (651 AD) and the Mongols (1256 AD) have all been instrumental in shaping Iranian culture and heritage.

Magnificent physical, natural and ecological diversity

Iran's natural heritage creates fruitful bases to develop ecotourism that places environment, fauna and flora in its centre of sustainable development. With a variety of climatic zones and nature, hot deserts, lush forests and beautiful mountains, there is a potential for ecotourism, especially in the northern part of the country. From high and snow-capped mountains like Mount Damavand, large lakes, rivers and grasslands in the north, to hot and dry lands in the Lut Desert and tropical weather along the coast of the Persian Gulf, there is the possibility of enjoying different weather diversity all year round. There is a great potential to develop diverse ecotourism products that might include mountaineering, caving, diving, ice climbing, desert hiking and rock climbing.

High-quality medical services

Given its geopolitical location and quality of medical services, Iran has the potential to attract this niche market. There is an extensive network of highly equipped hospitals and rehabilitation centres at reasonable costs, which are lower compared to the developed countries. Iran is also very cost competitive compared to its regional competitors, including the Hashemite Kingdom of Jordan, Turkey, the United Arab Emirates, Saudi Arabia and the Kingdom of Bahrain, as well as South-East Asian countries such as Thailand, Singapore, Malaysia, the Republic of the Philippines and India.

Community-based tourism

Out of the 64,000 villages in the country, where principal sources of income are agriculture, fishing and animal husbandry, the government has identified more than 500 villages whose tourism industry could be developed. The objective was to develop tourism infrastructures in approximately 500 villages as part of a plan to use rural tourism potential to create jobs and generate incomes.

The Rural Tourism Steering Committee (RTSC), under the auspices of the Ministry of Cultural Heritage, Handicrafts and Tourism, was established in 2004, comprising representatives from various government agencies. The RTSC subsequently chose more than 500 villages as rural tourism destinations of high potential and Ministry of Cultural Heritage, Handicrafts and Tourism started to prepare three-stage "rural tourism strategic structural plans" for 300 of the 500 villages, the remainder to be assessed in the future. According to Ghaderi et al. (2012), communities were rarely consulted and concerns were raised among residents and non-governmental organizations about the implications of increased tourism.

Some villages, such as Hawraman Takht (Kordestan Province), located in a valley surrounded by snow-capped mountains 63 km south of Marivan, are classified into a list of the "10 wonderful villages" of Iran. Hawraman Takht is regarded as an excellent example of Kurdish traditions and heritage, demonstrated by the wedding ceremony of Pire-Shaliar. Not all villages are as successful as Hawraman Takht is, but it shows the growing interest for "ethnic products" from both domestic and international visitors. CBT also takes place in the southern part of Iran, especially Quesh Island.[14]

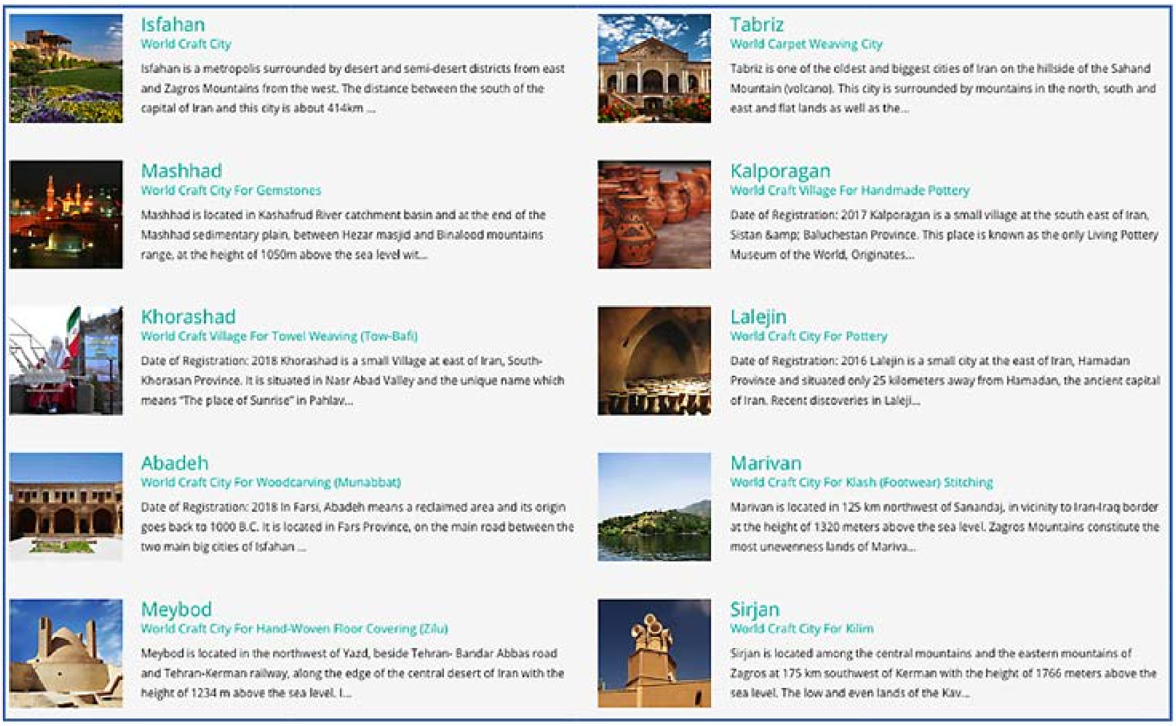
14.– http://www.cenesta.org/en/2016/03/16/visit-to-qeshm-cbo-eco-tourism/.

Cultural–historical tourism

The potential for Iranian cultural and historical tourism in part derives from Iran's ethnic variety and the great antiquity of civilizations within what is now Iran, as the country traced its cultural heritage back for at least 7,000 years. Iran has 24 UNESCO World Heritage Sites, of which 22 are historical and 2 are natural sites, including Tchogha Zanbil (1979), Meydane Emam (Naghsh e Jahan) (1979), Perspolis (1979), Tchogha Zanbil (1979), Takht-e Soleyman (2003), Bam Citadel (2004), Pasargadae (2004), Soltaniyeh (2005), Bisotun (2006), Armenian Monastic Ensembles (2008), Shushtar Historical Hydraulic System (2009), Sheikh Safi al–din Khangah (2010), Tabriz Bazaar Complex (2010) and the Persian Gardens (2011), Gonbad Qabous in Golestan Province (2012), Jameh Mosque of Isfahan (2012), Golestan Palace in Tehran (2013), Shahr-i Sokhta (2014), Cultural Landscape of Maymand (2015), Susa (2015), The Persian Qanat (2016), Historic City of Yazd (2017), Sassanid Archaeological Landscape of Fars Region (2018), Lut Desert (2016) and Hyrcanian Forests (2019) (the last 2 items are natural registered sites).

Additionally, Iranian handicrafts play an important role in developing the economic, cultural and social infrastructure for tourism in Iran (creating job opportunities and tourism attractions, etc.). Iran's traditional arts include 300 different types such as carpets, kilim, jajim, glassware, ceramics, pottery, miniature, woodwork and engraving, etc. (Harrison, 1995). Registering villages, towns and regional clusters where handicrafts are produced is one of many plans pursued by the Ministry of Cultural Heritage, Handicrafts and Tourism to promote brands and commercialize Iranian handiworks.

Figure 10: World craft cities in Iran



Source: ICHTO (2018).

The World Crafts Council (WCC), an affiliate of the United Nations Education, Scientific and Cultural Organization (UNESCO), has started registering world craft cities since 2014, and declared 27 cities as world craft cities. Iran is the first country in the world with the total of 14 cities and villages including 11 cities (Mashhad, Sirjan, Esfahan, Meybod, Abadeh, Lalejin, Marivan, Tabriz, Shiraz, Zanjan and Malayer) and 3 villages (Khorashad, Kalpourgan and Ghasemabad) registered by the WCC for their outstanding handicrafts. Some cities, such as Isfahan, where more than one handicraft is registered and practiced professionally, are selected as a professional handicraft city. Fifteen other Iranian cities are preparing documents to submit to UNESCO's craft council for registration.

Table 3: Top 15 source markets (2018)

تابعیت / Nationality	Arrivals	%	Cumulative %
عراق / Iraq	2 598 230	33.3%	33.3%
آذربایجان / Azerbaijan	1 829 434	23.4%	56.7%
افغانستان / Afghanistan	1 034 275	13.3%	70%
ترکیه / Turkey	947 033	12.1%	82.1%
پاکستان / Pakistan	304 677	3.9%	86%
ترکمنستان / Turkmenistan	170 984	2.2%	88.2%
ارمنستان / Armenia	163 693	2.1%	90.3%
بحرین / Bahrain	78 986	1%	91.3%
کویت / Kuwait	71 261	0.9%	92.3%
هندوستان / India	68 183	0.9%	93.1%
چین / China	52 255	0.7%	93.8%
لبنان / Lebanon	46 189	0.6%	94.4%
عمان / Oman	43 560	0.6%	94.9%
آلمان / Germany	39 557	0.5%	95.5%
گرجستان / Georgia	35 902	0.5%	95.9%

Source: ICHTO (2019).

For non-regional tourists, cultural tourism to Iran is predominately by organized package tours, with few individual cultural tourists. Although the portfolio of creative tourism packages offered extends well beyond cultural heritage into bicycling, skiing, hunting and wildlife observation, the European tour packages are mostly to iconic cities and sites. According to interviewed inbound operators, the majority of international visitors still concentrate on the Golden Triangle, including Isfahan, Yazd and Shiraz. However, most tours only include Yazd and its surroundings[15] when visitors have an extra few days to spare. Actually, popular package tours for non-regional visitors start and end in the capital, Tehran, and proceed south to take in the wonders of Shiraz and Isfahan, with detours to the ancient Achaemenid site of Persepolis en route.

Although there have been some challenges to tourism development, they have not prevented the influx of international tourists, who are nevertheless attracted by the cultural heritage of Ancient Persia and by Iran's natural beauty. Yet, international cultural and historical tourism in Iran is tiny as a proportion of all tourism in the country. In total, visitors from neighbouring countries made up 90% of all international arrivals to Iran in 2018 (Table 3).

Ecotourism

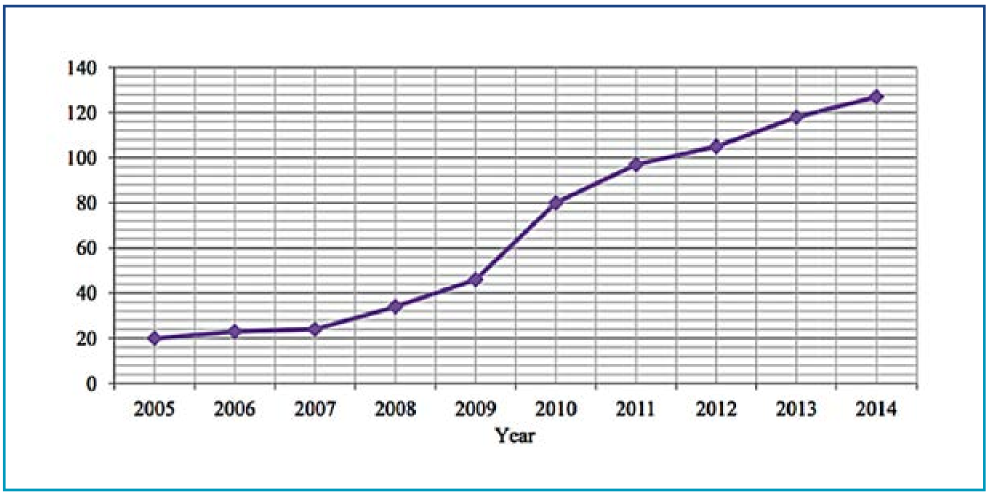
Ecotourism is one of the most popular tourism activities in the world, and it is actively developing in Iran. Iran has a varied landscape due to the presence of volcanic mountains, deserts, lakes and coastal regions bordering both the Persian Gulf and the Caspian Sea. Iran counts 290 protected areas covering some 18,473,493 hectares located in 33 provinces (Department of Environment, 2014). Most of the national parks in Iran

15.– This comprises a taste of the desert and a stopover in a rural location, such as Abyaneh village.

are considered as under the combined pressures of inadequate management and economic priorities (Reihanian et al., 2015).

One of the most interesting parts of Iran, from the perspective of ecotourism, is considered to be the northern part of the country, but all provinces are full of unique sites suitable for ecotourism activities. Although ecotourism in Iran is a young industry, so far, it has served a lot in the tourism industry. In recent years, the Iranian ecotourism industry started to use online marketing strategies in order to attract more tourists from around the world. The Iranian ecotourism industry has a great potential for growth, since there are many natural attractions in different regions of the country. Currently, most of these tourist attractions are not listed as tourist destinations by travel agents and this is mainly due to the low amount of investments in this industry. The main reason that investors are reluctant to invest in this industry is that there is not too much demand for visiting these natural tourist attractions. This is mainly because there is not enough advertisement for ecotourism. According to Riasi and Pourmiri (2015), there are now many websites that offer one-day tours to Iran's natural tourist attractions and many travel agents have worked with their international partners in order to attract foreign visitors.

Figure 11: Number of Iranian ecotourism marketing websites (2005–14)



Source: Riasi and Pourmiri (2015).

Ecotourism in Iran involved a large group of different stakeholders being clustered into the National Ecotourism Committee (NEC) formed in 2005 and being in charge of developing ecotourism policies, among other things. It includes the Department of Environment (DOE), the Forest Authority, the Ministry of Cultural Heritage, Handicrafts and Tourism and the private sector.

The needs for capacity building, increased investment in human resources development, and practical regulations are key to ensuring that Iran can meet its potential as an ecotourism destination (Barmaki, 2013). With the cooperation of the Office of National Agreement, including universities, private sector and environmental organizations, an ecotourism document was released approximately five years ago but this has not yet been implemented,. The development of ecotourism will also offer greater opportunities for local communities to participate in related income-generation activities to raise living standards.

Health tourism

The Government of Iran believes that the country has considerable potential for growth of health tourism. First, health tourism is one of today's highly thriving sections of the tourism industry in the world. Second, Iran has planned to grab opportunities from this trend through the advantages that represent the low costs and the high quality of its health services. Health tourism is, therefore, not a new phenomenon in Iran. In the past, neighbour countries, including Arabian countries around the Persian Gulf, were travelling to Iran for health care services. Health tourism represents a remarkable share of inbound tourism in Iran. According to some health tourism experts, at the border with Azerbaijan, there are approximately 2,000 people crossing per day and 50% of them for treatment. Closeness of cultural and religious beliefs and familial relationships on one hand and trusting Iranian physicians on the other hand were amongst the most reasons for selecting Iran as a destination for medical tourism by patients (Rokni et

al., 2013). Additionally, cost considerations are one of the biggest motivations of health tourism and costs of medical services in Iran are lower than the other neighbour targets for health tourists (e.g. Turkey, India and so on) (Hosseini et al., 2015). All policies and regulations regarding health tourism should come from the Health Tourism Council, which comprises fix members meeting every 2–3 weeks to discuss problems and plans (short and long term):

- The Ministry of Cultural Heritage, Handicrafts and Tourism
- Ministry of Foreign Affairs
- Ministry of Health and Medical Education
- Iran Chamber of Commerce
- Iran Medicine Organization

The Ministry of Health and Medical Education had enacted a law that stipulates conditions and requirements of medical centres that accept health tourists. The ministry is also committed to provide the facilities for playing an effective role in the world market and turn the country into a centre of medical services in the region. Today, approximately 400 hospitals are active in medical tourism, but only 168 have been granted permits to set up an international patients department (IPD). Skin treatments and hair treatments are supplied in clinics (not in hospitals) and they also need to have an IPD.

Less than half of the private hospitals with modern technologies are in Tehran, followed by Shiraz, Mashhad and Tabriz, and these cities are the main destinations of medical travels. New projects are also starting, such as the health care city in Isfahan.[16] Currently, the Persian Gulf countries are still the largest potential market for Iran medical tourism given the above-mentioned religious and cultural similarities between these nations. However, there are still no clear statistics about the patients treated or under treatment in the country, as there is no authority Iran to record this data. Qualitative information about health tourism indicates that traditional markets travelling to Shiraz (Ophthalmology and liver transplantation) for health purposes are from Oman (15 weekly flights from Oman to Shiraz and now from Qatar, etc.), to Mashhad are from the Islamic Republic of Afghanistan, to Tabriz are from Bakou (the Republic of Azerbaijan), and to Ardabil for wellness tourism. Medical tourists from Iraq are mostly going to Teheran, Qom and a few to Mashhad. Visitors from the southern part of Iraq are going to other destinations in Iran. To date, Isfahan is not well known for health tourism; Tehran, Shiraz and Mashhad are currently the top three medical tourism destinations. As for Yazd, well known for vitro fertilization, its main constraint is a climate being too similar to that of its potential customers in the region. Iran also has a very large number of hot springs throughout the country, but the largest and most diverse natural hot springs are located in the north-west (Ardabil Province).

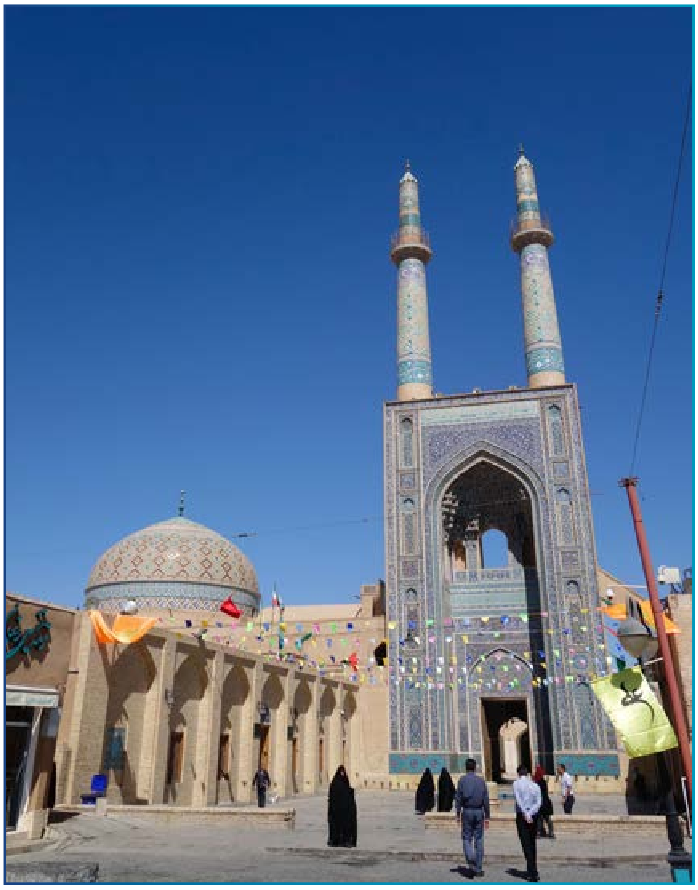
16.– http://en.isfahanhealthcarecity.com.

According to the Health Tourism Strategic Council,[17] Iran had 105,000 medical tourists in the Iranian year ending March 2017. This is based on figures from Iran's 162 licensed health tourism travel agencies, and the figure could be higher, because many medical tourists either travel independently or go to Iran using unauthorized agents and, without health tourism visas,[18] they are not registered as medical tourists. However, this figure also includes health tourists going to hot and cold springs. According to the Ministry of Health and Medical Education, a medical tourist spends \$3,600–\$7,600 on every trip. So, by taking the average (\$5,600), Iran's revenue from medical tourism amounted to \$588 million in 2017. Based on the sixth economic development plan (2017–22), Iran was projected to attract 500,000–600,000 medical tourists every year. This figure was indeed reached during the first four months of the current Iranian year (21 March to 22 July), as Iran attracted some 600,000 medical tourists, equalling the total number of visitors who travelled to Iran for healthcare services during the whole past year.[19] Medical tourism yielded \$1.2 billion in revenue for the country in 2018. The popularity of Iran as a health tourism destination has soared recently, mainly due the devaluation of the Iranian currency against foreign currencies. Hospitals estimated in 2019 that they would treat 70,000 international patients as inpatients, and most, but not all of them, would be medical tourists. In12 hospitals in the Mashhad region alone, 12 hospitals claim 6,000 medical tourists and 20,000 if they include outpatients. If this proportion was true nationally, the total national figure would be approximately 200,000. This figure does not include clinics. Today, Iran has a target of a million medical tourists by 2024. Despite negative coverage in some sections of the Western media, in reality, Iran is becoming a global healthcare leader in developing cardiovascular surgery, fertility treatment and organ transplantation, as well as in nanotechnology and stem cell technology.

Religious tourism

Religious tourism can be defined as visitation to certain tourism places where visitors have the opportunity to experience religious events or sites, or the products they induce, such as art, culture, traditions and architecture (Blackwell, 2007). However, it is also commonly referred to as faith and/or pilgrimage tourism, which can be defined as a type of tourism where people travel individually or in groups for pilgrimage, missionary or leisure (fellowship) purposes (cited in Chianeh et al., 2018). In Iran, religious tourists tend to concentrate mostly at the Shia shrines of Imam Reza in Mashhad and that of his sister, Fatima, in Qom, and some other holy places such as Hz. Shah-e Cherag in Shiraz.

For Bizzarri and Lopez (2014), the explosion of this type of tourism is believed to be derived from two main factors. The first factor: after the various diasporas of the Iranians, the Shia religion has spread throughout the Middle East and the Mashhad city, being close to the border with Turkmenistan, Afghanistan and Pakistan, has become the centre of the Shiite pilgrimage for all of these areas (with more than 2 million pilgrims annually coming to the city of Mashhad). The second factor is derived from the increased role of religion in social and economic dynamics, such as to result in a purely locational extending the area of the mosque. The existence of many important holy places in Iran and the existence of a 25 million Shiite Muslim tourists in the world indicates that Iran can attract a major portion of above-mentioned tourists and their incomes.



17.– https://www.imtj.com/news/record-health-tourism-numbers-iran/.

18.– Iran requires medical health tourists to apply for a specialist visa. Iran has signed agreements with 13 nearby countries to make it easier for health and medical tourism customers to travel to Iran. The countries include the Republic of Iraq, Afghanistan, Azerbaijan, Turkmenistan, Bahrain and the Sultanate of Oman.

19.– https://ifpnews.com/medical-tourism-in-iran-hits-new-record-in-four-months.

Strengths driving the sector's recent performance

The tourism sector's competitiveness can be analysed from two different perspectives: its competitive and comparative advantages as an economic sector, and its contribution to the development of the non-tourist economy through economic linkages.

- Comparative advantage relates to things like climate, beautiful scenery, attractive beaches and wildlife, etc. Comparative factors are close to primary tourism supply (natural, cultural and social attractiveness); and
- Competitive advantage relates to tourism infrastructure, the quality of management, the skills of the workforce, supporting industries and the role government policy.

To understand Iran's competitiveness, we should consider both the basic elements of its comparative advantage as well as the more advanced elements that constitute its competitive advantage.

Comparative advantages

Iran is a unique country in terms of its tourist attractions and abundant resources. The most important characteristics of the country are its diverse natural and ecotourism attractions, religious, ethical and cultural diversity, its national and Islamic architectural style, diverse climatic conditions and, above all, its people's hospitality. Currently, 22 historical sites and two natural site of the country are listed under the World Heritage list and 48 more sites are tentatively listed. Iran is not only a nation with rich historical and cultural sites, it also has a unique environment and nature in which four seasons of the year could be observed (Zolfaghari, 2007).

Having such natural and cultural assets is a tremendous advantage for a country like Iran, because it provides a magnet that can attract different market segments. However, whether these resources are sufficiently exploited to create a vibrant and sustainable tourist sector in Iran is a very different question.

Lastly, its position at the crossroads of Europe, the Middle East and Asia gives Iran the advantage of a prime location in terms of distance from the main leisure source markets. It also corresponds to a diversity of weather conditions/climate within the country during the same period of the year.

Physical attractions

- Five major bioclimatic types;
- 205 sites that are located at a higher altitude than 3,500m;
- More than 50 inland lakes and 22 internationally important wetlands;
- Coastal areas: Caspian Sea (630 km), Persian Gulf and Oman Sea (1,880 km), and a multitude of islands;
- 295 registered protected areas;
- Many caves, springs, waterfalls, rivers and geological structures;
- The hottest deserts in the world (Lut Desert).

Historic attractions

- Ancient civilization and history, date back to more than 8,000 years;
- Islamic and pre-Islamic buildings;
- 22 historic World Heritage Sites;
- Historical hydraulic systems and wind towers.

Cultural attractions

- Diverse cultures, languages and folklores, including Christians, Zoroastrians and Jews;
- Tribes of Fars, Turk, Arab, Kurd, Lor, Balooch, Turkmen and others;
- First country in the world with 11 cities and three villages registered by the World Crafts Council (WCC) for their outstanding handicrafts;
- At least 90 museums and more than 1.5 million artefacts in the museums from all over the country;
- Tombs of outstanding persons.

Religious and pilgrimage attractions

- Approximately 70,000 shrines and tombs in Iran that belong to grandsons of Shiite imams;
- Many historic mosques throughout Iran;
- Many holy and pilgrimage places for followers of other religions such as Zoroastrianism, Christian and Judaism.

Competitive advantages

Demand-side competitiveness

In the last two years, Iran was best performing with its neighbouring countries thanks to an annual growth in arrivals of 53% in 2017–18. As has already been indicated, this reflects the unusual confluence of events that shaped this decade in Iran more than the inherent competitiveness of the tourist sector. With regards to the figures provided by the Ministry of Cultural Heritage, Handicrafts and Tourism (previously ICHTO), Iran's tourism was stagnating in 2013–17. The last round of sanctions against Iran suggests that this rate of increase is unlikely to persist indefinitely.

A critical element of this demand-side competitiveness of Iran as a tourist destination is the views of tourists themselves. Generally speaking, visitors to Iran considered the quality of most goods and services to be above average and all expressed their willingness to return. Their recommendations will entice others to visit Iran. It can be concluded that the higher satisfaction international tourists have about visiting Iran, the more likely they will revisit it or recommend it to others. The rapid increase in international arrivals from the Western markets in 2016 (France, +122%; England, +126%; the Kingdom of the Netherlands, +75%; etc.) after the removal of sanctions means a lot in terms of tourism potential for the country.

Supply-side competitiveness

An important aspect of the competitiveness of a tourist destination is the perceived ease of doing business there. Iran is ranked 128 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. Disaggregating the survey by sector would be useful, because it enables an analysis to determine the most important constraints to private enterprise operation and growth and identify any sector specificities.

In 2018, Iran made paying taxes easier by introducing an online system for filing social security contributions, allowing the possibility of filing value-added tax refund claims online, amending corporate income tax returns online and making payment of additional tax liability at the bank. Iran presents an important opportunity for multinational tourism companies that operate in emerging markets.

The tourist product in Iran is regarded as cheap. Inbound tour operators suggested that, with recent devaluation, Iran became more competitive, but it did not help to counterbalance the last round of sanctions. Iran ranked 1st globally thanks to low ticket taxes and airport charges (7th), fuel prices (5th) and high purchasing power (5th). However, this performance is undermined by the fact that many countries of the Middle East and North Africa (MENA) region's economies offer visitors greater purchasing power (especially the Arab Republic of Egypt, the People's Democratic Republic of Algeria and the Republic of Tunisia), which has been increased by lower exchange rates. Yet it is reductions in ticket taxes and airport charges as well as lower hotel prices that have primarily driven regional price competitiveness in recent years. Another interesting perspective is offered by the study of the average expenditure per tourist per stay (Table 4). Despite its high price competitiveness, the average amount of expenditure per tourist and per stay is higher in Iran than in countries sharing many common features (Turkey, Egypt and Malaysia). Although a longer average length of stay may explain much of this situation, it points out that a visit to Iran requires a high budget compared to competing destinations.

Table 4: Tourism statistics of Iran and selected countries (2010)

Countries	International tourist arrivals (million)	International tourism receipts (USD billion)	Average expenditure per tourist per stay
Iran	2 034	1 914	$941 00
Turkey	27	20 807	$770 63
Egypt	14 051	12 528	$891 61
Malaysia	24 577	17 819	$725 03

Source: Adapted from Chianeh et al. (2018).

The World Economic Forum (2019) provides an alternative way of understanding the competitive advantages are ranked across a broad range of criteria in terms of key tourism decision makers' perceptions of the relative competitiveness of the travel and tourism industry in each of 140 countries. Criteria include the tourism regulatory environment, the business environment and infrastructure, and human, cultural and natural resources.

At an aggregate level, Iran scores poorly on the travel and tourism competitiveness index. In 2019, Iran achieved a total score of 3.5 – a rank of 89th out of the 140 countries. Iran doesn't score above the global average for natural resources. It does only for cultural resources. In fact, the entire Middle East and North Africa (MENA) region's score in both of these areas has fallen in recent years. According to the World Economic Forum (WEF) report, more needs to be done to expand habit protection and heritage sites. Important elements of this analysis were confirmed by the interviews with tourism stakeholders.

Institutional enablers

An acknowledged importance from the government

To date, and to explain Iran's low rank in terms of prioritization of travel and tourism in the World Economic Forum (WEF) report (2019), despite the priority given to the tourism sector, the following factors mean that not all elements are there to facilitate the sector's sustainable development:

- The delays in finalizing the new tourism master plan;
- The recent creation of the Ministry of Cultural Heritage, Handicrafts and Tourism;
- The absence of a strong tourism policy.

The prioritization given to tourism within the forthcoming National Export Strategy nevertheless sends a positive sign to the stakeholders concerned directly and indirectly by tourism.

As mentioned earlier in this document, the development of a new master plan for tourism is underway, with technical support from the UNWTO with the objectives:

- To sustain tourism development by being observant of environmental, social and economic considerations;
- To attempt to consolidate cultural identity, preserve values, and natural, culture and crafts heritage;
- To introduce the country as a tourist destination and introduce the works of Iran's cultural and natural heritage to other countries;
- To improve the business tourism industry;
- To encourage efforts to improve the level of welfare and social vitality;
- To strengthen institutional and inter-institutional cooperation for the development of the tourism industry through the High Council of Cultural Heritage, Handicraft and Tourism and other related institutions;
- To enhance public and private sector partnership in order to increase the country's competitiveness and sustainability as a tourist destination;
- To satisfy and enhance the quality of the tourists experience;
- To assist in the development of human capital, and the promotion of the knowledge and skills of employed and required manpower in the tourism field;
- To increase cultural development in the field of tourism and efficient employment with an emphasis on local, youth and women communities;
- To contribute to the regional balanced development of the country and increasing national revenues;
- To attempt to fulfil the goals of public diplomacy and cultural diplomacy of the country by improving the image of Iran at the international level.

The recent creation of the Ministry of Cultural Heritage, Handicrafts and Tourism originates in the prioritization given to the tourism sector in Iran and, therefore, in the objective to rely on a stronger governmental body to implement the forthcoming tourism master plan.

DIAGNOSTIC OF VALUE CHAIN'S COMPETITIVENESS

Despite the sector's strength and potential, a number of challenges are also faced. Unleashing the tourism sector's potential through trade will require the root causes of major challenges to be identified and solutions developed. Fundamentally, these issues arise from constraints on the sector's capacity to compete in the present, connect through accessing and using information and knowledge, and change by adapting to changing conditions and opportunities.

The competitiveness assessment carried out looks at weaknesses of firms, the wider business ecosystem and the national environment to help identify what bottlenecks to growth firms are currently facing. The assessment follows the different stages of the value chain:

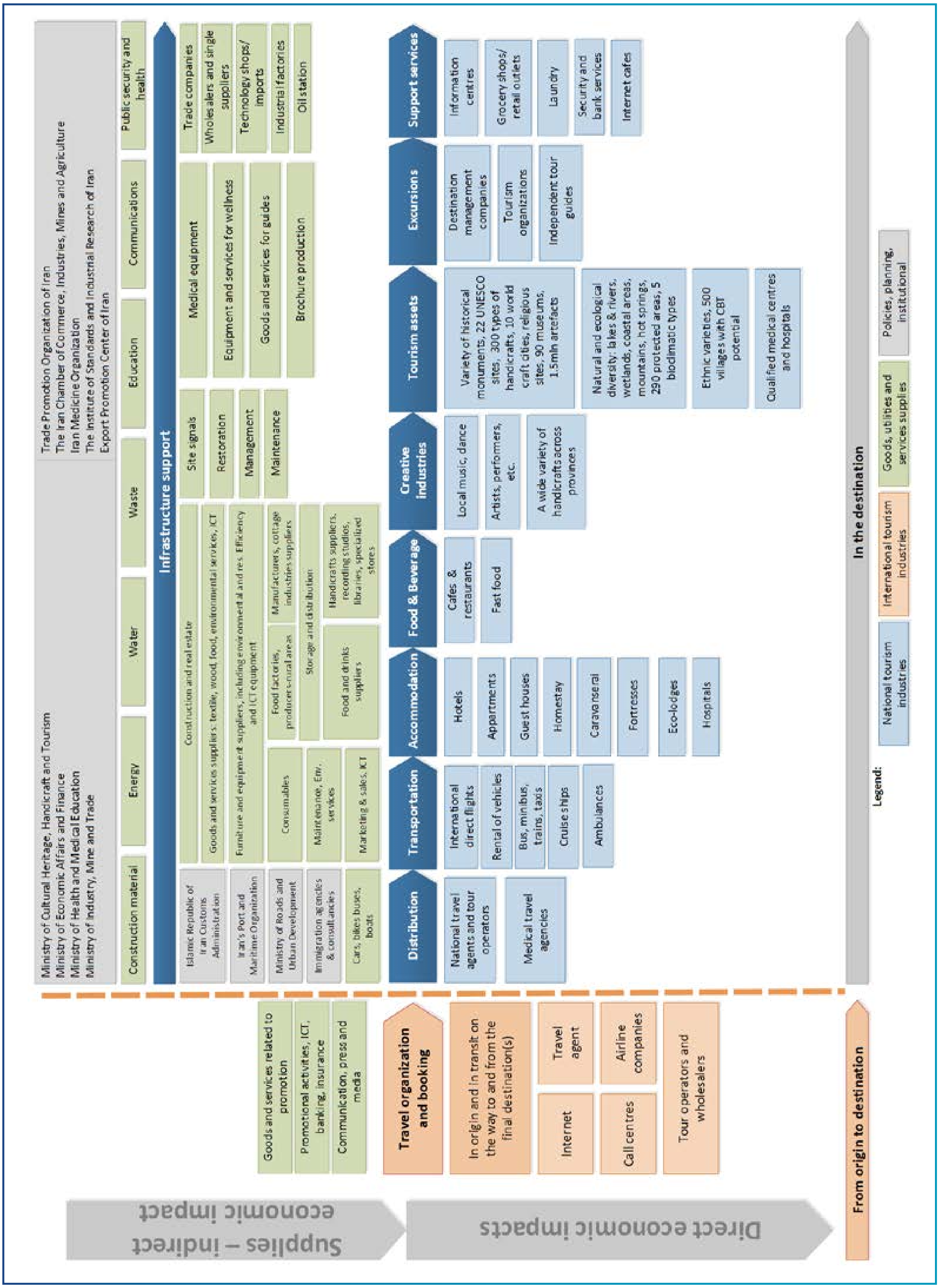
- Access to inputs and resources covers issues related to human resources capabilities, access to finance, and access to equipment or infrastructure.
- Firms' operations and production covers issues related to the value-addition processes, quality insurance, investment, research and development, and competition, etc.
- Market entry covers issues related to the accessibility of national and international markets, customs procedures, trade information and promotion, etc.

The different value chain stages are further subdivided into three levels:

Firm capabilities	Assesses whether firms can manage resources under their control.
The business ecosystem	Is made up of support institutions that supply enterprises with the resources or competences they need to be competitive.
The national environment	Is referring to the broader framework in which firms operate, typically encompassing relevant policies and regulations.

The following section will present the value chain diagram Iran's tourism sector and an overview of the bottlenecks along that value chain, the firm capabilities, the business ecosystem and the national environment impacting this value chain.

Current value chain



Overall competitiveness constraints

In general, Iran has been associated with oppression, terrorism conservatism and anti-Western sentiment. Besides the negative image that impedes its attractiveness and hampers marketing efforts, tourism in Iran faces other considerable challenges. According to Seyfi (2018), crucial issues for tourism development in Iran include the importance of religion, the role of women in society, sustaining Iran's cultural heritage, and the resistive economy to provide a benchmark assessment of tourism and its potential future in a troubled political environment. In this section, we propose to go beyond the various usual issues, including the consequences of the country's negative image, international sanctions, political instability and conflicts in the Middle East region, to focus on tourism management and policy issues.

Access to inputs and resources

Lack of conservation and protection of principals of attractions

Despite the existence of the National Ecotourism Committee (NEC), the absence of a national authority of tourism as an umbrella organization to ensure the preservation of natural areas and to avoid conflicts between tourism and other economic sectors was highlighted repeatedly. The recent creation of the Ministry of Cultural Heritage, Handicrafts and Tourism will perhaps facilitate the solving of this issue. Just now, it should not be about who is to blame, but who is going to undertake the planning for the use of the natural sites. Similar to many destinations, there are existing conflicts for the use of natural areas between tourism and other economic sectors, and tourists are also often the main culprits in the degradation of natural sites. The increase of new forms of tourism, therefore, requires new types of competencies and specific policies at provincial level to conserve and protect tourist attractions.

Lack of coordination between and within government bodies in charge of tourism-related activities

The lack of a tourism organization with a long-term strategy and an ad hoc approach to the sector has curtailed such a promising sector in Iran. The latest tourism master plan was launched in 2001. To date, the new master plan is still in draft form. The difficulty to build a national tourism policy and strategy can be based on the high staff turnover within the Ministry of Cultural Heritage, Handicrafts and Tourism, but also on the limited understanding of the sector due to the absence of reliable tourism statistics in Iran. According to the Ministry of Cultural Heritage, Handicrafts and Tourism, the implementation of the Tourism Satellite Accounts (TSA) is under process with the Statistical Centre of Iran (terms of reference have been prepared by the Ministry of Cultural Heritage, Handicrafts and Tourism and sent to the Iran Statistics Centre (ISC) for finalization and agreement in early September 2019). The UNWTO should provide technical assistance to it. However, the lack of coordination can also find its origin in the broad range of perceptions when it comes to opening the country to international visitors. For many years, the Iran Travel, Tourism and Touring Organization (ITTO), later replaced by the Iranian Cultural Heritage, Handicrafts and Tourism Organization (ICHTO), was attached to the Ministry of Culture and Islamic Guidance (MCIG), which had authority to make policies and to sanction any form of tourist product that might be objectionable to Islamic values and norms. The recent creation of the Ministry of Cultural Heritage, Handicrafts and Tourism to replace the Iran Cultural Heritage, Handcrafts and Tourism Organization (ICHTO) is, therefore, perceived by some as an opportunity to empower the tourism decision makers and to accelerate the tourism development process. Nevertheless, tourism-related subsectors, such as health tourism and ecotourism, involve other government ministries and departments and, therefore, there is a question of leadership. Many academic papers highlight a lack of coordination between related organs/agencies and organization related to tourism in various aspects (Taleghani et al., 2014; Seyfi, 2018). This problem is not specific to Iran, but it is certain that dysfunctions exist despite the creation of national committees.

Firms' operations and production

Shortage of national and international investments in tourism

The lack of private investment is particularly acute in the accommodation sector (including an incomplete range). As a result, many hotels are still managed by the state today with the inherent defects of public structures, including a lack of competitiveness. According to the Harvard Business Review (2019),[20] there are five notable challenges, of which four deserve immediate attention in order to reap the benefits of the Iranian tourism market:

- Updating global compliance policies. A comprehensive compliance strategy is the essential bedrock for building and implementing a successful Iranian plan. Companies need to confirm that their policies are compliant by consulting with an external sanctions lawyer.
- Overcoming a lack of market data. Companies looking to enter the tourism market should identify and track leading macroeconomic indicators of specific customer segments. Currently, reliable tourism statistics are rather scarce. Focusing on data such as population and tourism growth, tourism market segments, average length of stay and sources of information, etc. is a way to anticipate market developments.
- Finding the right local partners. While it is possible to set up a direct presence, using local distributors at first is strongly advised. The best way to identify new partners involves in-person due diligence. Companies are increasingly using local partners in the United Arab Emirates or in Istanbul to connect with distributors in Iran.
- Accessing foreign exchange. Often, local companies spend weeks waiting for access to foreign currency to import goods from their foreign partners. Without access to the US financial system, this pressure will not ease in the near term. Moreover, this problem is likely to persist, because Iran is unifying dual currency exchange rates while also seeking to protect local producers from volatility.

Low level of creativity of tour operators, authorities and decision makers

As a result of the sanctions, Iranian tourism stakeholders are not really up to date on the latest trends and opportunities in international tourism. This also impacts vocational training schools and, therefore, the future tourism workforce and the development of new and innovative products. In fact, the lack of knowledge of creative tourism practices is becoming a weakness in supporting young entrepreneurs and start-ups in this field. Moreover, the World Heritage Sites are considered as the main triggering factors for people to visit Iran. International leisure tourism activities mostly concentrate on a limited geographical area (Golden Triangle). As a result, it is difficult for travel agents to move away from traditional products and promote alternative products with whose markets they are not familiar. Finally, as in many destinations around the world, operators' attentive behaviour is observed and only a few develop new activities and products. However, there are opportunities both at the national level, with the existence of thematic roads (Silk Road and Marco Polo Road, etc.) that are rarely exploited, and at the local level with the creation of tourist villages, which are often visited, but without real sharing of experience between visitors and visited. Earlier reference was made to the lack of detailed tourism statistics on trends, markets, geography and economics, etc. Statistics are key elements for policymaking and decision-making for both public and private sectors.

20.– https://hbr.org/2016/05/what-to-know-about-doing-business-in-iran.

Market entry

Globalization and growing competition in the global tourism industry

Countries with high spending power represent a rapidly growing niche market with fierce competition among countries. Partly due to its isolation, keeping abreast of the latest tourism trends is not one of Iran's strengths. This limits its attractiveness to a significant part of the tourism markets looking for experiential tourism. Countries are developing promotion plans (Spain), innovative campaigns (Tunisia), new regulations (e.g. tourist zones in France) and new services (e.g. language facilities) to attract these tourists. The lack of a proper strategy along with an ad hoc approach to the sector impedes the country's competiveness. However, competitiveness should not be seen only in quantitative terms, as a rapid increase in tourist arrivals could lead to congestion and, subsequently, to a deterioration of tourist sites as well as a loss of identity. Tourism is a significant player in the globalization process (through the rapid expansion of new destinations, new demand and new markets) and is strongly influenced by globalization, which (i) actually means a process of standardization of services and products, and (ii) is a step towards the modernization of cultural and social values. Tourism competitiveness also strongly relies on the quality of the service and Iran, despite the impressive hospitality of its inhabitants, lacks good services at each node of the tourism value chain. Efforts are made[21] to mitigate this weakness, but they remain limited in time and efforts.

Lack of marketing programmes

The key difference between marketing and promotion is the fact that promotion is a part of an overall marketing mix. The marketing mix consists of price, product, place and promotion. Said differently, the marketing includes the structuration of the supply (what is to offer, where, who and how, etc.), the differentiation of the product/destination, which includes the pricing strategy, and then the promotion. Thus, marketing exists without promotion, but promotion doesn't exist without marketing. From meetings with the different departments of the Ministry of Cultural Heritage, Handicrafts and Tourism, it seems that marketing and branding strategies are the responsibility of two different departments (Marketing and Education), with no close links between them. Advertising and informing are considered as vital factors in the tourism industry. Unfortunately, strategies, channels and tools to promote Iran abroad are not sufficient. A focus is currently given to emerging markets, which are more volatile for some (Thai and Malaysian, etc.), and to increase the risk of eviction of traditional leisure markets for others (Chinese and Iraqi).[22] Giving the proper information to tourists is crucial. Iran's branding cannot use benchmarking that projects an image that only highlights the enormous amount of tourism resources and experiences that the country can offer its visitors (Iran – the land of beauty and glory), particularly in terms of cultural, natural and religious resources and attractions. This is all the more obvious since the starting point is totally different. It must focus on redefining Iran's perception beyond its resources and attractions to an open country where traveling off the beaten tracks is encouraged. References to safety should be avoided, as it brings back the negative image of the country. More efforts are needed to stop preventing the use of the internet and the social media for travellers in order to allow tourists to become real ambassadors of the destination. It should be noted that most millennials use social media to organize their holidays – restricting access to social media and, therefore, their use for promotional purposes, therefore severely hinders operators' ability to capture this market.

Weakness of the accessibility to destinations

The country suffers badly from the US embargo in the area of air transport. Following this embargo, many airlines decided to stop flying to Iran, creating a shortage of international direct flights. However, a new terminal is progressively becoming operational with a capacity of 120 aircrafts instead of the current eight. The country's objective is similar to the current strategies of its regional competitors, with the ambition of becoming a hub and encouraging people to layover. Iran has four national carriers, bit Mahan Air is banned from European sky.

Additionally, not all international airports receive international flights, but charter flights are organized in high tourist season. This often limits the development of new tourism routes and, therefore, a better distribution of tourism benefits. From a human resources perspective, as in other subsectors, transportation suffers from a weakness in professional behaviours with customers. Additionally, most tourism businesses are not disabled-friendly. This includes the stopover areas along the main roads, which are missing or not adequate for international tourists in some areas.

21.– Tourism stakeholders (employers) have to follow training courses since 2019. These training courses consist of 137 hours over a period of three months at the expense of the latter. No certificate is issued.

22.– The exemption from visa fees for Iraqis was based on the volume of visitors and not on a survey of the benefits and impacts of Iraqi tourism.

Sector-specific competitiveness constraints

In addition to the general challenges that hinder the development of the tourism sector, we also observe some challenges specific to each of its subsectors. This section concentrates only on the prioritized tourism subsectors with the objective to identify the main and specific root causes that hamper their competitiveness. To remain realistic and resource-efficient, this strategy will not be able to focus on all the issues affecting the value chain. Also, because the national tourism export strategy is to drive the master planning process, which includes domestic tourism, it is supposed to concern more external than internal problems. Additionally, the national tourism export strategy describes a global path to pursue with regards to four tourism subsectors only (historical and cultural, health tourism, ecotourism and community-based tourism). An informed selection of the most important issues was made. To assess relative importance, criteria used are the level of disturbance (perceived by national stakeholders) and the ease of resolution (both in terms of cost and time involved).

Top issues to be addressed for community-based tourism

Insufficient financial and technical means for the sustainable implementation of the tourism villages

The governmental tourism villages project started probably with too many objectives to become efficient in each of them. According to Gadheri (2012), communities were rarely consulted and concerns were raised amongst residents and non-governmental organizations about the implications of increased tourism. It is relatively easy to engage with government stakeholders (through their various related departments) and the private sector (through their various associations), yet it continues to be challenging to engage the breadth and depth of host communities. The implementation of community-based tourism initiatives is not only about taking visitors to rural areas, it also requires knowledge in both community mobilization and tourism to create responsible products and activities. This is basic justice – that it is not only accessible to and defined by tourists or the tourism industry, but that communities are considered first (no matter how that might actually work as it evolves dynamically).

Loss of social fabric

As like everywhere in the world, the younger generation tend to have changed their lifestyles. They are interested in consuming non-local foods and drinks, wear non-traditional fashions, and they desire to indulge in the same form of entertainment as tourists. The contact with the international visitors may indeed precipitate changes in the everyday life, traditions, values, norms and identities of destination residents.

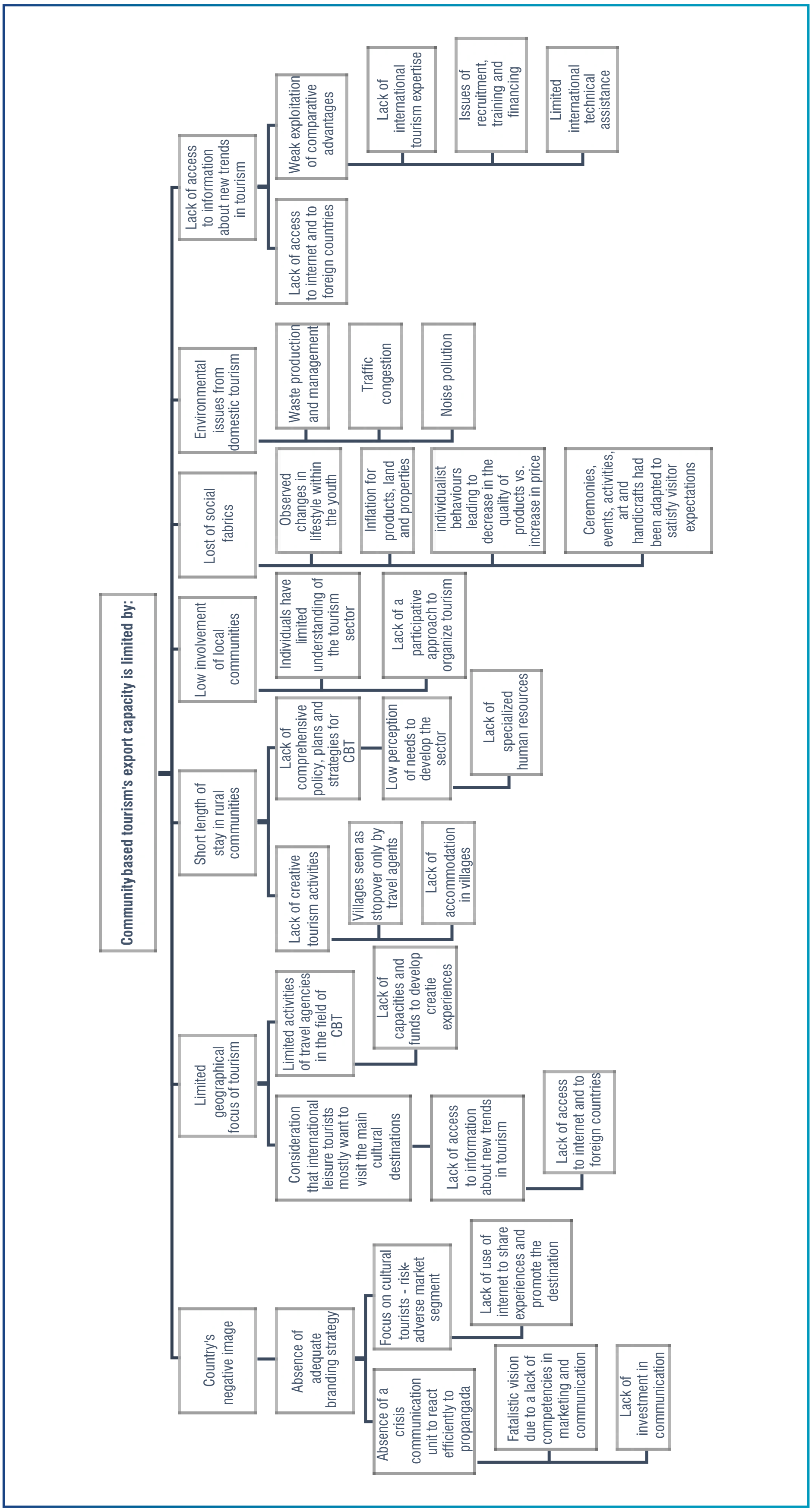
Perception of rural villages as stopover only

More attention should be given to the current limited length of stay, since there is a risk that resources are being damaged and depleted and locals excluded in a way contradictory to principles of sustainability. Another example of a tourist village receiving large numbers of tourists is Abiyaneh, where the time spent by travel agents and tourists remains too limited for tourism to be positively perceived by local communities and become an additional source of income for a large part of the population and not just for a few. While Gadheri et al. (2012) consider that tourism cannot be seen in Iran as a key driver of growth for rural economies and an economic activity approved by resident populations, it is certainly because local communities haven't been properly integrated into the tourism development process.

Carrying capacity of rural villages

The village Hawraman Takht, as introduced in the section on ecotourism in Iran, receives approximately 150,000 visitors every year, mainly from early spring to mid-autumn (March to early November). This included approximately 500 international tourists who usually come at the time of the celebrations. Most visitors are on day tours organized by travel agents, but a large number are independent domestic travellers. On other occasions, Hawraman Takht is usually a stopover on a longer tour and visitors spend a few hours there, sometimes shopping at roadside stalls.

Figure 12: Problem tree for the community-based tourism sector's export capacity



Source: ITC.

op issues to be addressed for cultural and historical tourism

Low access to information and limited innovation capacity (input provision)

Tourism stakeholders, including travel agents and vocational training schools, lack access to information concerning new trends and opportunities. This concerns both access to knowledge (new trends and expectations) and information on the tourism sector in Iran. Access to visas is difficult for Iranians wishing to travel abroad. This limits meetings with other professionals and participation in structuring training courses where they could learn more about new trends and emerging markets. The limitations also apply to the use of social media. Overall, this limits service providers' ability to offer new and innovative tourism experiences to their customers. Therefore, cultural tours in Iran remain very traditional in a sense that tourists tend to visit more than to experience the destination. Iran's bad reputation also reduces the number of possible connections with international tour operators. As an example of the current weakness in converting attractions into a tourist product, a watermill and underground water rehabilitation project proposes a visit to understand the system, but do not deliver a storytelling product.

Focus on the main historical/cultural tourism assets only limits the likelihood of return (production)

There are so many expectations when visiting Iran that international leisure visitors are basically covering a maximum of tourist sites within their stay. This has three main consequences. First, it gives a feeling of having seen the essential and it negatively influences the probability of a second visit to Iran. Second, it reduces the economic impact that tourism can have in view of the limited periods of time spent at certain sites and, in particular, in secondary destinations. Third, it creates shortages in accommodation in high season in primary destinations and international tour operators are, therefore, reluctant to send their customers. It is important to review the current itineraries in order to better distribute visitors and their expenditures throughout the territory, and to encourage return to Iran with complementary products in different geographical areas. This should take into account strong cultural elements currently forgotten, such as poetry and Iranian literature.

Existence of free riders

Currently, the number of tourist guides is probably too large for the volume of leisure tourists. However, new guides continue to be trained and certified. In 2019, there were approximately 9,000 students receiving courses on tour guiding and hospitality management in Iran. According to the Ministry of Cultural Heritage, Handicrafts and Tourism, approximately 50% of them will have a chance to get a job in the tourism sector only. Faced with this situation, many guides act as travel agencies, using social networks to connect with their customers or acquaintances. For some, they organize their clients' stays, including the rental of vehicles that compete with travel agencies and do not always offer the best travel conditions. In some cases, we found that some local guides are, however, encouraging more experiential travel and activities taking tourists off the beaten track. However, in other cases, the various pressures exerted by some local guides on tourists in the craft sector to obtain commissions of up to 30% are reflected on social media. Tourists thus communicate about these inconveniences, which then have an impact on purchasing behaviour.

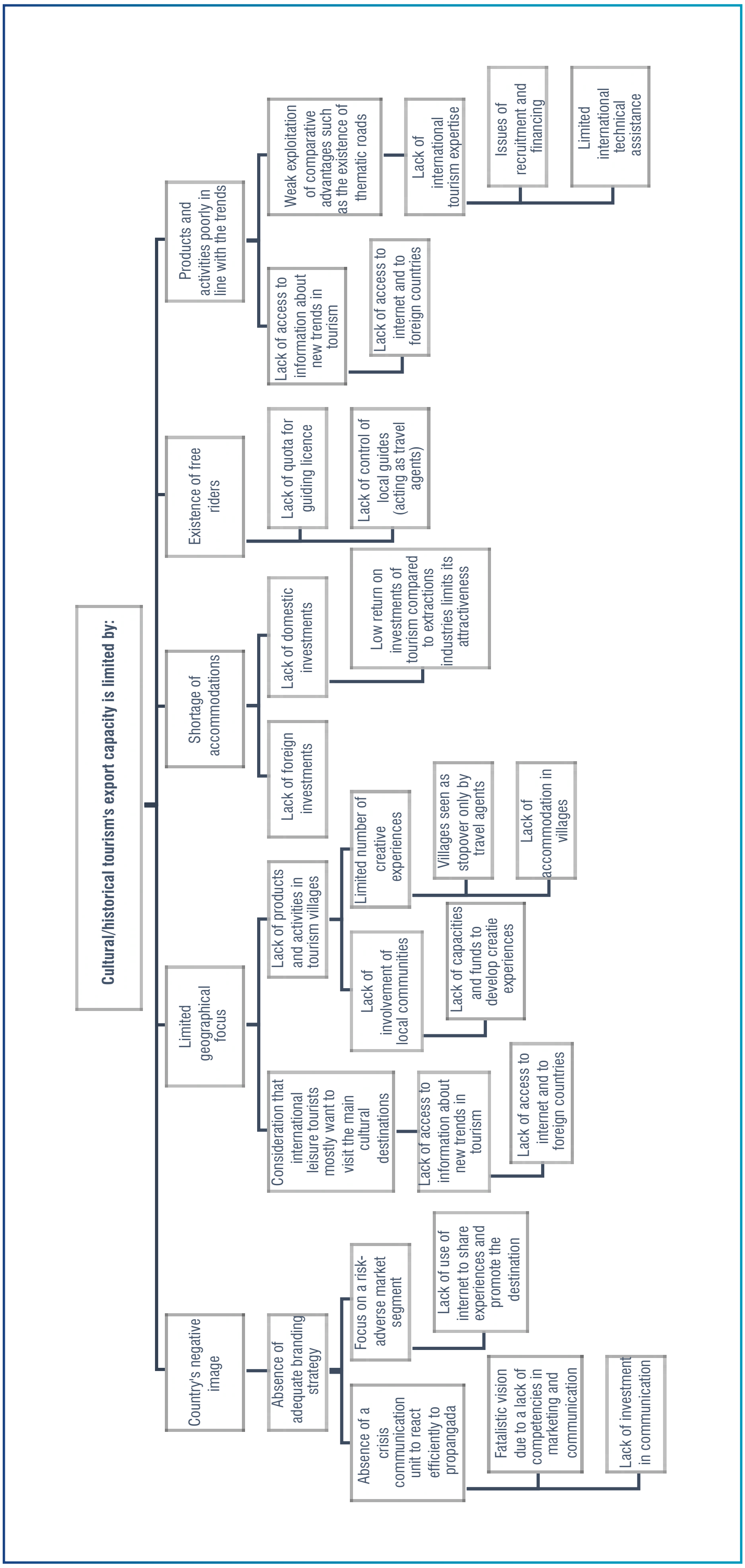
Top issues to be addressed for ecotourism

Low level of conservation of the natural environment

Despite the fact that national parks and other protected areas are mostly adopting the sustainable development process, Reihanian et al (2015) found that sustainability has yet to be perceived pragmatically in these areas. The conservation of the environment is somewhat a sensitive topic in Iran, as the loss of biodiversity is often highlighted as critical. Many encourage a better involvement of local communities in the protection of biodiversity and the promotion of alternative livelihoods for rural communities – like ecotourism – would help to reduce unsustainable over-reliance on natural resource harvesting. Iran's failure to move beyond conservation policies towards a more sustainable development has manifested in a range of problems today.

Drought, increased population and migration, war, air pollution, climate change, industrial and agricultural production, sanctions, inefficient water and natural resource use, and lack of enforcement of existing environmental regulations have contributed to Iran's current environmental crisis (Tahbaz, 2016). Therefore, the needs for capacity building, increased investment in human resources development, and practical regulations are key to ensuring that Iran can meet its potential as an ecotourism destination (Barmaki, 2013).

Figure 13: Problem tree for the cultural/tourism sector's export capacity



Source: ITC.

A focus given to UNESCO World Heritage Sites

As we have previously pointed out, the emphasis placed on Iran's historical heritage by the various private and public tourism stakeholders limits the visibility of the ecotourism offer. This is all the more so as no Iranian operator is specialized in this sector. As a result, this offer is isolated and, above all, beyond a very limited number of operators, it is not promoted at the international level. Many references are made to climatic variations, but, despite the creation of rural areas for the purpose of developing activities, the offer of ecotourism products and packages is almost non-existent.

Lack of understanding of what the terms of "eco-products or eco-activities" mean

From the fieldwork and the literature review, it appears that there is a lack of understanding of what the terms "eco-products" and "eco-activities" mean. For example, in providing access to loans with low interest rates, the Iranian Government has successfully encouraged the expansion of 1,700 "eco-lodge" accommodations in secondary destinations. However, a large part of these accommodations are not particularly eco-friendly.[23] The owners or managers themselves consider that their business is more like a guesthouse or a homestay. This lack of standards and regulations for ecotourism products is constraining sector's development. The time elapsed since the creation of the National Ecotourism Committee (NEC) and the lack of results with the objectives set reflect that it does not seem to have the capacity to carry out its mission.

The country's isolation and the difficulties in forging international partnerships are two important factors in the lack of access to information on ecotourism (trends, markets and good practices, etc.). This has an impact on both the product offering and the quality of the associated services, since training cannot be based on recent tools and methods.

Top issues to be addressed for health tourism

Confusion between health and medical tourism limiting development potential

In Iran, as elsewhere, health tourism is often summarized to medical tourism only. This has mostly consequences on the visibility of wellness tourism and, therefore, on the tourism development of rural destinations. Wellness tourism could complement community-based tourism activities. Currently, there are nearly 370 hot springs in Iran, most of which are located in Western Azerbaijan, Mâzandârân and Ardabil. In Ardabil Province (Sar Ein), the hot springs are numerous and offer diversity in their healing benefits.

Lack of law enforcement

As previously stated, all policies and regulations regarding health tourism should come out from the council, which is made of five members meeting every 2–3 weeks to discuss problems and plans (short and long term):

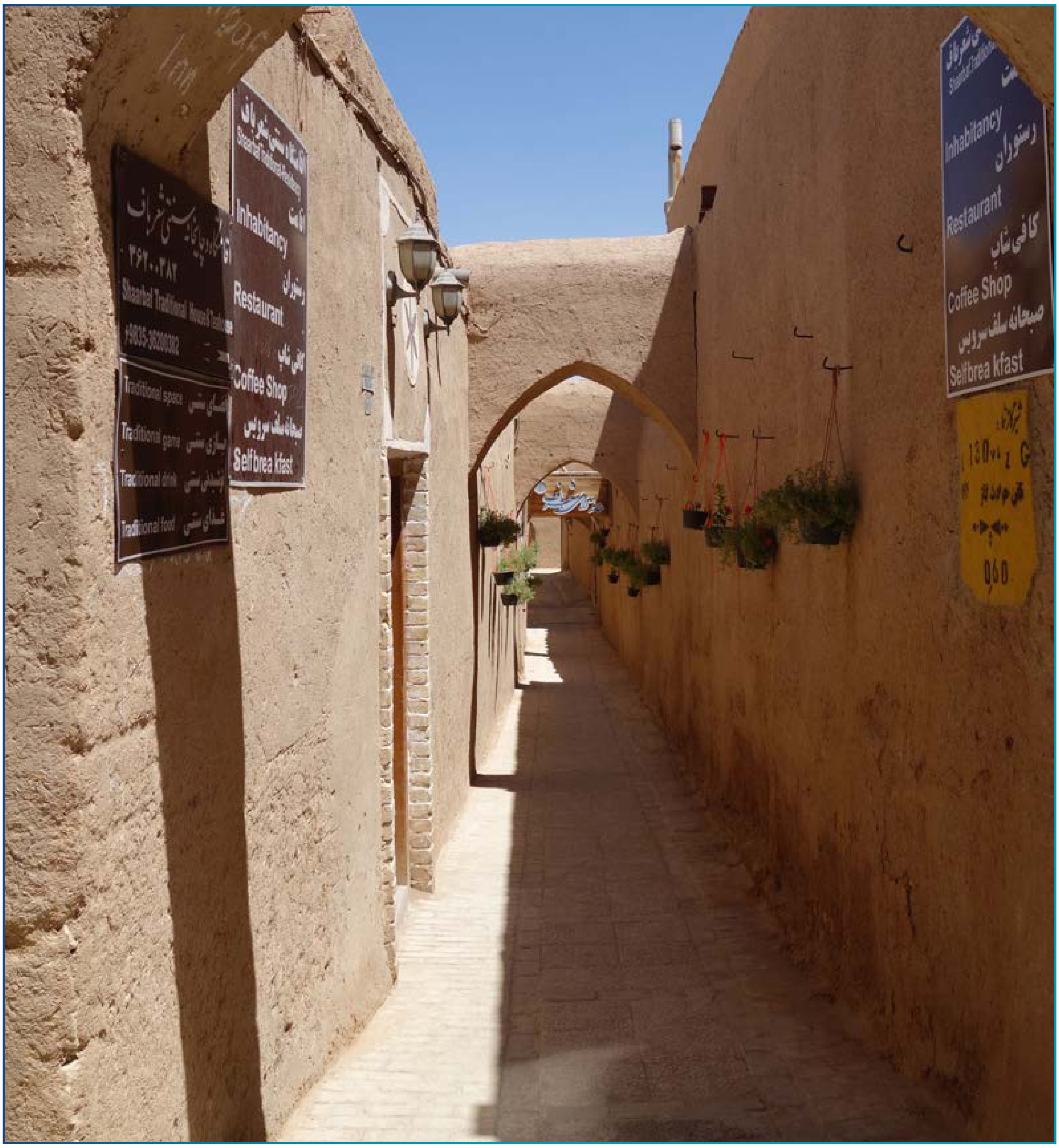
- The Ministry of Cultural Heritage, Handicrafts and Tourism
- Ministry of Foreign Affairs
- Ministry of Health and Medical Education
- Iran Chamber of Commerce
- Iran Medicine Organization

Due to the existing confusion between medical tourism and health tourism, the distribution of tasks is not clear and, therefore, regulations are not enforced and free riders are making profits from this situation. This includes many clinics providing services to foreign patients without accreditation (IPD), and travel agents or taxi drivers charging high commissions to hospitals at the expenses of patients. The objective of the delivery of accreditation is to control the large variance in the quality of service delivery among different operators, as it could present a health risk for tourists. Better law enforcement would also help to control the flows of medical tourists as, in some destinations, all flights and hospitals are full and they cannot welcome other markets.

Limited capacity, quality and accessibility of natural hot springs to international tourists

Actually, wellness tourism destinations lack the capacity of tourist absorption, and durability and quality of tourist facilities and services. To cope with the lack of facilities and attractions, the Iranian Government could lower the land costs and other related costs to attract new investments in wellness destinations. While current facilities and services are at very low cost and are affordable, they often consist of a simple pool with no facilities. One of the most popular hot springs in Ardabil Province, named Sabalan, was the first modern hydropathy complex and was inaugurated more than 20 years ago. Before Sabalan's opening, most hot springs were only a simple pool with no facilities. Gamish Goli (the most popular hot spring in Sareyn) is still running as it was 50 years ago.

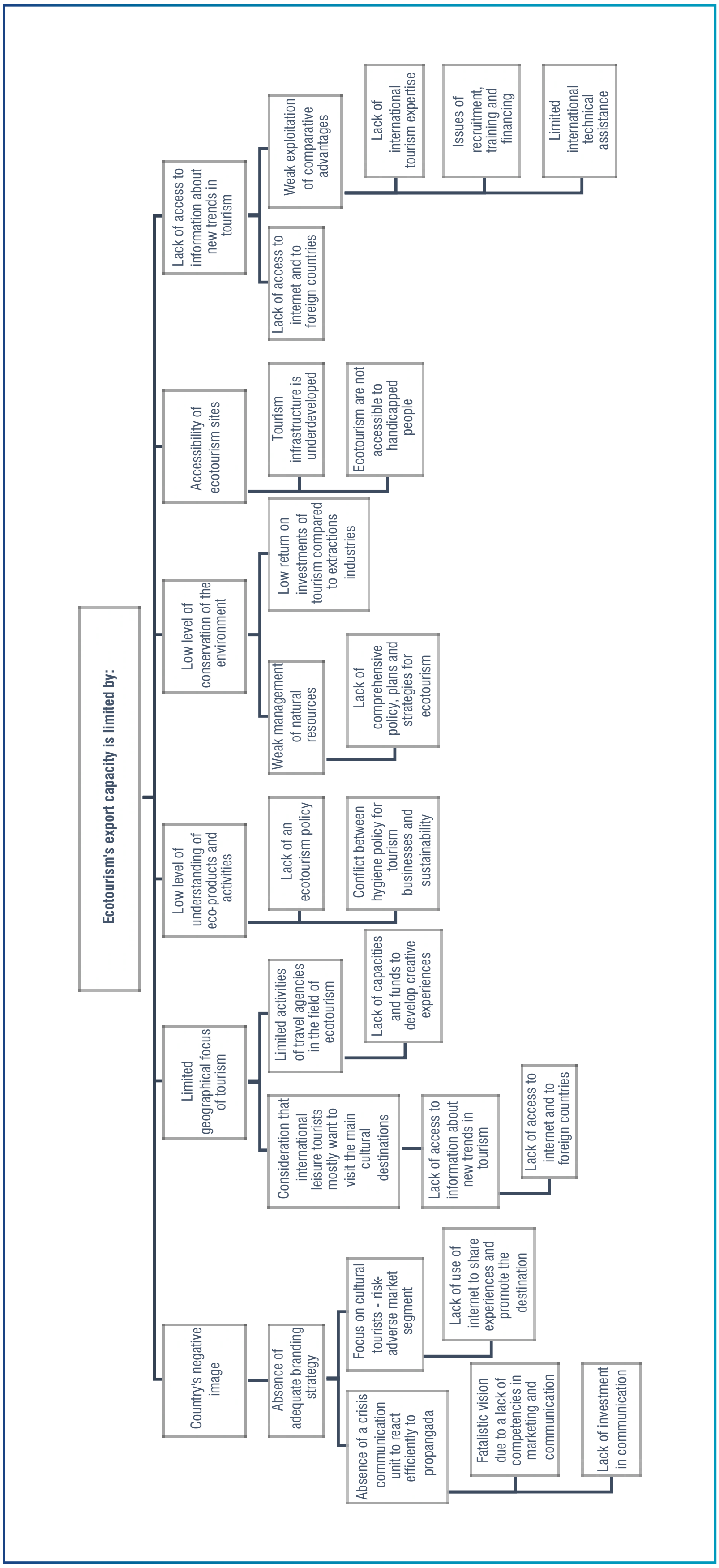
23.– According to the Ministry of Cultural Heritage, Handicrafts and Tourism, there is a plan in process to draft what an eco-lodge should be. The NEC would be updating and revising the criteria to be more of international standard.



Wellness tourism cannot be reduced to hot springs, but the high number of hot springs throughout the country provides Iran with a comparative advantage in the wellness tourism subsector. However, there is no mechanism available to classify establishments based on the quality of their wellness-related services. There is also no education system for wellness industry-related jobs, and specifically for jobs related to traditional medicine and spas in the tourism industry.

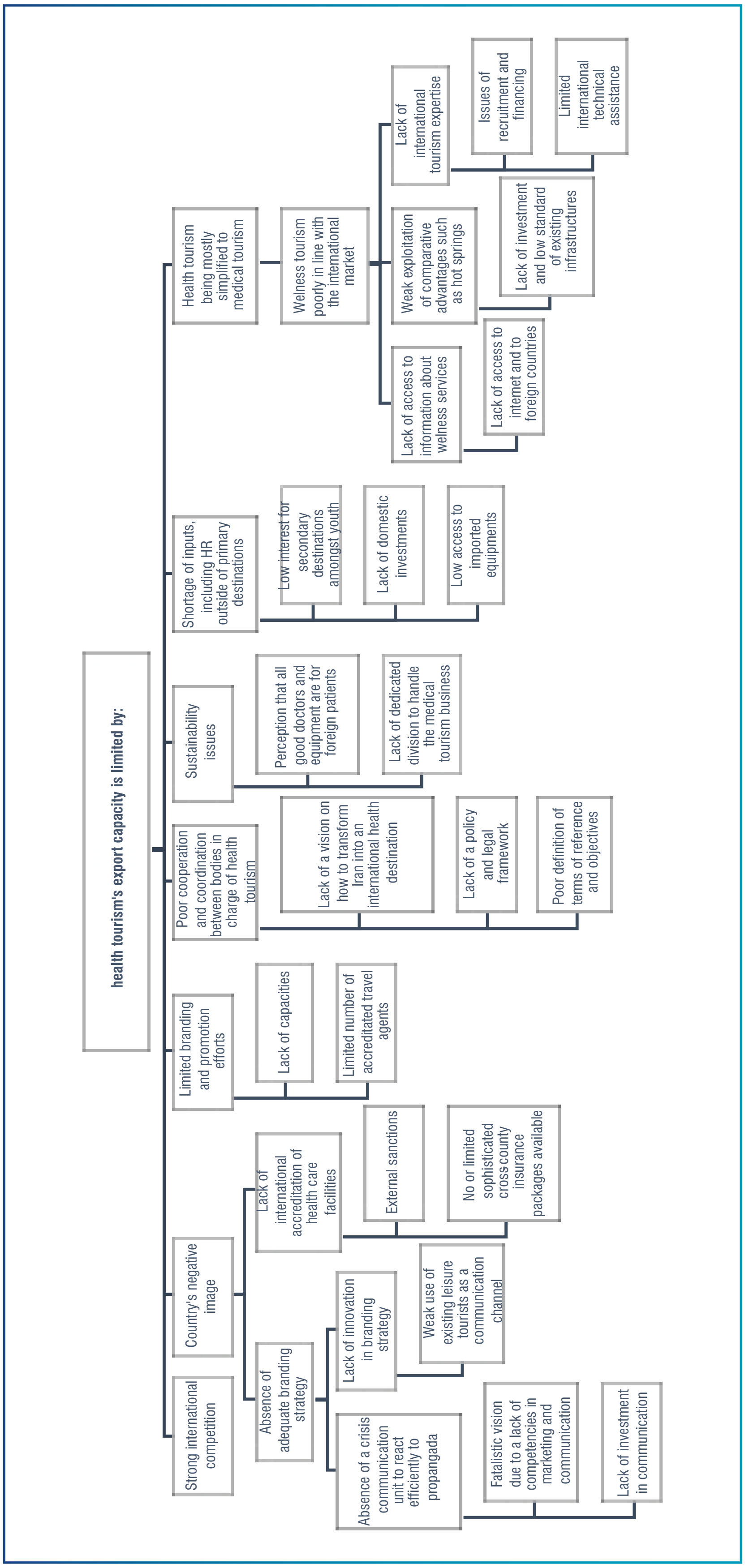
Most of the questions reported by private actors focused on the negative image of the country given by the international media and not on the lack of a framework and strategy to address it. This shows that the sector has developed on the basis of past achievements without understanding the need to overcome criticism and to respond by marketing innovative or trendy products and developing creative communication strategies. The promotion of the geographical opening of Iran will be instrumental in building a new image of the destination and it should allow for resources to be shared between a higher number of beneficiaries.

Figure 14: Problem tree for the ecotourism sector's export capacity



Source: ITC.

Figure 15: Problem tree for the health tourism sector's export capacity



Source: ITC.

THE WAY FORWARD

Keeping up with the latest tourism trends in the leisure, medical and business tourism markets should matter to Iran's tourism stakeholders. Within these trends, several are linked to new technologies (robots; chatbots and automation; artificial intelligence; recognition technology; Internet of Things; virtual reality; augmented reality), but others are likely to have a better impact on a short-term basis and they do not need heavy financial investments. Instead, it is all about capacity-building activities and better support given to tourism stakeholders.

Figure 16: Latest trends and opportunities for the future of the tourism industry in Iran

Source: ITC.

Iran has great tourism potential because of its natural beauty, biodiversity; ethnic, linguistic and social diversity, and historical and cultural wealth. Interestingly, the latest trends and opportunities for the tourism industry tend to encourage small and medium-sized enterprises (SMEs) to make more profit from tourism development. Tourism trends are heavily influenced by the concerns and mores of the customer base. As a new generation becomes increasingly relevant in the marketplace, the ideals driving their purchasing decisions create new tourism trends. Eco-travel is just one example of these tourism trends, reflecting a growing concern among today's travellers for ethical and sustainable tourism options. Currently, the main customer base for leisure tourism in Iran is targeting more its cultural and historical heritage.

The development of eco-travel includes enlarging the customer base to other market segments and probably generations. Ecotourism in Iran has a strong potential to generate growth, trade and employment opportunities, which have yet to be tapped. Vocational training schools in tourism have started to train youth in ecotourism guiding and principles. However, they all lack access to information and materials concerning the latest trends and opportunities in both ecotourism and other aspects of tourism (rural tourism, creative tourism and CBT, etc.)

Actually, tourists want more and more to engage with and participate in the local culture, which helps to spread the benefits towards a greater variety of actors. From enjoying local cuisine to celebrating regional festivals, local experiences are set to become some of the top tourist trends to follow. With an average of one festival per week in each of its 31 provinces, Iran has a lot to offer that could benefit local communities. The transformation of the visit of tourism villages into an experience should encourage longer stays and, therefore, bring more income to rural areas. Real rural life experiences are already offered by some local stakeholders and could be duplicated through peer-to-peer trainings.

Today's consumers expect experiences or services that closely match their personal preferences (including for medical tourists), from destinations to accommodation and the kinds of activities in which they will engage. The more closely an experience can be tailored to clients' desires and expectations, the more likely they are to return and to use the same service again. Probably due to a lack of information about what Iran has to offer, not all inbound tour operators propose this type of service and many offer a too-broad range of products and services instead of getting specialized in one subsector only.

The concept of combining leisure and tourism with travel for business has become increasingly relevant among tourism trends. Millennials are driving the rise of *bleisure* travel. For millennial business travellers, it is not just about visiting the city centre and its souvenir markets; the experience should at a minimum be comfortable and convenient, but, increasingly, business travellers want more from their trips. Business travellers have more time on their hands to explore their own interests and, as businesses increasingly focus on the wellness of their employees (as well as personalizing the travel experience), leisure becomes a key aspect of performance optimization. From creative tourism experiences to tailor-made packages designed to give business travellers a unique experience, everyone in the industry, from accommodation to corporate travel managers, should consider the need to adapt to this opportunity, taking into account that a bleisure traveller will remain a business tourist. What is true for business travellers is also true for medical tourists.

The organic food movement is also affecting tourism trends. Iranian gastronomy is one of the main sources of satisfaction for international visitors to Iran, so more focus needs to be given to the local origin of the products and ingredients. This is part of the customer experience, which has always been central to the tourist industry. With new technologies and an ever-broadening array of options for tourists, enhancing the customer experience has never been more vital. Everything from the web interface where the clients book their trips to the very last day of their journey needs to be as enjoyable as possible. This requires a greater flexibility from inbound tour operators in adapting their products to events and festivals, which means to create a relationship with the customers and to hire community managers.

The objective of this tourism sector strategy is, therefore, not to negate what exists. On the contrary, it is: (i) to capitalize on the past and current efforts and projects of the government and private operators, and (ii) to provide the necessary elements for their success and sustainability as well as to replicate the good practices in order to enrich both the visitors and the residents' experience in all Iran. In addition to its comparative advantage in historic–religious sites and in medical services for regional markets, the country has natural and traditional endowments that can be used to develop a sustainable tourism value chain that fits with the existing trends and opportunities and that is, for ecotourism ad CBT tourism, deeply rooted in the local communities, their natural environment and traditions.

Since the ecotourism and community-based tourism subsectors are young industries, the government has not yet had time to develop the necessary support and policy frameworks. However, a stronger institutional coordination and intervention are the only ways to ensure the two subsectors reach the vision described in Iran's National Strategic Document for Tourism Development from the Office of Planning and Support of Tourism Development (2019). It thus becomes urgent that institutions take action to understand these subsectors and to support them accordingly. When looking at historical and health tourism, it also appears that there is definitely a need for a solid framework to be established for the tourism sector in terms of governance, quality assurance, regulation and well-targeted promotion.

This will allow Iran to develop a complete range of complementary experiences that are well known and of high quality, while being sustainable and symbiotic with the local population. It is indeed very important to take into account cultural perspectives, as they are essential to the sector's sustainability and not, as some might point out, an obstacle to the tourism sector's development. It is not about forcing tourists to obey Iran's social and religious norms and local standards; it is more a question of understanding that standardization or even Westernization of practices, customs and other aspects of everyday life for tourism would only result in a loss of identity and authenticity. It is up to the people to decide on these changes, for whatever reason, but tourism must not be the main cause. A change is, however, needed in the whole societal approach towards tourism as a dynamic world phenomenon and a source of development. This is a necessary precondition for government policies to adapt to change, and to encourage an opening of the territory to new forms of tourism such as ecotourism and community-based tourism. It is a question of going off the beaten track, broadening the range of tourist destinations, products and activities. Iran's image will change through a broader and balanced geographical spread of new products and services, and innovative promotional means used in an aggressive marketing strategy.

Also, Iran is mainly positioned in neighbouring and nearby countries and/or countries that share significant cultural and religious similarities. There is, therefore, a marketing mix to be considered, looking at the different market segments. The following delineates the strategy's proposed vision and strategic approach to develop the three tourism subsectors: historic-cultural tourism, health tourism and ecotourism, and community-based tourism.

Vision and strategic objectives

The vision statement and strategic approach of sector development are formulated as follows:

> “Iran: Everywhere is yours”

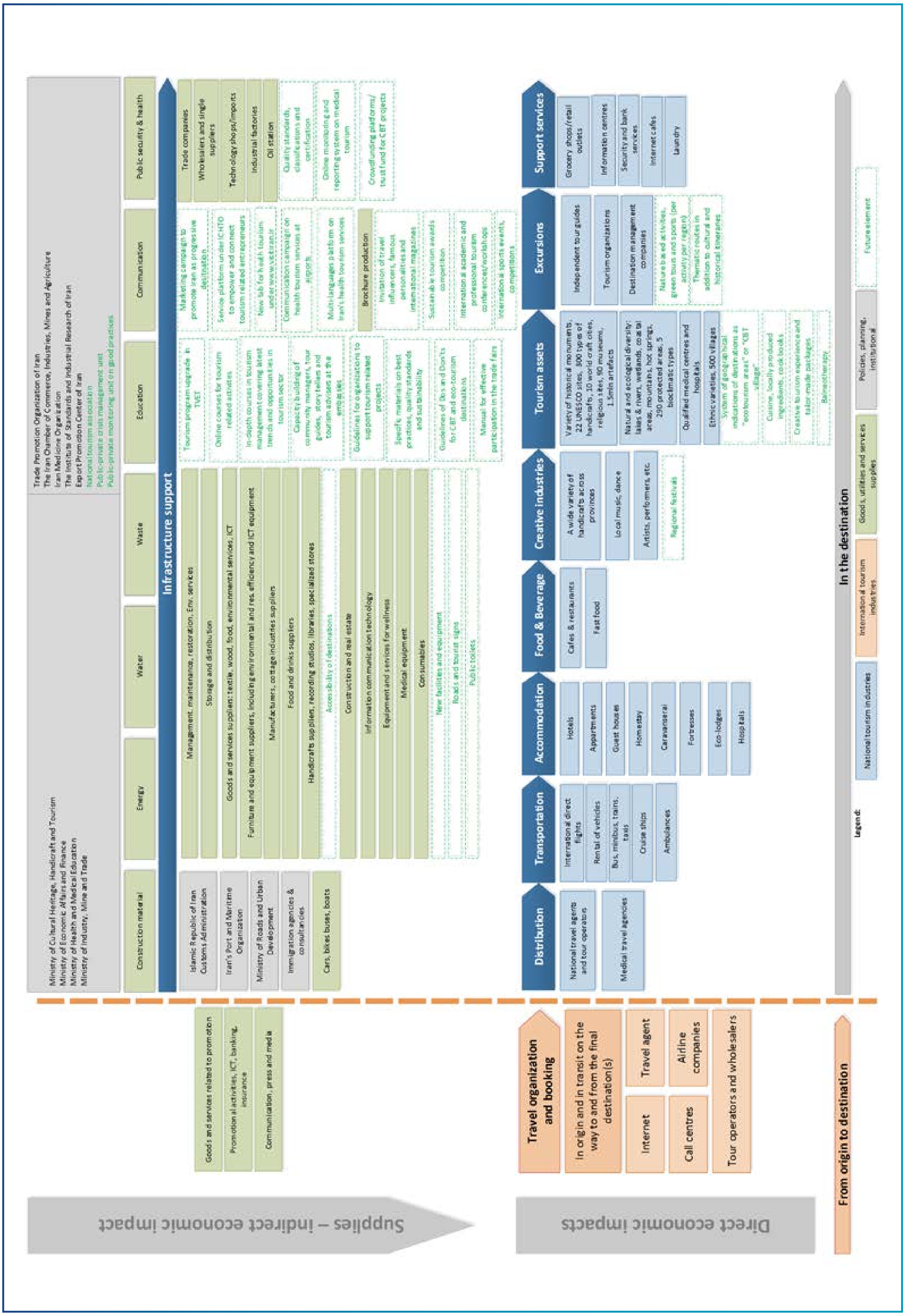
The plan of action (PoA) will respond to this vision by addressing the sector’s constraints and by leveraging opportunities in a comprehensive manner. To this end, particular efforts will be made to meet the following strategic objectives.

Figure 17: Strategic objectives for tourism

1. To enhance coordination and cooperation in ecotourism/nature-based tourism and community-based tourism	2. To leverage Iran’s expertise in medicine/science to gain a competitive advantage in health tourism	3. To upgrade and capitalize on existing public and private sector practices as well as untapped assets	4. To change Iran’s image through rebranding
• 1.1. Provide a framework for coordination, convergence and control of activities in the field of ecotourism and CBT • 1.2. Constantly update the institutional knowledge on new trends in tourism with a focus on wellness tourism, ecotourism and CBT • 1.3. Establish a more effective coordination and cooperation mechanism between tourism stakeholders	• 2.1. Align health tourism-related services to international standards • 2.2. Improve knowledge and exchange experiences and best practices on medical tourism • 2.3. Raise awareness about and improve access to medical services to foreigners	• 3.1. Enrich the experience and the storytelling for historical and cultural tourism • 3.2. Products and brand development for specific thermal area	• 4.1. Promote the openness and diversity of tourism supply • 4.2. Support off-the-beaten-track product development • 4.3. Increase promotion and branding

The future value chain

The “future value chain” schemas present preferred operational activities for each of the different tourism subsectors in Iran. This also provides an overview of the modifications required at each node of the chain. When looking into markets and product possibilities, the tourism subsectors thus need to be analysed separately, since each subsector has different dynamics, market size and origins. However, planners, developers and government bodies still need to understand the differences and the possible linkages between the tourism subsectors.



Supplies – Indirect economic impact
Direct economic impacts
Travel organization and booking
In origin and in transit on the way to and from the final destination(s)
Internet
Travel agent
Call centres
Airline companies
Tour operators and wholesalers
From origin to destination
In the destination
Infrastructure support
Distribution
Transportation
Accommodation
Food & Beverage
Creative industries
Tourism assets
Excursions
Support services
Construction material
Energy
Water
Waste
Education
Communication
Public security & health
Goods and services related to promotion
Communication, press and media
National travel agents and tour operators
Medical travel agencies
International direct flights
Rental of vehicles
Cruise ships
Ambulances
Hotels
Appartments
Guest houses
Homestay
Caravanserai
Fortresses
Eco-lodges
Hospitals
Cafes & restaurants
Fast food
Local music, dance
Regional festivals
Independent tour guides
Tourism organizations
Destination management companies
Grocery shops/retail outlets
Information centres
Security and bank services
Internet cafes
Laundry
Trade companies
Industrial factories
Oil station
Brochure production
Balneotherapy
Legend:
National tourism industries
International tourism industries
Goods, utilities and services supplies
Policies, planning, institutional
Future element

COMMUNITY-BASED TOURISM AND ECOTOURISM

Community-based tourism and ecotourism are different segments of tourism. Although CBT may also be present in major tourist destinations, the supply of ecotourism and community-based tourism services in rural areas is still in its infancy in Iran. Certainly, products and activities exist for each of these segments, but, for the most part, they are too unstructured in relation to international standards and the low level of mobilization and involvement of local populations. For this reason, we propose to group the two segments into a single section, because the needs are identical in terms of coordination, planning, regulation, certification, marketing and human resources strengthening.

Market perspective

Existing services to existing markets

Very little information is currently available on the demand for ecotourism and CBT products. Products and services exist, but many do not really meet the international criteria and standards. Ecotourism and CBT are often associated with rural tourism, particularly in the context of domestic tourism, whose increasing volume of visitors have been reported to have a strong, and sometimes negative, impact on destinations (congestion and waste production, etc.). The current offer is very limited and, for this reason, it can be considered that the priority actions should concern the provision of a framework for coordination, convergence and control of activities in the field of ecotourism and CBT. This includes the structuring of the ecotourism and CBT offer in a few destinations only, including through a certification strategy and the implementation of a policy[24] appropriate to the activities and to prevent the involvement of illegal intermediaries.

Growing the current market for ecotourism and community-based tourism will mostly involve changing the impression visitors have of Iran as a historical, cultural and religious destination only. This is linked with the overall ambition to rebrand Iran as an off-the-beaten-track destination. The creation of a system of geographical indications of destinations as "ecotourism areas" or "CBT villages", together with an appropriate ecotourism policy[25] and guidelines, should be the first step for ecotourism and CBT to become tools for local economic development. This will help to facilitate the preservation of these areas through a participative process of development of responsible products and activities.

Additionally, CBT as an extension of existing cultural products in primary destinations should include a longer length of stay in rural areas to be considered as such.

- Trademarks: Trademarks could be developed for inbound tour operators specialized into CBT (and ecotourism) and respecting the CBT criteria and standards.
- Certification mark: Register a certification mark for the "CBT villages" or "sustainable villages" to reinforce the government's current "tourism village project" and to be managed and endorsed by the Ministry of Cultural Heritage, Handicrafts and Tourism. However, only the villages having benefited from specific peer-to-peer trainings (as described below) will only be allowed to be certified. There is no point in involving too many villages in the first instance, but rather in ensuring that each of the pilot villages selected by national tour operators, because they are located on existing routes or within new products, will find a sustainable balance in increasing tourist flows. The same approach can apply to "ecotourism areas". An option to control the growth in the number of certified villages or areas is to launch a competition within each province. This could be similar to the ASEAN Sustainable Tourism Awards (ASTA),26 which is the recognition of ASEAN best sustainable rural or urban tourism products proposed and implemented by public and private stakeholders who have decided to join forces for the benefit of their destination. In the frame of this competition, a sustainable product is a tourism activity with a minimum of one overnight stay, including local transportation, accommodation, food and beverages, and a true experience with a local community (all respecting sustainability standards).

Existing services to new markets

Currently, ecotourism is confined to a small range of products and its services are geographically limited. This makes it difficult to attract new market segments whose internet use practices make it possible to strengthen destination promotion. These new market segments are as much those described above

24.– The guiding principles of a policy aim to shape the strategic as well as the day-to-day actions and activities of government departments, the private sector, local communities, Iran's development partners, non-governmental organizations and visitors to protected and CBT areas.

25.– This would consist of revising and enforcing the existing ecotourism document made with the cooperation of the Office of National Agreement, and including universities, the private sector and environmental organizations.

26.– http://aseantourism.travel/content/asta.

(wellness travellers) looking for a unique experience in terms of authenticity, quality and well-being as explorers, who are rather sporty or adventurous and interested in products offering a completely immersive adventure.

For the first category, wellness travellers, only high-end markets looking at immersive experience could be tapped. For the wellness travellers, it should be about stepping back with integrated experiences that lead them into personal transformation. This can use the uniqueness of the Iranian natural and cultural environment as triggering factor. For the second category, it requires product development initiatives, equipment facilities and capacity building of currently engaged stakeholders (inbound tour operators, vocational training schools in ecotourism, and local guides, etc.). Strong opportunities to be developed exist, such as horse riding with well-known Persian horses, nights in the desert, trekking and many others.

New services and product development possibilities in the ecotourism and community-based tourism subsectors

Ecotourism

- Product and brand development for selected areas such as nature-based activities centred on the main characteristics of the environment. By adopting a principle of "one region – one activity", it helps to better spread visitors. Iran has the opportunity to take the lead in anticipating overtourism issues. This also represents a part of its new image. It is clear that some regions have a lot to offer, and sometimes more than others, but strategies are needed to balance the flows and, therefore, the benefits of ecotourism within the country.
- Development or upgrade of new facilities in ecotourism areas. There are a huge number of eco-lodges in Iran. The implementation of an ecotourism policy and its guidelines will facilitate for anyone willing to propose services in this field to make it according to international standards. The definition of needs and opportunities by region (to be included in the plan for each region) will help: (i) investors in making decisions, and (ii) government to prepare the way for addressing these needs. However, it is important to encourage new rehabilitation projects (caravanserai and fortresses, etc.) in and primary secondary destinations, as they offer unique experiences to travellers.
- Adaptation of the ecotourism approach to local communities. Most, if not all, rural communities have always practiced sustainable development of their territory to the point of motorization and entry into the market economy. The aim is, therefore, to share the interests of everyone, including those with activities in conflict with ecotourism, to avoid negative perceptions about visitors and, above all, to make ecotourism a development tool.
- Creation of SMEs for sport material and equipment rental. Such projects do not need large investments and extensive maintenance and operations, but facilitate the creation of activities and employment for youth in rural areas. Trainings are necessary to build management and technical skills among new entrepreneurs.

Community-based-tourism

- Adaptation of CBT products to local communities.[27] For local communities to appropriate tourism development, they need to be part of the decision-making processes. It includes the mapping of their villages and surroundings before choosing the activities or products they would like to develop for visitors. Technical assistance and the presence of peers having succeeded in developing and participating in CBT in Iran helps local communities to get confidence and trust in it.
- Development of homestays. On one hand, not everyone can welcome international visitors in their home, as there are norms and standards to respect. However, guidelines can be developed to help upgrade existing facilities. On the other hand, people's ability to welcome visitors into their homes must be prioritized for the development of creative activities.

Standard and certification requirements

All stakeholders involved in ecotourism and community-based tourism agree that there is a need for ecotourism and CBT policies that must better define the criteria for products and activities to be considered as being environmentally and culturally friendly. Such process might involve the Ecotourism Vocational Training Schools Association and the ecotourism department of the Ministry of Cultural Heritage, Handicrafts and Tourism in order to jointly develop these ecotourism and community-based tourism policies and booklets, with the final objective to:

27.– For in-depth information on developing and marketing CBT, see https://www.academia.edu/37256831/Fresh_From_the_Field_Practical_experiences_developing_and_marketing_community_based_cultural_tourism_in_Kayah_Myanmar_through_tourism_supply_chains.

- Increase the standards in current and future ecotourism practices and products through the development of guidelines and labels for ecotourism businesses and products for any public or private organization willing to support tourism-related projects in rural communities;
- Increase the standards in current and future CBT practices and products through the development of guidelines for CBT businesses and products.

Institutional adjustments

Given the need to constantly update the institutional knowledge on new trends in tourism with a focus on wellness tourism, ecotourism and CBT, the strategy encourages the development of a manual for efficient participation in trade fairs (identification of new trends and best communication strategies, and how to organize business-to-business events, etc.). Additionally, it is proposed to extend the current website of the Ministry of Cultural Heritage, Handicrafts and Tourism with the creation of a platform to provide a one-stop service platform that empowers and connects tourism-related entrepreneurs.

Ecotourism

In view of the delays between the creation of the National Ecotourism Committee (2005), the absence of an ecotourism policy in Iran (lack of consideration about planning and management of natural resources), and the low economic and geographical development of this segment, it is important, above all, to define the tools, systems and processes to:

- Enforce the implementation of the ecotourism strategic document and establishment of an ecotourism policy/a rural tourism policy;
- Establishment of a national ecotourism association and empowerment of regional arms of the national industry associations as think tanks, with the cooperation of universities;
- Build the necessary understanding about biodiversity and ecosystem conservation within public institutions at national and local levels (align education and training in tourism and hospitality to international requirements – including to new market segments):
  - » Organization of yearly self-financed international academic and professional tourism conferences and workshops to keep updated on international good practices in tourism;
  - » Workshops and materials on best practices and worst-case scenarios;
  - » Participative production of a manual or posters on dos and don'ts for locals, travel agents, guides and visitors (this includes public institutions, local communities and visitors);
    - – Create and/or make available access to online courses (massive open online courses – MOOC) on tourism-related activities in foreign languages (including a certification process).

- Facilitate access to education and learning to enable hosts and visitors to understand and engage with management approaches to protect and conserve the natural and cultural assets of these areas.
  - » Posters;
  - » Workshops and training in rural areas surrounding national protected areas.

- Enhance economic and social benefits to communities in and around protected areas to: (i) reduce and eliminate unsustainable practices, and (ii) engage them in collaborative approaches to protected area management.
  - » Create local tourism committee made of representative sample of the community;
  - » Develop trekking, and green tours and activities, etc.

As an important step, there is a need to start with the identification of a few protected areas with high tourism potential and then to prepare an ecotourism master plan for each them.[28]

Community-based tourism

For many years already, the government has an ongoing tourism villages project. Unfortunately, very few tourists overnight in these villages, making difficult for local communities to benefit from tourism. First, the villages on the main tourist road are seeing more visitors than others, but the average length of stay and the level of expenditures remain low. Second, the villages where tourists spend the night see only a few of them. The necessary adjustments to be made include:

- Build the necessary understanding about CBT within public institutions:
  - » Workshops on best practices in Iran and worldwide;
  - » Participative production of a manual or posters on dos and don'ts for educating locals, travel agents, guides and visitors (this includes public institutions, local communities and visitors);
  - » Create and/or make available access to online courses (MOOC) on tourism-related activities in foreign languages (including a certification process).

- Facilitate access to information about CBT destinations and products:
  - » Mapping of villages receiving national and international visitors (classification by number and by average length of stay);
  - » Linking CBT creative experiences with crafts villages (product development).

- Enhance economic and social benefits to communities in rural and urban areas to: (i) reduce and eliminate unsustainable practices, and (ii) engage them in collaborative approaches to CBT management.
  - » Create local tourism committee made of representative sample of the community;
  - » Develop cultural and social tours;
  - » Develop creative experiences.

Investment requirements

Investments in the ecotourism or CBT tourism subsectors must be guided to take advantage of and preserve the existing comparative advantage of Iran's tangible and intangible heritage. Similarly to the wellness tourism areas, this must be done with a view to establishing the terms and conditions for a sustainable tourism development of the areas. The objectives include the following:

- » Regulate the quality of landscapes/visual intrusion through the creation of specific specifications for each priority development area for ecotourism;
- » Regulate the flows and seasonality of visitors in adopting a progressive approach in CBT and ecotourism product development;
- » Facilitate the employment of local populations through a government commitment to identify resource persons and finance training or through international partnership agreements.

- Communication: Public investments are needed for road signs and raising awareness materials.
- Infrastructure: This includes the building or renovation of toilets for visitors in rural and natural areas and the improvement of the accessibility of destinations or sites when appropriate.
- Education: There is a need to build capacities in destination and within vocational training schools about new trends and practices. For this, an upgraded tourism programme in technical and vocational training (TVET) is needed, with the support of internationally recognized institutions.
- SMEs: There is the need to:
  - » Invest in sport material and equipment to enrich the diversity of experiences with regards to the potential of secondary destinations;
  - » Invest in the rehabilitation of caravanserai and community-based accommodations.

28.– The drafting process of this plan consists of four steps.

i. A scoping mission to meet key stakeholders, visit key sites, identify key issues and set out a work plan to develop and finalize the plan.

ii. Stakeholder consultations to present and discuss key issues with representatives from the public and private sectors, development partner agencies, local communities and tourists to the park. In addition to one-on-one meetings, focus group meetings can be convened in the most concerned destinations.

iii. Presentations of the draft plan to primary and secondary stakeholders in concerned areas and Teheran to discuss the plan's content and seek feedback to strengthen the final document.

iv. Finalization, and Department of Environment (DOE)/Ministry of Cultural Heritage, Handicrafts and Tourism's approval of the plan.

CULTURAL–HISTORICAL TOURISM

Market perspective

In this section, we concentrate on the Western demand for cultural and historical tourism in Iran (excluding religious tourism). However, we recognize that the main share of cultural tourists to Iran is from its neighbouring countries and these visitors are mostly interested in religious cities and assets. We also take into account the increasing arrival of new market segments from Asia.

Existing services to existing and new markets

In the current cultural and historical tourism market segment, possibilities for profit increases will grow with the establishment of a new image and increased investment for promotion and branding. Product development, rebranding and increased promotion will be essential to change the mindset of international visitors and gain the trust of as many customers as possible. It will be essential to raise awareness of Iran as a unique multicultural destination in a similarly unique geographical and climatic environment. As a short-term strategy, inbound tour operators can adapt their products to events and festivals, which means to create a relationship with the customers and to hire community managers for that purpose (there is an average of one festival per week in each of its 31 provinces). Certainly, more light should be given to less-known destinations first. More value must also be given to the intangible cultural heritage and especially to the storytelling. One must discuss poetry's important role in improving the experience and suggest a variety of ways to make poetry storytelling effective. Iran is indeed rich in a vast poetical and conceptual culture nurtured by literature as well as philosophy and science. The identification of storytellers to enrich the visitor's experience would, therefore, be an asset. Alternatively, local guides and tour leaders could also be trained to present the stories and the country itself in a more attractive dimension. More research and collaboration with universities on anecdotes are needed to add value to the current products.

New services and product development possibilities in the cultural and historical tourism subsector

Historical and cultural tourism must be developed beyond traditional destinations. Thematic routes, based on existing ones (Silk Road and Marco Polo Road, etc.), will make it possible to capitalize on an imagination that is very present among international tourists. Thematic routes are often also transnational, offering the opportunity to develop regional partnerships at both governmental and private levels. The current cultural and historical offer and its promotion are very concentrated around tourist destinations or sites, but much less around themes related to an imaginary world or a known and sometimes common history. The original purpose of a tourism route was to link the different expressions of a theme by creating an itinerary from one to another. Today, this has been enlarged, and many routes are now created with no fixed or recommended itinerary. The essential purpose remains to group tourism assets by theme, over an extensive geographical area, and to guide the traveller through a journey of discovery, based on a common theme, thereby giving it greater visibility. These thematic routes are already well known, and speak directly to the market and convey shared understanding. Although some operators already refer to these themes, including the TasteIran project[29] (https://www.tasteiran.net), there is a need to shed more light on it.

- As a new value proposition, Iran should, therefore, consider alternative cultural and historical itineraries based on themes to complement the existing offer and diversify the number of beneficiaries while offering alternatives to urgent current issues, particularly in terms of accommodation capacity in the main destinations during the high tourist season. Done in partnership with the Iranian Tour Operators Association, the development of new itineraries uses a selection amongst the eight existing internationally famous routes of travel in Iran (Silk Road and Marco Polo Road, etc.). By capitalizing on the attractiveness of well-known thematic routes, it is possible to develop product mixes (historical, ecotourism and CBT) to access new market segments while strengthening existing ones. This should include the installation of road signs not only to indicate routes, but also because, when seen by visitors, these elements raise questions and reinforce the image of a destination that still has many assets.
- This off-the-beaten-track opening will also provide support to the tourism villages project, which is also addressed in this document in the community-based tourism value chain's perspective, and that is an important and often unknown aspect of Iran's cultural diversity to the general public. Efforts should, however, be made to enhance the tourism village project in transforming – as a pilot project – the visit into an experience for the top 10 visited villages in Iran at first, and to capacitate the government bodies in charge to build on local strengths to

29.– TasteIran is a platform introducing and selling experiences of travels to Iran.

valorize a locality and engage local communities in this process (see Dorbid Village in Yazd Province). This includes relying on peer-to-peer strategies and trainings. The link between villages and main destinations generally makes it possible to transform the visit into an experience. The example of underground water networks makes it possible to illustrate this point by creating a story in which the tourist no longer only looks at the site and its history, as frozen in time, but rather at the practices and people and what the site represents for them. Visiting and studying villages also provides a better understanding of the cities, their inhabitants and their transformation and how local culture has been lost or preserved. To facilitate the development of experiential products, it should be envisaged to create a crowdfunding platform or a trust fund for CBT projects in Iran. This would not only offer economic opportunities to accelerate the development process of such initiatives, it would also help to create personal links between international visitors and the country so that each donor becomes a partner in a fruitful, long-term relationship.

Institutional adjustments

Given the current and past situation of international tourism in Iran, it is a priority to establish mechanisms and institutional structures to ensure an adequate response to any kind of crisis, and also for the overall sector to remain competitive with regards to new trends in products and activities.

- Rebrand Iran through a change in its tourism image. It means to build up the customer's trust with a change of mindset from a destination for cultural/built-heritage tourism to a destination of adventure and countless opportunities. This will help to attract new markets that are less risk averse. This requires the development of innovative promotional campaigns using new tools and distribution channels (including travel influencers, key world-known personalities and international magazines). The country must surprise by its openness and go against its current ultra-conservative image. Examples, such as that of Tunisia in 2017, show that it is possible to change the image by allowing target audiences to identify themselves, to discover known and unknown aspects of the destination, and thus to change their vision and even for some people to make the decision of a tourist stay in Iran. This includes supporting the capacity building of tourism advisers at Iranian foreign embassies:
  - » Harmonize knowledge on new products, policies and objectives through the organization of regular cultural events at Iranian foreign embassies;
  - » Harmonize communication on branding.

- Establish and train a public–private crisis management unit with the objective to respond to publicity in the Western media, highlighting the perceived danger of travel to Iran. This includes putting in place effective crisis management recovery strategies to maintain and restore visitor confidence in the destination. The use of social media is a key element of the communication strategy. This must be neutral and realistic in order not to be perceived, in turn, as propaganda. To this end, it is necessary to strengthen the capacity of this unit on communication issues.
- Adaptation of the teaching programmes in tourism vocational training schools to the selected themes. To this end, it is important that professionals and their employees are provided with an online platform on which they can access new information and learn from good practices in Iran. This could include dos and don'ts for inbound tour operators and local guides, especially with regards to the new markets, their expectations and how to guide them in order to take into account both Iranian and visitors' cultural perspectives. Existing MOOC could be selected and made available on the online platform, allowing everyone to strengthen himself or herself.
- This means that the implementation of a system for monitoring good practices in terms of sustainable tourism development is needed to keep Iranian tourism professionals informed. This also includes the organization of international conferences to disseminate information and strengthen the image of the destination's openness. Contact could be made with international research associations in the field of tourism, such as the Travel and Tourism Research Association (TTRA), in order to organize conferences on topics specific to Iran. This will make it possible not only to obtain information on the strategies used by other destinations in contexts similar to those studied, but also to demonstrate the country's openness and attractiveness. This monitoring system could also be used to highlight bad practices and how international tourists relay them. It is necessary that all stakeholders understand that the global tourism paradigm also demands greater cooperation and collaboration to ensure a quality tourism offer that can compete effectively at international level (Della Corte and Aria, 2016).
- Establish a public–private monitoring unit on good practices. Although Iranian tourism operators have access to information, this does not mean that they

can acquire the know-how behind good practices. However, there are examples of good practices in Iran involving local communities and providing services to tourists, in preserving and enhancing the environment. The establishment of a unit to monitor national and international best practices will allow for better dissemination and upgrading of actors, including public ones. It can include an online reporting system too where information can be checked by the unit. This can be done via an online and participative platform, as previously proposed, where operators can find tools and methods to improve their practices. It is important not to only include the main players, but to give a say to everyone in the industry. Many committees exist in each province, but access to their outputs is limited. It is, therefore, important to identify a channel to transfer this information to the public and to be able to challenge ideas and perspectives.

- The promotion of the professionalism of national operators as a valid alternative to international operators who do not promote the destination for reasons of retaliation or sanctions. International tourists, some of whom, and in particular those travelling to "high-risk" countries, tend to use international operators. The embargo and the small number of international operators offering Iran should encourage the promotion of national operators as a serious alternative. Different strategies can be used, such as organizing familiarization trips (FAM trips) with travel magazines, press and/or travel influencers with the objective to shed light on products and operators. Partnerships with travel operators from neighbouring countries, in the frame of transitional routes, can also be an opportunity to facilitate payments by international travellers.

Investment requirements

- Investments in Iran should be guided along the new themes and tourism routes.
- Public investments in road signs to indicate tourism routes, which includes to define the major types of road signs to be used by visitors to find tourist attractions and facilities. This can include:
  - Direction signs and tourism routes;
  - Tourist attraction signs;
  - Service signs;
  - Community facility signs.

- Private investments should make it possible to relieve congestion in major tourist sites and cities or those that are not of sufficient quality. To do this, the strategy should lead to the development of tourism concession plans for selected rural areas to attract responsible investments in infrastructures (and promotion to tap into the trends to appeal to wellness-driven luxury customers).[30]

30.– https://www.cbd.int/tourism/doc/tourism-partnerships-protected-areas-web.pdf.

HEALTH TOURISM

Market perspective

Existing services to existing markets

Iran cannot claim to be internationally competitive in all segments of medical tourism without a precise and easily available mapping of medical care and services by destination and a strengthening of specialization in these destinations. This requires not only certifying hospitals in terms of their ability to receive international clients, but also looking at technical and medical certifications to give more visibility to existing skills and to develop certified medical clusters. At the same time, it is important to better coordinate promotion, in particular by networking the players and specializing and certifying more travel agencies in the health tourism sector. It is also necessary for all players in the sector to participate in international trade fairs and not just medical packages providers alone.

Existing services to new markets

In the medical tourism segment, there is also scope to tap into new European and Eastern European markets. This will mostly require heavy investment in promotion within and outside the country. However, in view of the existing volumes of regional medical tourists and the difficulties in signing contracts with international insurance companies, it seems more appropriate to develop a complementary offer to existing and new markets in the provision of post-operative (therapeutic) care and in well-being in general. First, the existence of a well-established supply of medical tourism services, which is already very competitive, can effectively be extended in offering therapeutic care. This offer of therapeutic tourism must be separated from that concerning well-being in general (brain, body and soul), because the audiences are different. This implies the establishment of infrastructures specific to each segment. Second, the promotion of Iranian hot springs towards international tourist populations should, therefore, also be encouraged for wellness travellers. This will require heavy investment in infrastructures and promotion to tap into the trends to appeal to wellness-driven customers.

- Within wellness tourism, transformative wellness travel is the new luxury. Luxury travel today has gone deeper than experiential travel. The ultimate luxury now lies in the transformational value of the experience and, ultimately, personal fulfilment. Transformative travel is a travel experience that empowers people to undergo some self-reflection and make meaningful, lasting changes in their lives. This has become a prominent demand from today's high-end travellers. The remoteness and uniqueness of secondary tourism destinations in Iran can indeed strongly correspond to these expectations as long as it includes immersive storytelling and an active journey including connection with nature, local and cultural immersion, and healthy food. Overall, this can be linked to rural tourism development (ecotourism and CBT).
- Sustainability and social responsibility are key to the wellness tourism industry. Luxury wellness travellers are interested in their own well-being, but also their impact on the overall well-being of communities around them. This includes healthy eating, in which Iran has a comparative advantage as long as products are organic.
- Another growing trend in the luxury wellness travel industry is wellness architecture. The idea is to design beautiful, but also comfortable, functional and sustainable spaces with materials addressing both physical and mental wellness. There are already recognized brands (Six Senses, and Westin, etc.) in the wellness tourism segment that can be used to meet the expectations of international customers.

New services and product development possibilities in the health tourism subsector

Thermal tourism is the main component of wellness tourism (41%), but countries such as Thailand, Sri Lanka and others are internationally recognized for this type of service even if there is confusion between the concept of a spa and the services offered in these destinations (Ayurveda and traditional medicines, including massages). "Spa" is an acronym for *Sanus per Aquam* (Latin: health through water), meaning water-based therapies, and it has been defined as an entity devoted to enhancing overall well-being through a variety of professional services that encourage the renewal of mind, body and spirit. Therefore, Iran needs: (i) to highlight its comparative advantage in terms of the variety of existing mineral water springs and the offer of balneology and thermal therapies that it represents, and (ii) to be able to differentiate itself in tapping into the current trends as described above.[31]

31.– Thailand is popular for cosmetic procedures. India is most preferred for cardiovascular and orthopaedic procedures. Brazil and Costa Rica, on the other hand, are preferred for dental procedures. As indicated earlier, this reflects the increased risk of a strategy covering all types of procedures and the fact that it needs to identify comparative and competitive advantages for each medical procedure as well as how the overall facilities and infrastructure can play a role in attracting international medical tourists.

New services and product development possibilities mostly concern the wellness and therapeutic segments. Iran should mostly focus on:

- Products and brand development for specific thermal areas. It consists of making profit from the high potential that Iran's mineral springs represent for post-operative (therapeutic) care and balneotherapy, using Iran's comparative advantage in terms of the broad diversity of its thermal springs, both from geographical and chemical (mineral composition) perspectives. Balneology/thermal therapies are comparable to spas, but they require new post-operative infrastructures, professional medical services and supervision for which Iran needs to build capacities. Specifically, Iran's destinations, where mineral springs are mostly located, need facilities that include health services and overnight guest accommodation.
- Facilities with a therapeutic orientation. Certified therapeutic-oriented service or hospital-to-hotel (H2H) facilities are needed in order to make profit from the development of thermal areas. This requires hospitals to confirm the existence of a market for such facilities. Then, one should clearly identify the location, in some preselected areas, where these facilities would have to be.
- Development of new multifunctional infrastructures for wellness travellers. There is growing global demand from wellness travellers whose main purpose is to preserve and promote their physical and mental health (brain, body and soul). From the supply side, it needs specific wellness tourism infrastructure in order to be developed. This infrastructure should be located in a unique and remote environment in connection with nature, local and cultural immersion, and healthy food. In order to facilitate and attract foreign or national direct investments in the sector, the strategy must include the development of packages and guidelines for planning and management of concessions.
- Adaptation of the wellness approach to settlements or communities. The transformative wellness travel is based on the premise that travellers will also experience traditional ways of living. It is important to identify communities being closed to their natural environment in order to channel the responsibility of locals towards their environment to the visitors. Also, communities will need to be trained to meet the needs of visitors and take advantage of employment opportunities. A participatory approach will allow the creation of manuals and materials to remind local populations of the characteristics of each job and the tasks involved. These materials can then be used in training for the benefit of other communities interested in wellness tourism.
- Development of new small-scale facilities or upgrading of existing traditional houses into certified eco-lodges or resorts with a wellness orientation.
- While it is possible to imagine a stay with locals, wellness tourists, although interested in immersion and contact with local communities, are rather looking for high-quality accommodation, such as high-end chains, which also provide healthy eating. These types of establishments have in-house standards that they will want to apply at any location. It is possible to imagine the renovation of existing facilities as long as it complies with the expectations of these operators.

Certification requirements

In the wellness and medical segments, creation of quality assurance mechanisms and regulations is one of the major action areas needed to ensure the sector's proper operation and to secure the reputation of service providers. For wellness tourism and balneotherapy, the primary need is to create modern centres adapted to international audiences and in line with the needs of Iranian medical tourism for the purpose of continuity of care. Therefore, several certification systems would be needed.

- Develop quality standards and classifications. Classification systems often lead to constructive competition between structures – provided that this competition is done in terms of innovation and not through the one-off search for a reduction in production costs. The implementation of quality standards facilitates the process of innovation.
- Develop certification and regulation for therapeutic balneotherapy suppliers. To comply with international standards, there is a need to control the quality of products and services through a process of certification. The establishment of a national certification system to acknowledge the specific medical skills and equipment of each medical centre/cluster is a prerequisite before promoting Iranian health tourism abroad.
- Develop certification for specialized travel agencies. The adoption of a system of certification for travel agencies specialized in health tourism is likely to increase the confidence of potential customers and help stop dealers from decreasing the price competitiveness of Iranian health tourism services through the implementation of unfair commissions that also cut the public sector from accessing international markets. It is important to align the certification process with international standards for companies interested in specializing in health tourism services (best practices can be used as reference: www.ariamedtour.com).

- For wellness tourists, it is possible to rely on international brands wherever possible; otherwise, it would be necessary to establish a national certification system or to approach an international certification entity such as the WellHotel® certification programme.

Institutional adjustments

In view of Iran's expectations to become one of the main international players in the field of health tourism, it seems a priority to align its health tourism-related services to international standards. Due to the lack of coordination between and within government bodies in charge of health tourism-related activities and its consequences on the competitiveness of the health tourism subsector, there is a need to fill that gap and to initiate better sector coordination through institutions. This means agreeing on medical and wellness tourism policies on the basis of existing policy developed by Ministry of Health and Medical Education.

- Build an understanding of global health and medical tourism. In order to facilitate the coordination between the different entities, it is necessary to enrich institutions' understanding of health tourism trends. For example, there are regular international conferences on health tourism in which a delegation of the national health tourism committee accompanied by private stakeholders must participate as much as it must emerge with clear objectives for the sector on the basis of a study of the presentations of international practices and trends.[32] Additionally, visits to high-quality wellness industry establishments for technical staff from these institutions will contribute to their understanding of the industry.
- Establish an online monitoring and reporting system with the objective to collect information from international competitors and on national medical tourism cases and success in treatments (In vitro fertilization and cancers, etc.) for being part of the international research community and shedding light on the quality of the health sector in Iran. Broadly speaking, the information about health tourism in Iran is limited to those involved into the sector.
- Build understanding about health tourism services in Iran and how competitive they are from both a price and medical perspectives. For this to happen, it is first necessary to build capacities of health services and the health tourism department at the Ministry of Cultural Heritage, Handicrafts and Tourism in marketing: (i) to prepare affordable/comprehensive medical packages, and (ii) to facilitate access to information for potential customers. This latter objective consists of:
    - » Making a mapping of health and wellness services in Iran (including a regular update of information) to gain clear picture of it. This will facilitate the creation of a multi-languages platform on Iran's health tourism services (health services providers and certified agents, etc.) also accessible to international tourists thanks to the creation of a new tab for health tourism on the national website: www.visitiran.ir;
    - » Including wellness services in tourism packages to shed light on the quality of infrastructure and medical services;
    - » Translating and promoting existing tools related to medical tourism services in Iran (e.g. https://medtourpress.ir).

International and in-country promotion campaigns are amongst the tools to improve the understanding and the attractiveness of Iran's health tourism services:

- International promotion campaigns in attending international health fairs and congress as well as an increased involvement in social media. However, both specialized and certified travel agents and health services providers must equally participate in order to be able to respond to all questions concerning the health tourism supply chain. Participation in such events must lead to the identification of new strategic partners (international tour operators) to:
    - » Introduce new Iranian products (business-to-business);
    - » Reach the new markets segments;
    - » Increase international tourist arrivals.

- In-country promotion campaigns in hotels and international airports to encourage the return of international tourists to Iran, including for health tourism services.

Investment requirements

Investments in the wellness and medical tourism subsectors must be guided to take advantage of the existing comparative advantage, but also to avoid any damage to natural sites, particularly in the context of the use of hot springs. It is important to identify medical tourism development areas and, in particular, to link them to wellness tourism areas with the particular objective of sustainable income for the conservation of

32.– International Conference on Global Health and Medical Tourism, 22–30 May 2020, Mauritius. Organized by the Indian Institute of Management, Kozhikode, India, the International Centre for Sustainable Tourism and Hospitality from the University of Mauritius, and the Milan University, Italy.

exploited areas and development. This must be done with a view to establishing the terms and conditions for the concession of land intended for investment projects in the wellness tourism sector. The objectives of these public–private partnerships would include the following:

- Regulate the quality of landscapes/visual intrusion through the creation of specific specifications for each priority development area for wellness tourism;
- Facilitate the employment of local populations through a government commitment to identify resource persons and finance training or through international partnership agreements.

Finally, public–private partnerships must be based on a forward-looking approach and not simply on encouraging investment. It is, therefore, necessary to identify and attract leaders/champions in the wellness tourism sector. The development of development plans for priority areas for wellness tourism will be urban planning documents that will reassure investors and turn selected sites into real tourist attractions. While it is generally up to the competent authorities to prioritize tourism investment projects according to their relevance to the development of local economies, studies on the development of wellness tourism should encourage priority to be given to the north-west regions in rural areas, such as the Ardabil Province, while paying attention to the risk of overcrowding.

Box 1: The impacts of COVID-19 on travel intentions among key markets of Iran

The worldwide outbreak of COVID-19 in 2020 has brought the world to a standstill, and tourism has been the worst affected of all major economic sectors. Against a backdrop of heightened uncertainty, up-to-date and reliable information about tourists' intentions is essential policymakers and businesses. The present strategy was designed prior to the outbreak, but remains highly relevant in the post-COVID-19 era.

However, to provide first-hand information about different markets Iran is targeting, the present box outlines the impacts on tourist intentions based on a questionnaire conducted in the second half of the outbreak. The questionnaire on the propensity to travel after COVID-19 was designed to capture individuals' feelings about travelling after COVID-19. It was shared online through professional and academic networks specialized in tourism issues. The following are the key takeaways from the study:

- The intention for travel remains unchanged in most regions, with the exception of China: When asked about the likelihood of changing behaviour after COVID, respondents from China were the only group for which the average rating of responses was neutral (3.09). For the other nationality groups, it is highly likely, if not certain, that most will not change their behaviour. In other words, most do not wish to change their behaviour.
- Iranian domestic tourism might suffer from the crisis, which strengthens the case for foreign tourism: Mainly for respondents from Iran and South America, it is most likely that their financial situation will not allow them to travel. For respondents from Asia, Oceania and the Pacific, this is still uncertain, while Westerners seem quite confident that they won't be constrained by their financial situation.
- Sustainable tourism forms will have a stronger appeal after the crisis: Although all nationalities or groups of nationalities want a different form of tourism, more respectful of nature and the communities visited, there is a stronger conviction for sustainable tourism among groups of nationalities with younger respondents (South America, South-East Asian and Western Europe). However, this observation is less clear-cut for certain nationalities (Iran) or groups of nationalities (Oceania and the Pacific) for which there are either uncertainties or divergences of the same proportion as the certainties about this ambition.
- Mass tourism further loses appeal among young populations due to sanitary concerns: With the exception of the groups of nationalities from East Asia and Oceania and the Pacific, older on average than the others, for whom the intention to continue travelling to mass tourism destinations or major cities remains uncertain, but still exists, the other groups of nationalities seem to want to avoid these destinations.

Source: Traveling after COVID,[1] Frederic THOMAS, associate professor, Institut de Recherche et d'Etudes Supérieures du Tourisme (IREST), Paris 1 Panthéon-Sorbonne.

1.– The author would like to thank the former and current students of IREST, Paris 1 Panthéon-Sorbonne, for their help in translating and disseminating the questionnaire in their networks (Youra Choi, Luis Alenjandro Davila, Haimin Lin and Xi Zhao, Sydney To, Phuong Nhung Cao, Tourkia Maatoug, Afrooz Shafiei, Greta Livia Rapp and Anna Katebelona).

THE STRATEGIC FRAMEWORK

The strategic objectives guides the strategy's implementation in order to achieve the vision laid out by the industry. The plan of action (PoA) will respond to this vision by addressing the sector's constraints and leveraging opportunities in a comprehensive manner. To this end, particular efforts will be made in relation to the following strategic objectives:

1. To enhance coordination and cooperation in ecotourism/nature-based tourism and community-based tourism	2. To leverage Iran's expertise in medicine/science to gain a competitive advantage in health tourism	3. To upgrade and capitalize on existing public and private sector practices as well as untapped assets	4. To change Iran's image through rebranding
• 1.1. Provide a framework for coordination, convergence and control of activities in the field of ecotourism and CBT • 1.2. Constantly update the institutional knowledge on new trends in tourism with a focus on wellness tourism, ecotourism and CBT • 1.3. Establish a more effective coordination and cooperation mechanism between tourism stakeholders	• 2.1. Align health tourism-related services to international standards • 2.2. Improve knowledge and exchange experiences and best practices on medical tourism • 2.3. Raise awareness about and improve access to medical services to foreigners	• 3.1. Enrich the experience and the storytelling for historical and cultural tourism • 3.2. Products and brand development for specific thermal area	• 4.1. Promote the openness and diversity of tourism supply • 4.2. Support off-the-beaten-track product development • 4.3. Increase promotion and branding

The first two strategic objectives for a sustainable and competitive tourism sector in Iran are to focus on the institutional aspects of the sector. This concerns in particular the coordination and the cohesion between the various entities concerned in order to develop the long-awaited policies necessary for the sector's competitiveness. It is true that tourism encompasses a reality much more complex, due to the diffused nature of responsibilities for its development. It is, therefore, legitimate to ask to what extent institutional capacities have so far been effectively translated into government practices supported by various structures and mechanisms that would tend to have given new content and scope to the management of public and private relations in the pursuit of public policy objectives in the field of tourism. Capacity building for institutional actors at local and national levels, but also for sectoral associations, will make it possible to better support the changes needed to make Iran more attractive to both visitors and investors, and to improve tourism's economic and social impact while mitigating its environmental footprint.

The third strategic objective consists of capitalizing on existing assets and good practices, which are, for the latter, alike to what is now expected from an international tourism perspective, in order to improve the overall quality of tourism products and services in Iran. Good practices currently exist in different geographical areas of the country (e.g. Dorbid Village for CBT). They concern all tourism subsectors and, therefore, their initiators could share their learning-by-doing experience. This peer-to-peer approach has always shown greater effectiveness, particularly with rural populations.

- For ecotourism and community-based tourism, priority should, therefore, be given to regions where the volume of national and international tourists is already high. This would also educate both residents and visitors. Many problems of congestion, environmental degradation and poor distribution of tourism revenues are highlighted in rural villages receiving large numbers of visitors. Awareness-raising materials could be developed initially before the populations themselves become aware of the intrinsic value of their territory.

- For historical and cultural tourism, it is necessary to move away from traditional products and visits to get closer to visitors and their imagination. Iran has tourist routes with very strong international themes (Silk Road and Marco Polo Route, etc. See annex).

- It is not only a question of enriching the experience and the storytelling, but also of diversifying the routes to:

  - A decongestion of the main sites and the discovery of forgotten or rarely visited sites (caravanserai and fortresses, etc.);
  - A better distribution of flows and incomes in rural areas;
  - An encouragement to return due to the remaining opportunities, particularly on transnational routes for which tourists are increasingly in demand.

- For health tourism, the approach would first consist of mapping Iranian health services, in a similar way to what needs to be done for other subsectors; i.e. to structure the supply of products and services. This information would make it possible to differentiate offers, create new products and packages, especially for wellness travellers, and thus encourage private actors to specialize, and finally facilitate their promotion. This concerns both medical tourism and wellness tourism, which, for the latter, could find more space in the stays of leisure tourists.

The fourth strategic objective is then to rebrand Iran with a view to underscoring the openness of its territory more than its assets. After analysing numerous international case studies, Avraham and Ketter (2013) effectively confirm the use by states of a continuum between two types of media strategies to modify prolonged negative images of destinations: the cosmetic approach and the strategic approach. The first is to recognize the negative image and face it. The second involves changing the physical reality as proposed in the second strategic objective. Destinations such as Iran that suffer from fundamental problems would be better off starting with improving their reality. This means that rebranding Iran should go beyond sloganeering. Communications are no substitute for policies, and altering the image of a country or a city may require first to develop and implement new policies such as indicated earlier. It confirms the need to extend the number of tourism destinations and experiences.

THE PLAN OF ACTION

To achieve the vision and strategic objectives discussed, a robust, actionable and realistic strategic plan of action is required. This is provided below, and constitutes the heart of this strategy. The PoA is structured along the four strategic objectives described above and their operational objectives. For each objective, the PoA outlines detailed activities and their implementation modalities, which include:

- Priority level: Priority 5 being the highest and 1 the lowest.
- Start/end dates: The desired time-frame of the activity.
- Targets: Quantifiable targets that allow monitoring of the activity from the implementation stage to completion.
- Leading implementing partners: One accountable lead institution per activity. (The institution can also have a technical role or can solely have an oversight and coordination role.)
- Supporting implementing partners: Any institution that should be involved at any stage of the activity's implementation.

Strategic objective	Operational objective	Activity	Priority	Period 2021	2022	2023	2024	2025	Reform or project	Targets	Leading implementing partners	Supporting implementing partners
1. To enhance coordination and cooperation in ecotourism/nature-based tourism and community-based tourism	1.1. Provide a framework for coordination, convergence and control of activities in the field of ecotourism and CBT	1.1.1. Enforce the implementation of the ecotourism strategic document and establishment of an ecotourism policy/a rural tourism policy	4.6						Reform	Ecotourism policy developed and approved	NEC	
		1.1.2. Development of an ecotourism master plan for each ecotourism priority area	4.1						Reform	Ecotourism master plan developed	NEC	
		1.1.3. Development of specific materials on best practices, quality standards and sustainability at each node of the tourism value chain	4.5						Project	Supporting materials developed and distributed	NEC and Education & Research department (E&R)	
		1.1.4. Guidelines for organizations willing to support tourism-related projects (such as OMID)	4.2						Project	The guidelines developed	NEC and E&R	
		1.1.5. Development of dos and don'ts for CBT and ecotourism destinations (for local communities, tour guides, travel agents and tourists)	4.7						Project	The guidelines developed	NEC and E&R	
	1.2. Constantly update institutional knowledge on new trends in tourism with a focus on wellness tourism, ecotourism and CBT	1.2.1. Organization of yearly international academic and professional tourism conferences and workshops to keep updated on international good practices in tourism	3.6						Project	Per activity per region organized annually	Tourism Marketing and Promotion department (TMP)	
		1.2.2. Development of a manual for efficient participation in trade fairs (identification of new trends and best communication strategies, and how to organize business-to-business events, etc.)	4.1						Project	The manual developed	TMP	
		1.2.3. Upgrade of tourism programme in technical and vocational training (TVET) with the support of internationally recognized institutions	4						Project	Tourism programme updated every three years	E&R	
	1.3. Establish a more effective coordination and cooperation mechanism between tourism stakeholders	1.3.1. Creation of an online platform that empowers and connects tourism-related entrepreneurs	4.4						Project	Online platform to be created	E&R and Monitoring and Evaluation of Tourism Services Department (METS)	
		1.3.2. Empowerment of regional arms of the national industry associations	4.1						Project	Quarterly bilateral coordination meetings organized		
		1.3.3. Create and/or make available access to online courses (MOOC) on tourism-related activities in foreign languages (including a certification process)	3.9						Project	Accessibility of online courses ensured	NEC and E&R	
		1.3.4. Creation of a national tourism association	3.8						Reform	National tourism association created	Ministry of Cultural Heritage, Handicrafts and Tourism	

Strategic objective	Operational objective	Activity	Priority	Period 2021	2022	2023	2024	2025	Reform or project	Targets	Leading implementing partners	Supporting implementing partners
2. To leverage Iran's expertise in medicine/science to gain a competitive advantage in health tourism	2.1. Align health tourism-related services to international standards	2.1.1. Agree on medical and wellness tourism policies on the basis of existing policy developed by the Ministry of Health and Medical Education	3.5						Reform	Medical and wellness tourism policy validated	Ministry of Health and Medical Education, and Ministry of Cultural Heritage, Handicrafts and Tourism	Iran Medicine Organization Health Tourism Strategic Council (hereafter: HT)
		2.1.2. Align certification process to international standards for companies interested in specializing in health tourism-related services (Use best practices as reference: www.ariamedtour.com).	4.3						Reform	Certification standards enforced		
		2.1.3. Monitoring of competitors' success and practices (including rate of success)	4.4						Project	Market analysis completed twice a year		
	2.2. Improve knowledge and exchange experiences and best practices on medical tourism in Iran	2.2.1. Make a mapping of medical tourism services in Iran (including a regular update of information) to gain a clear picture of it	4.8						Project	Medical tourism services mapping and updated twice a year	METS and HT	
		2.2.2. Establishment of an online reporting system on medical tourism cases (data collection) and success in treatment (in vitro fertilization and cancers, etc.)	4.2						Project	Online reporting system established and updated	HT	
		2.2.3. Translate and promote existing tools related to medical tourism services in Iran: https://medtourpress.ir	4.2						Project	Medical tourism services in Iran promoted on a regular basis	HT	
	2.3. Raise awareness of and improve access to medical services to foreigners	2.3.1. Creation of a multi-language platform on Iran's health tourism services (health services providers and certified agents, etc.)	4.7						Project	Multi-language platform created and updated regularly	HT	
		2.3.2. In addition to medical services, development of therapeutic services in thermal water areas (Including development of packages and guidelines for planning and management of concessions)	4.4						Project	Therapeutic services to be developed	HT and investment deputy	
		2.3.3. Development of IPD units and infrastructure based on statistics and customers' needs	4.4						Project	IPD units and infrastructure developed and maintained	Ministry of Health and Medical Education	
		2.3.4. Creation of a new tab for health tourism on www.visitiran.ir	4.,2						Project	New tab for health tourism created and optimized	HT	
		2.3.5. Development of a communication campaign on health tourism services at Imam Khomeini International Airport	4.3						Project	Communication campaign developed and activated on a daily basis	HT and TMP	

Strategic objective	Operational objective	Activity	Priority	Period					Reform or project	Targets	Leading implementing partners	Supporting implementing partners
				2021	2022	2023	2024	2025				
3. Upgrade and capitalize on existing public and private sector practices as well as untapped assets	3.1. Enrich the experience and the storytelling of cultural and historical tourism	3.1.1. Development and promotion of the existing cultural and historical itineraries based on theme routes (Silk Road and Marco Polo Road, and crafts villages, etc.), including use of unique accommodations (caravanserai, fortresses and homestay, etc.)	4.5						Project	Different itineraries developed and promoted regularly	METS	
		3.1.2. Enhancement of the tourism village project in transforming – as a pilot project – the visit into an experience for the top 10 visited villages in Iran (development of creative tourism activities through peer-to-peer trainings and technical assistance)	4.2						Project	Creative tourism activities developed	NEC	
		3.1.3. Creation of a crowdfunding platform or trust funds for the financing of CBT projects in Iran	4						Reform	Crowdfunding platform developed	Planning Department	
		3.1.4. Improve access to existing competitive loans to support the creation of SMEs for sport material and equipment rental (creation of a one-stop service for SMEs)	3.8						Reform	Access to loans improved	PD, TMP and investment deputy	
	3.2. Products and brand development for specific thermal area	3.2.1. Development of tourism concession plans for selected rural areas to attract responsible investments in infrastructures (and promotion to tap into the trends to appeal to wellness-driven luxury customers) https://www.cbd.int/tourism/doc/tourism-partnerships-protected-areas-web.pdf	3.8						Reform	Tourism concession plans in rural areas developed	PD, HT and investment deputy	
		3.2.2. Development of new multi-functional infrastructure for wellness travellers in secondary destinations	3.9						Project	Multifunctional infrastructure for wellness travellers developed	PD, HT and Investment deputy	
		3.2.3. Development of certification and regulation for therapeutic balneotherapy suppliers	4						Reform	Certification and regulation developed	METS and HT	
4. Change Iran's image through re-branding	4.1. Promote the openness and diversity of tourism supply	4.1.1. Creation of a system of geographical indications of destinations as "ecotourism areas" or "CBT village" or "award-winning village"	4.2						Reform	System of geographical indications of destinations created	NEC and METS	
		4.1.2. Establishment of a (public–private) crisis response unit at the Ministry of Cultural Heritage, Handicrafts and Tourism	3.5						Reform	Crisis response unit established under Ministry of Cultural Heritage, Handicrafts and Tourism	TMP	
		4.1.3. Invitation of travel influencers, key world-known personalities and international magazines	4.4						Project	Key influencers in tourism invited annually	TMP	
		4.1.4. Capacity building of tourism advisers at Iranian foreign embassies	4.3						Project	Capacity building for tourism advisers provided annually	International affairs	

Strategic objective	Operational objective	Activity	Priority	Period 2021	2022	2023	2024	2025	Reform or project	Targets	Leading implementing partners	Supporting implementing partners
4. Change Iran's image through re-branding	4.2. Support off-the-beaten-track product development	4.2.1. Duplication of the ASEAN Sustainable Tourism Awards competition: http://aseantourism.travel/content/asta	4.2						Project	Tourism awards' competition organized annually	NEC and TMP	
		4.2.2. Highlight best practices on top-visited tourism websites in Iran (www.visitiran.ir; www.tasteiran.net), as well as inbound operators' websites	3.9						Project	Best practices on the website updated regularly	TMP	
		4.2.3. Awareness-raising activities on tourism among local communities ("tourism as a career")	4.6						Project	Awareness-raising activities to be organized twice a year	TMP	
	4.3. Increase the promotion and branding	4.3.1. Improvement of tourism statistics and monitoring (including of the monitoring of online travel agencies, such as trip advisors, etc.)	4.4						Project	Tourism statistics and monitoring improved	ER	
		4.3.2. Launching of an innovative marketing campaign portraying Iran as a modern, progressive destination as well as unknown cultural and natural assets	4.5						Project	Innovative marketing campaign launched and updated quarterly	TMP and ER	
		4.3.3. Ensure that appropriate channels are used for sending these messages through a well-researched database with up-to-date appropriate contacts, strong representations at trade fairs, social media and workshops, etc.	4						Project	Marketing communication channels optimized	TMP and ER	
		4.3.4. Organization of more international sport events/competition/festivals	4.2						Project	International events organized quarterly	TMP	


ناردونه
NARDOONEH
Ecolodge

GUIDELINES ON STRATEGY IMPLEMENTATION

The objective of the Tourism Strategy for Iran is to create an enabling environment for the tourism sector and to ensure its natural assets preservation while contributing to the country's growth and development. Achieving this ambitious objective will depend on the implementation of the activities defined in this strategy.

It is the translation of priorities into implementable projects that will contribute to achieving the substantial increase in export competitiveness and in export earnings envisaged under the strategy. These will be driven by reforming the regulatory framework, optimizing institutional support to exporters and strengthening firms' capacities to respond to market opportunities and challenges. Allocation of human, financial and technical resources is required to efficiently coordinate, implement and monitor work on the strategy.

Successful execution of activities will depend on stakeholders' abilities to plan and coordinate actions in a tactical manner. Diverse activities must be synchronized across public and private sector institutions to create sustainable results. It is, therefore, necessary to foster an adequate environment and create an appropriate framework for the strategy's successful implementation.

Key to achieving the targets will be coordination of activities, monitoring progress and mobilizing resources for implementation. To that effect, industry representatives recommended that an advisory committee of public sector and business representatives for the tourism sector be rapidly established, operationalized and empowered. The advisory committee is to be responsible for overall coordination, provision of policy guidance and the monitoring of industry development along the strategic orientation.

It is recommended that the advisory committee be empowered to meet quarterly and to implement the following functions:

- Create a shared understanding of key market challenges and opportunities facing the sector;
- Set goals and targets that, if achieved, will strengthen the sector's competitive position and enhance Iran's overall capacity to meet the changing demands of markets;
- Propose key policy changes to be undertaken and promote these policy changes among national decision makers;
- Support the coordination, implementation and monitoring of activities in the sector by the government, business, institutions or international organizations to ensure alignment to goals and targets, as required to contribute to resource identification and alignment.

As part of the overall trade policy and NES design process, it has been recommended that an inter-ministerial and multisectoral business council be organized and structured to address overall challenges and opportunities to Iran's trade performance. It is recommended that chairs of advisory committees, such as that for the tourism sector, be members of the council to consult on key trade thematic areas ranging from policy to regulations and trade negotiations.

The presence of the advisory committee to oversee the implementation of the strategy is a key success factor, but it is not sufficient to effectively fulfil its assigned functions. The strategy's success depends on business sector support and participation in implementation, proactive networking and communication, and resources for implementation (Table 5).

Table 5: Key success factors for effective implementation

Factor	Details
Business sector support and participation in implementation	The business sector clearly expressed its willingness to contribute, directly or in partnership with public institutions, to the implementation of the strategy. Their implementation efforts can range from providing business intelligence to institutions to contributing to project design, promotion and branding, or policy advocacy, etc. In brief, the business sector's practical knowledge of sector operations is essential to ensuring that the strategy remains aligned to market trends and opportunities.
Proactive networking and communication	The key implementing institutions detailed in the PoA need to be informed of the content of the strategy and the implications for their programming during its implementation period. This networking and communication is essential to build further ownership and to provide institutions with the opportunity to confirm the activities they can implement in the short to long term. It will be important for the members of the advisory committee and other institutions to reach out to relevant institutions nationally to create awareness and support for the development of the tourism sector.
Resources for implementation	The advisory committee, in collaboration with other institutions, will need to leverage additional support for efficient implementation. Effective planning and resource mobilization is indispensable in supporting strategy implementation. Resource mobilization should be carefully planned and organized. As the tourism sector is a priority of the NES, the government should define annual budget allocations and supports to drive the industry growth. This commitment will demonstrate clear engagement towards strengthening the sector and will encourage private partners to support development. In addition to national budget support, resource identification will require the effective targeting of foreign investors in line with the strategy's priorities. Investment flows to Iran should also be considered as a valuable driver of strategy implementation and overall industry development. The various implementation modalities detailed will determine the success of the strategy's implementation. However, high-level support from the government, in collaboration with strong championship by the business sector, will be the real driver of successful strategy implementation.

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ANNEX

Major missions of the tourism master plan

The following comprises the mission of the future tourism master plan as described in Iran's National Strategic Document for Tourism Development from the Office of Planning and Support of Tourism Development (2019):

- To sustain tourism development by observant of environmental, social and economic considerations;
- To attempt to consolidate cultural identity, preserve values, and natural, culture and crafts heritage;
- To introduce the country as a tourist destination and introduce the works of Iran's cultural and natural heritage to other countries;
- To improve the business tourism industry;
- To encourage efforts to improve the level of welfare and social vitality;
- To strengthen institutional and inter-institutional cooperation for the development of the tourism industry through the Ministry of Cultural Heritage, Handicrafts and Tourism and other related institutions;
- To enhance public and private sector partnership in order to increase competitiveness and sustainability of the country as a tourist destination;
- To satisfy and enhance the quality of the tourists' experience;
- To assist in the development of human capital, the promotion of the knowledge and skills of employed and required manpower in the tourism field;
- To increase cultural development in the field of tourism and efficient employment with an emphasis on local, youth and women communities;
- To contribute to the regional balanced development of the country and increasing national revenues;
- To attempt to fulfil the goals of public diplomacy and cultural diplomacy of the country by improving Iran's image at the international level.

وزارت میراث فرهنگی، گردشگری و صنایع دستی

International Trade Centre