

# Strategic Necessities to Activate Tourism Investments in Iraq: The Reality Hypotheses and The Vision of Ambition

Israa Saad Fahd Al-Jubouri

Mustansiriya University, College of Tourism Sciences, Department of Hotel Studies

DOI:10.37648/ijtbm.v13i05.007

<sup>1</sup>Received: 02 May 2023; Accepted: 26 May 2023 ; Published: 04 June 2023

---

## ABSTRACT

The world witnesses great, rapid and continuous developments in tourism industry, which represents an integrated system of interrelated and complementary tourism relations and activities due to its importance and impact in supporting the economies of countries as it is a civilized industry that does not pollute the environment that supports and generates national income.

In this research, the strategic necessities for activating tourism investments in Iraq as a national development strategy were addressed, based on that, initially shedding light on clarifying the theoretical concepts of the study variables.

Then, a review of the reality represented by a set of challenges to the investment process in the tourism sector and potential investment opportunities. With reference to the experiences of Arab countries that have adopted such a strategy, the research has reached a number of conclusions and recommendations, the most prominent of which is the need to build a national strategy for investment that supports the advancement of the tourism sector in Iraq, starting with activating investment in all its activities, attracting local and foreign investments, organizing tourism work and the effects that will result from it.

This is because Iraq possesses a variety of tourist destinations, represented by natural, cultural and sacred religious elements, in order for it to have an effective role in achieving sustainable and steady development that stems from and revolves around a basic pillar that is the advancement of this sector as an industry that supports the national economy.

**Keywords:** *national investment strategy; tourism investment; tourism industry*

## FIRSTLY: INTRODUCTION

The tourism industry has become one of the important industries that contribute resources to the national economy and significantly contribute to the process of growth and economic development of countries' economies. Its importance reflects an ascending trend in the global economy, evident through the evolving tourism activities of nations, which result in an increase in tourism revenues that contribute to the country's treasury. However, achieving such a result through the contribution of the tourism sector to supporting the national economy in Iraq requires the state to build a supportive strategy for the advancement of the tourism sector in Iraq. This begins with activating investment in all its activities, attracting both local and foreign investments, regulating tourism work, and closely examining the challenges facing this sector. Investors are drawn to an investment environment that provides them with a range of incentives and guarantees, which, once available, will become attractive to foreign investors with all their capabilities, while also preventing the leakage of local investor funds out of the country to be invested in other nations. Hence, the idea of researching and highlighting this important axis emerged to be a supporter and catalyst in revitalizing the investment process, aiming to achieve a modern, integrated industry that contributes to enriching the Iraqi economy with resources.

---

<sup>1</sup> How to cite the article: Al-Jabouri I.S.F.; (June 2023); Strategic Necessities to Activate Tourism Investments in Iraq: The Reality Hypotheses and The Vision of Ambition; *International Journal of Transformations in Business Management*, Vol 13, Special Issue, 88-108, DOI: <http://doi.org/10.37648/ijtbm.v13i05.007>

**Secondly: Research Importance**

The importance of this research stems from the significance of developing tourism investment activity in Iraq and the resulting role it plays in infrastructure development, job creation, and income generation. This is achieved by focusing on the strategic necessities to activate tourism investments in Iraq as a developmental and national strategy. This necessitates the construction of a supportive strategy to promote the tourism sector in Iraq, starting with activating investment in all its activities, attracting local and foreign investments, and regulating tourism work. These efforts contribute to revitalizing the tourism sector and consequently supporting the national economy. The tourism sector is considered an activity with economic, social, and cultural impacts. It serves as a major source of foreign revenue and influences the balance of payments by achieving a surplus in the tourism balance. Additionally, it provides more employment opportunities due to being a labor-intensive sector. Furthermore, the tourism sector is characterized by its intricate front and back relationships with other sectors. Thus, this sector has gained a distinguished position in development strategies, particularly in countries with the potential and resources for tourism.

**Thirdly: Research Problem**

Diagnosing the problem is the proper entry point for addressing it, and the research problem revolves around the lack of a clear national investment strategy for the tourism sector and its developmental prospects. The issue at hand is the absence of a well-defined national strategy for investing in the tourism sector that outlines its potential and the avenues for its development, aiming to uplift an integrated tourism industry capable of generating tourism revenues for the national income comparable to oil revenues. This sector possesses inherent components that, if effectively utilized through tourism investments, could significantly contribute to the national economy. One of the means of support is adopting a supportive and incentivizing tourism strategy to invigorate the tourism industry in Iraq. The absence of an attractive and comprehensive national investment strategy weakens the motivation for investment, and it obscures the economic and social benefits that can be derived from investing in the tourism sector.

**Fourthly: Research Hypothesis**

The research is based on the hypothesis that the tourism sector is in dire need of a well-defined national investment strategy as a general necessity for activating tourism investments in Iraq. This strategic requirement is vital to enable the tourism sector to play an active and supportive role in its own development. The hypothesis emphasizes the importance of establishing the tourism sector as a crucial and vibrant sector, contributing significantly to the enhancement of an integrated tourism industry in Iraq.

**Fifthly: Research Objective**

The primary objective that this research seeks to achieve is to identify the strategic necessities for activating tourism investments by formulating a national investment strategy that adopts tourism investments to enhance a successful tourism industry in Iraq. This is aimed at harnessing the potential of the tourism sector to contribute to rapid economic growth by investing in tourism resources across all tourist regions, ensuring their sustainability. The goal is to transform the tourism sector into a robust entity capable of reducing dependence on oil as the sole source of financial resources for the country.

This will be accomplished through the following:

1. Highlighting the importance of investing in the tourism sector as a vital and diverse economic sector, showcasing a comprehensive overview of the reality and challenges of investing in the tourism sector in Iraq.
2. Establishing a clear vision for tourism development and activating tourism investments by identifying the strategic necessities required to achieve the desired vision for success.

**Sixthly: Research Methodology**

The research adopts a descriptive-analytical methodology.

## Seventhly: General Concepts Related To The Theoretical Framework Of Research Variables

**1. Tourism:** Tourism is one of the most prominent economic activities worldwide, representing a significant economic component. Essentially, tourism is a human activity that reflects the movement of individuals and funds from one place to another for various purposes. Tourism is defined as "the phenomenon of individuals moving in a legitimate manner to places other than their permanent residence for a period not less than 24 hours and not exceeding a year for any purpose except for obtaining work and its associated economic, social, cultural, and media effects." <sup>(1)</sup> Tourism plays a pivotal role in enhancing and strengthening the overall national economy. It is considered one of the fundamental pillars of the service economies in the twenty-first century, among three industries expected to lead service economies globally: wireless communications, information technology, and tourism and travel. Statistics from global tourism and travel councils indicate that the tourism sector contributes directly and indirectly to over 10% of the global Gross Domestic Product (GDP) and global capital formation, as well as tax revenues. The importance of tourism increases globally as a developmental and national strategy for economies of nations due to its substantial impacts on economic, social, and cultural aspects. It contributes to supporting Gross Domestic Product, balance of payments, foreign trade, job creation, employment rates, infrastructure and superstructure development, production and investment stimulation in other sectors, equitable distribution of development and income among regions, increased revenues, higher government income, and financial market activation. Moreover, tourism positively affects other economic sectors through forward and backward linkages, creating economic relationships between the tourism sector and other sectors. Additionally, tourism facilitates the influx of foreign capital, the transfer of modern and advanced technologies, and workforce employment. It also contributes to achieving spatial economic balance and improving the balance of payments. <sup>(2)</sup>

**2. Tourist Investment:** Tourist investment, as mentioned in the literature of tourism economics, refers to the total capital employed in the tourism sector. It encompasses investments in the key components and resources of the tourism industry, which can be broadly categorized into two main axes:

- Investments in tourism services, including accommodation facilities, restaurants, entertainment venues, transportation services, and communication services.
- Investments in the field of tourism assets in tourist attraction sites. <sup>(3)</sup>

The World Tourism Organization also defines tourist investment as the investment-oriented development of tourism that meets the needs of tourists and host sites, while also protecting and providing future opportunities. <sup>(4)</sup> It can also be understood as the utilization of capital to create both physical and human resources for the development of the tourism sector. This involves training and improving the skills of the workforce in the tourism sector, as it generates multiplier effects within the tourism domain. <sup>(5)</sup>

Tourist investment is a major source of national income in many countries, significantly contributing to the improvement of a country's economy. It offers multiple positive advantages across economic, social, cultural, and environmental fields.

**3. Strategy:** The concept of strategy involves a comprehensive and integrated plan aimed at achieving specific long-term objectives. A strategy typically includes interconnected elements such as analyzing the current situation, defining goals and future vision, determining the necessary steps and actions to achieve those goals, and allocating the required resources for plan execution. <sup>(6)</sup>

From a managerial perspective, strategy is seen as a process that aims to achieve an organization's mission by managing the relationships between the organization and its environment. It is a collection of decisions and activities related to formulating and implementing the necessary strategy to achieve the organization's objectives. From a competitive advantage standpoint, strategy is the series of commitments, decisions, and actions required for an organization to gain a competitive edge and achieve high performance rates. <sup>(7)</sup>

The purpose of a strategy is to achieve specific long-term objectives, develop the institution or organization in line with its future vision and the requirements of its surrounding environment, attain competitive advantage, improve performance, expand, grow, enhance relationships with customers and employees, achieve organizational development, and respond flexibly to external variables such as market changes, technology, and legislation. The objectives of a strategy may vary from one institution to another based on the nature of the business and the challenges it faces. Strategy is one of the most crucial tools employed by institutions and companies to achieve success and sustainability in a competitive business market. It guides an organization's efforts and resources towards defined goals, maximizing their utilization, achieving

flexibility in responding to external changes, focusing on core objectives, and avoiding distractions by minor matters that do not serve primary goals.

Moreover, strategy serves as a future planning tool, enabling an organization to navigate market horizons, anticipate future changes, adapt to them, and achieve competitive advantage over other competitors in the market. Additionally, strategy brings an organization and its employees together around a common direction to achieve specific objectives. It aids in improving organizational performance, achieving future goals, adapting to external changes, and identifying new opportunities.

Developing a national investment strategy is of great significance as it helps guide a country's efforts and resources towards vital sectors that enhance economic growth and improve citizens' living standards. <sup>(8)</sup>

## **FIRST SECTION: REVIEW OF THE CURRENT SITUATION OF THE TOURISM SECTOR AND TOURIST INVESTMENTS IN IRAQ**

### **First Objective: Analysis of the Current State of the Investment Process in Iraq, with a Focus on the Present Reality of the Tourism Sector and the Challenges it Faces**

Analyzing the necessity of developing strategic plans to stimulate tourist investments relies on the current state of the tourism industry in Iraq and the desired objectives for its development. Iraq is considered a country with various tourism assets and patterns, which collectively present ideas for projects and investment opportunities to establish successful tourism investments. These investments aim to activate all tourism sector activities to contribute to generating and increasing capital within the sector. By utilizing the available physical and human resources, the goal is to enhance the tourism industry and contribute to the national income of the country.

Investing in vital tourism facilities further enhances the contribution of tourism to the overall Gross Domestic Product (GDP), potentially addressing several issues within Iraq's economic structure, including unemployment and poverty. Moreover, this type of investment can open up broad investment opportunities in other sectors such as agriculture, industry, housing, transportation, and infrastructure. The development of tourism serves as an important developmental indicator, capable of fostering growth and progress in various facets of the country's economy.

#### **First: Tourism Components in Iraq**

Iraq possesses numerous and diverse tourism components that can be leveraged in the investment process <sup>(9)</sup>:

1. Natural Components: Iraq has picturesque nature and captivating natural areas, such as the Kurdistan mountains and Dokan waterfalls. These areas can be invested in for natural tourism. Additionally, Iraq owns various rich and diverse natural resources, including rivers, lakes, and natural reserves. These serve as ideal destinations for nature enthusiasts and fishing, and can be utilized for the development of eco-tourism and sports tourism. Iraq's plains and valleys also exhibit natural beauty and diversity, featuring stunning landscapes and rural places like the Nineveh plain and Kurdistan valleys.
2. Cultural and Heritage Components: Iraq harbors numerous significant heritage and archaeological sites that attract tourists and those interested in heritage and culture. The country is an ideal destination for history lovers and ancient civilizations. It includes various vital archaeological and historical sites such as Babylon, Nineveh, the marshlands, and the land between the rivers, all of which are key components for the development of tourism in the country.
3. Religious Shrines and Sites: Iraq is home to many significant religious sites that attract visitors from within and outside the country, such as the holy cities of Karbala and Najaf. Iraq boasts important Islamic religious sites, holding a diverse and rich cultural and religious heritage. This heritage can be utilized for the development of religious and cultural tourism in the country.

These components form the foundation for the development of tourism in Iraq and attracting a greater number of tourists and investors. It is essential to focus on their development and effectively promote them to attract a larger number of tourists and achieve the anticipated economic growth.

#### **Secondly: The Importance of Tourism Investments in Iraq**

Tourism investments, in general, are vital economic activities in many countries. They significantly contribute to local economic development, job creation, and improving the quality of life for local communities. Moreover, tourism investments attract tourists and visitors to the country, thereby boosting cultural and social relationships between nations and contributing to regional peace and security. For Iraq, tourism investment stands as a crucial strategic option for local economic growth, job creation, and increased government revenues. Consequently, the presence of tourism investments in Iraq holds substantial importance for various reasons, including <sup>(10)</sup>:

- Iraq is an exceptional tourist destination, and investing in vital tourism facilities enhances tourism's contribution to the overall GDP. This has the potential to address several issues within Iraq's economic structure, including unemployment and poverty.
- The development of tourism serves as an indicator of progress, contributing to broad investment prospects in sectors such as agriculture, industry, housing, transportation, and infrastructure.
- Iraq hosts several renowned tourist sites, where tourists require comfortable and secure accommodations. Hence, hotel and hospitality investments present excellent investment opportunities.
- The diverse and rich Iraqi cuisine, with its distinct flavors and famous dishes, makes it an attractive destination for food enthusiasts seeking new culinary experiences. Additionally, the sports and entertainment sector offers good investment potential in Iraq. The presence of sports and entertainment centers can cater to the needs of both tourists and local residents.
- Iraq boasts a large and educated workforce, facilitating the provision of trained and qualified labor in the tourism sector. This augments the success potential of investments in the sector, aligning with educational institutions offering tourism-related programs. This ensures a reliable source for training and qualifying the workforce in this sector.

### Thirdly: Potential Investment Areas and Opportunities in Iraq

The tourism industry in Iraq presents a wide range of diverse investment opportunities that can be leveraged to achieve favorable financial returns. Here are several of these opportunities <sup>(11)</sup>:

1. Hotel and Hospitality Investment Opportunities: Iraq boasts numerous famous tourist sites, and tourists require comfortable and secure accommodations. Therefore, investments in hotels and hospitality offer excellent investment prospects.
2. Religious Tourism Investment Opportunities: Iraq is home to many significant religious sites that attract visitors from both within and outside the country, such as the cities of Karbala and Najaf.
3. Cultural and Heritage Tourism Investment Opportunities: Iraq possesses many important heritage and archaeological sites that appeal to tourists interested in culture and heritage, such as the ancient city of Babylon and various archaeological locations.
4. Natural Tourism Investment Opportunities: Iraq has stunning natural landscapes and captivating areas, including the Kurdistan mountains and Dokan waterfalls. These areas can be utilized for nature-based tourism.
5. Sports and Entertainment Investment Opportunities: The sports and entertainment sector presents a good investment opportunity in Iraq, with many sports institutions and entertainment centers that can cater to the needs of both tourists and local residents.
6. Transportation and Logistics Services Investment Opportunities: The transportation and logistics sector can be invested in to improve the quality of services provided to tourists and facilitate their movement. Both private and governmental companies can work on enhancing transportation and mobility services for tourists.

In conclusion, the various investment opportunities in the Iraqi tourism industry hold immense potential for economic growth, job creation, and the overall development of the country. These opportunities can contribute to attracting more tourists, generating revenue, and enhancing the quality of services provided to visitors.

### Fourthly: Requirements of the Investment Process in the Tourism Sector

To shed light on tourism investment, it is essential to have an investment climate - an investment environment - which encompasses all the conditions and circumstances that make up the environment in which the investment process takes place. This environment is affected by political, economic, social, security, legal, and administrative conditions. The components of the investment climate can be as follows <sup>(12)</sup>:

- A political environment with a stable political system and a clear stance of political powers towards economic projects. Some of these powers might impose restrictions, especially if their interventions are extensive and limitless. Therefore, countries with unstable political conditions are considered risky for investments. Conversely, the availability of a stable and secure environment encourages investment, whereas insecurity acts as a driving factor for capital flight to more stable countries. The insecurity in Iraq has led to the outflow of funds and investment to some neighboring Arab countries.
- A suitable tax environment considering that tax legislation can determine a certain percentage of the expected cash flows from proposed economic projects. Therefore, an appropriate tax environment could either encourage investments through specific tax exemptions for a defined period or reduce the tax percentage imposed on investors.

- The availability of savings, which exceed immediate consumption needs, and the willingness to forego immediate consumption in hopes of obtaining substantial returns from future investments. This requires support and backing from the state's financial policy in general.
- Legal and financial legislations that facilitate the investor's task, such as allowing imports to meet the needs and requirements of the proposed investment project or exporting the produced items to the markets the investor chooses. Additionally, financial and banking facilities.
- An economic environment characterized by stability, free of economic problems like decreased production, increased costs, increased demand without corresponding supply, or increased supply without matching demand. The presence of such issues creates an economically insecure environment for the investor.
- Financial markets, where securities like stocks, bonds, or commercial papers are traded. These markets come in various types, and the appropriate financial markets that cater to Arab or foreign investments need to have all the components of a financial market to facilitate the investor's goals and requirements.

Investment directly relies on an environment characterized by political, economic, and social stability, achieved through policies, laws, and regulations that influence investor confidence and persuade them to direct their investments to one country over another. Nevertheless, it's noticeable that Iraq's investment environment is not conducive, despite the amended Investment Law No. 13 of 2006 and its included incentives and exemptions for investment projects. This is due to the ongoing political instability, deteriorating infrastructure, economic decline, and the prevalence of financial and administrative corruption, along with other negative indicators. All of these factors contribute to the absence of a suitable and encouraging investment climate for both Arab and foreign investors to consider tourism investment.

#### **Fifthly: Challenges Facing the Investment Process in the Tourism Sector in Iraq**

There's no doubt that analyzing the need for developing strategic plans to boost tourism investments is an effective option for enhancing economic growth and improving job opportunities in the tourism sector. This can be achieved by heavily relying on tourism as a major source of national income. If tourism represents a significant income source for a country, it becomes crucial to establish strategic plans to enhance this industry and attract more tourism investments. This involves ensuring the necessary infrastructure for accommodating tourists, including transportation, accommodation, restaurants, and other tourist services. It also requires diversifying tourism to encompass various forms, such as cultural, entertainment, health, religious, and other types, in order to expand investment opportunities in this field. Additionally, evaluating international competition, analyzing the positions of other countries in the global tourism market, identifying the strengths and weaknesses of the country's tourism industry, and developing strategies for competition in this sector, as well as analyzing global market trends and predicting future tourism demand.

However, on the flip side, we face the reality that the Iraqi tourism sector and its investments encounter several obstacles that pose challenges to the Iraqi government. These challenges include <sup>(13)</sup>:

#### **1. Legal Legislation for Heritage Protection and Investment:**

The state needs to enact legal legislation for the protection of heritage and investment, along with implementing mechanisms to simplify the investment process. Additionally, there is a lack of incentivizing legislation for tourism investments in Iraq. It is essential to establish a secure legislative environment that includes economic and security-related legislative and executive procedures for the tourism sector. This will make it attractive for both local and foreign investors to participate in Iraq's tourism industry and reduce the outflow of national funds abroad. Furthermore, the absence of specific laws addressing tourism investment, containing diverse legal provisions for incentives, guarantees, and facilitations for all procedures, hampers the provision of protection and reassurance to potential investors. Developing these incentives for tourism investment can stimulate investment activity in Iraq's tourism sector and create an investment-friendly atmosphere that attracts investors while alleviating bureaucratic procedures, routines, and administrative corruption. Establishing a single oversight authority for tourism investments ("One-Stop Shop") should be considered to prevent investors from being lost in bureaucratic complexity. Additionally, Iraqi tourism legislation should encompass measures to enhance tourism infrastructure, such as improving roads, airports, hotels, and resorts, as well as upgrading tourist transportation services. These factors play a crucial role in making tourism appealing and investment-worthy.

## **2. Bureaucracy, Administrative Corruption, and Economic Reform Challenges:**

Iraq faces significant economic difficulties, including budget deficits and limited revenues, which can hinder investment in the country. This can discourage investors due to the lack of clarity and transparency in contract agreements and investment opportunities. Such uncertainties encourage manipulative practices in investment deals and non-compliance with relevant laws. Administrative and financial corruption also contributes to increased costs. Moreover, the lack of trust between investing companies and government bodies, particularly certain ministries exhibiting non-transparency in awarding investments or demanding monetary amounts in exchange for directing investments to specific companies, further exacerbates the issue.

Bureaucratic routines and obstacles remain a substantial hindrance for investors, with various government departments not collaborating to provide necessary facilitations for project implementation. Additionally, government agencies responsible for overseeing tenders related to investment projects disburse significant amounts of money to project executors, leading to project slowdowns, incomplete executions, and sometimes funds being taken out of the country. The absence of specialized competencies in investment departments, especially in provinces, has negatively impacted the investment landscape, posing a significant obstacle for potential investors.

## **3- Political and Security Stability:**

One of the most significant challenges facing tourism and tourism investments. It is a primary determinant in making investment decisions and stands as one of the key obstacles hindering the establishment of tourism projects. The prevailing political and security stability within the country contributes to creating a favorable environment for attracting investments and directing them inward, promoting the localization of domestic capital. This factor continues to discourage investors from investing in the country. Despite gradual improvements in Iraq's security situation, this challenge persists in limiting the number of tourists and investors in this sector.

## **4- Deterioration of Infrastructure:**

Tourism requires a strong and integrated infrastructure that includes roads, bridges, tourist facilities, hotels, restaurants, and more. This infrastructure helps enhance tourism services and attract more tourists. Many Iraqi cities suffer from a lack of infrastructure and essential services necessary to support tourism, such as hotels, restaurants, entertainment venues, as well as utilities like electricity, water, and transportation. This leads to difficulties in establishing and operating businesses in the country, consequently reducing investments. Tourism in Iraq necessitates significant investments to develop infrastructure and provide tourism services, along with marketing for tourist areas. These challenges can be particularly tough given the financial and political constraints within the country.

## **5- Urban Planning for Tourism Policy:**

Urban planning is crucial for the development of tourism in Iraq and attracting more tourists and investments in this field. It involves the process of designing and developing tourist infrastructure, organizing land use and resources in tourist areas in an integrated and sustainable manner, according to specific objectives aimed at promoting the tourism sector and improving the quality of services provided to tourists. This encompasses several aspects, such as defining tourism goals and official guidelines to direct tourism investments, identifying suitable tourist areas, designing appropriate tourism infrastructure to meet tourists' needs, developing tourism-related services including transportation, accommodation, entertainment, shopping, and more. Additionally, it entails setting timelines and budgets required for implementing tourism projects, prioritizing initiatives, evaluating outcomes, and managing risks associated with project execution.

## **6- Limited Investment Allocations Approved by the Federal State Budget:**

The reality shows that the annual investment allocations approved by the general state budget for the tourism sector are modest. The tourism sector suffers from limited investment allocations, which is reflected in the scarcity of completed or planned projects. The root of the problem lies in the governance of these allocations, where the limited financial resources allocated by the state for tourism activities become evident. As a result, these resources are confined to narrow aspects, leading to private sector reluctance to invest in this sector. Furthermore, the suspension of support for tourism investment in accordance with Law No. 353 of 1980 has contributed to the decline of tourism investment in the country. The inadequacy of investment allocations has led to the absence of private investment companies or participation in the tourism sector, with investment being restricted to individuals with limited resources that do not match the substantial requirements of the tourism industry.

**7- High Inflation Levels:**

One of the prominent and major challenges facing the Iraqi economy is the high level of inflation. This challenge contributes to the significant hesitance of domestic capital to invest within the country, leading to a trend of capital flowing outwards to maintain the real value of assets. As a result, foreign investors might also be discouraged from directing their investments into the country, given the diminishing profit potential in the face of prevailing inflation. For instance, the general rise in wages within the private sector, despite widespread unemployment in Iraq, due to the rapid acceleration of inflation rates, presents a future challenge for investment. This situation could become even more intricate when foreign investments arrive and begin operating within the country.

**8- Government and Private Banking Systems:**

The governmental and private banking systems in Iraq are characterized by their lack of development and cooperation in supporting the investment sector and investors. There is an urgent need to fundamentally reform the banking sector and reconsider its systems and operations. As a result, the financial sector in Iraq is still below the required standard. It lacks the necessary efficiency that would enable it to play an active role in the Iraqi economy, particularly in terms of its impact on providing the necessary credit and liquidity for both local and foreign private sectors.

**9- Weakness in Statistical Databases:**

A critical challenge lies in the insufficient statistical databases, which are crucial for both local and foreign investors to assess investment opportunities and the economic feasibility of projects. This cannot be achieved merely by providing data on components of the Gross Domestic Product (GDP) for production and service sectors, or solely relying on government financial statistics. The data must be comprehensive and cover the entire economy to understand the mechanisms employed by fiscal and monetary policies of the state. Additionally, comprehensive trade statistics are essential to comprehend imports and exports of goods and services, reflecting the consumption and production structure of the country. Furthermore, the absence of a comprehensive and integrated informational and statistical framework about the tourism sector is another issue that needs to be addressed.

**10- Lack of Unified Visions, Strategies, and Policies:**

The absence of comprehensive visions, unified strategies, and cohesive policies across all sectors, coupled with the limited role of the government in the economic realm, significantly impacts investment. Investors seek clarity in the economic policies pursued by the concerned country. Additionally, the absence of a well-defined government strategy concerning tourism and its developmental prospects has led to ambiguity in the tourism vision.

**11- Effective Tourism Management and Marketing:**

Effective tourism and marketing management of tourist destinations is also a challenge facing the tourism sector in Iraq. Tourists require accurate and comprehensive information about tourist attractions and available services within the country. Furthermore, the Iraqi government should allocate resources to improve the infrastructure of the tourism sector, such as roads, public facilities, and high-speed internet, which would facilitate tourists' access to tourist attractions and enhance their tourism experience.

Tourism necessitates efficient and well-organized management to ensure the quality of services provided to tourists and to protect cultural and tourist sites in Iraq. However, Iraq is facing a shortage of effective tourism and marketing management for its tourist destinations. The tourism sector in Iraq needs effective and well-organized management to ensure the quality of services provided to tourists and to protect cultural and tourist sites. The lack of effective tourism and marketing management for tourist destinations is a significant challenge for Iraq.



**Second Objective: Analyzing the Reality of the Investment Process in Iraq Globally, Regionally, and Locally****Firstly: Analysis of Global Competitiveness Reports and Ease of Doing Business in Attracting Investments Worldwide**

The results of global competitiveness reports and the ease of doing business report are considered potential and significant obstacles in attracting investments due to the indicators they contain. These indicators provide foreign investors with an impression of the economic and investment environment within Iraq, influencing their decisions regarding investing in the country. These reports are based on official data and information about various indicators and criteria related to business, investment, trade, infrastructure, education, and more. They are compiled from opinion surveys and available official data. These reports are typically used by investors, institutions, and governments to assess the business environment in specific countries and make appropriate decisions regarding investment and trade. The following is a summary of these reports:

-The Global Competitiveness Report, issued annually by the World Economic Forum, evaluates countries worldwide based on their ability to provide prosperity for their citizens according to 114 criteria. According to the 2021 Global Competitiveness Report by the World Economic Forum, Iraq ranked 115th out of 140 countries evaluated in the report. The efficiency of countries in achieving economic and social prosperity for their citizens is measured based on various indicators, including infrastructure, education, innovation, institutions, sustainability, and more. Despite facing numerous economic and social challenges, Iraq has seen improvements in various areas, such as infrastructure, basic services, and increased employment opportunities. However, there is still a need for further efforts to enhance investments, improve institutions, and develop human resource capacities in the country to achieve greater economic competitiveness. <sup>(14)</sup>

-The Ease of Doing Business report, published by the International Finance Corporation (IFC), addresses various criteria related to ease of conducting business activities, including starting a business. According to the 2021 Global Competitiveness Report, Iraq was ranked 175th out of 190 evaluated countries. Additionally, according to the World Bank's "Doing Business 2022" report, Iraq ranked 173rd out of 190 countries in the Ease of Starting a Business indicator for the year 2022. This indicator is measured by analyzing the procedures and documents required to establish a new company, including licenses, registrations, obtaining necessary permits, and registering the company with different authorities. These rankings indicate significant challenges in providing services and improving the business environment in Iraq. These challenges might be the reason for the country's lower position in both reports. Despite some progress in certain economic areas, the reports highlight challenges that hinder the ease of starting business activities in the country. Among these challenges are complex bureaucratic procedures related to licenses, permits, and registrations, as well as other challenges associated with the public sector, corruption, and security stability. Iraq needs ongoing efforts to simplify procedures and mitigate existing challenges in order to enhance the ease of starting business activities in the country. <sup>(15)</sup>

**Secondly: Analysis of Foreign Direct Investment Inflows to Arab Countries, Including Iraq**

Table number (1) indicates the foreign direct investment (FDI) balances entering Arab countries during the years 2015 and 2016. Saudi Arabia topped the list with a share of 8.27% of the total FDI inflows to Arab countries, followed by the UAE with a share of 1.14%, then Egypt with 3.12%. Iraq's share accounted for 1.1% of the total FDI inflows to Arab countries. The numbers mentioned reflect that foreign direct investment inflows to Iraq decreased by 38% in 2016 compared to the previous year 2015. The inflows in 2016 represented about 1.1% of the total FDI inflows to Arab countries. This analysis suggests that certain challenges have affected attracting foreign direct investment in Iraq, such as security and political disturbances, as well as economic challenges faced by the country. This negatively impacts economic growth, business environment improvement, and foreign investment attraction. Consequently, the Iraqi government might need to take radical measures to enhance the business environment, provide more incentives to attract foreign direct investment, and improve economic growth in the country. <sup>(16)</sup>

<b>Table No. 1: Foreign direct investment balances incoming to Arab countries in million dollars for the years 2015 and 2016</b>					
<b>Country</b>	<b>2015</b>	<b>2016</b>	<b>Share of the total for 2016 %</b>	<b>change value</b>	<b>percentage change %</b>
<b>Iraq</b>	<b>15,409</b>	<b>9,498</b>	<b>1.1</b>	<b>-5,911</b>	<b>-38</b>

Source: UNCTAD - World Investment Report 2017

**Thirdly: Analysis of the Arab Intra-Investment (Inter-Arab Investments) among Arab Countries**

In addition to foreign investments, intra-Arab investments, also known as "inter-Arab investments," are significant indicators. The above table illustrates the total Arab intra-investments in the year 2015 and their changes in 2016, along with each Arab country's share in these investments. The data can be interpreted as follows:

- The highest share of intra-Arab investments is held by Saudi Arabia at 36% in 2016, followed by the United Arab Emirates at 20%, and Qatar at 14%.

- In the case of Iraq, its share in intra-Arab investments was modest in 2016 at 1.1% of the total. The overall value of investments entering Iraq decreased from \$15.4 billion in 2015 to \$9.5 billion in 2016, representing a 38% decline. It can be inferred that Saudi Arabia, the UAE, and Qatar are the most attractive countries for intra-Arab investments, while Iraq experienced a decline in its attractiveness for such investments during the mentioned period. In comparison with other Arab countries, Iraq's share in total intra-Arab investments is relatively modest.

<b>Source/Destination</b>	<b>Iraq</b>
<b>The United Arab Emirates</b>	<b>14,104</b>
<b>Bahrain</b>	<b>167</b>
<b>Kuwait</b>	<b>851</b>
<b>Saudi Arabia</b>	<b>115</b>
<b>Qatar</b>	<b>786</b>
<b>Lebanon</b>	<b>3,744</b>
<b>Jordan</b>	<b>773</b>
<b>Algeria</b>	<b>45</b>
<b>Total</b>	<b>20,583</b>

Source: UNCTAD - World Investment Report 2017. For more details, please consult the complete table in Annex 1.

**Analyzing the data of investment inflows to Iraq from Arab countries can be done as follows:**

**1. United Arab Emirates (UAE):** The UAE is one of the most significant investment destinations in Iraq, with UAE investments totaling \$14.104 billion. This can be attributed to strong economic and trade relationships between the two countries, as well as the UAE's support for private investments in Iraq.

**2. Kuwait:** Kuwait ranks third among Arab investment destinations in Iraq, with investments valued at \$851 million. This is due to the improvement in trade and political relations between the two countries, encouraging investments in Iraq.

**3. Saudi Arabia:** Saudi Arabia ranks fourth among Arab investment destinations in Iraq, with investments valued at \$115 million. Good relations between the two countries play a role in encouraging joint investments in various economic sectors in Iraq.

**4. Qatar:** Qatar ranks fifth among Arab investment destinations in Iraq, with investments valued at \$786 million. This is due to the significant interest of the Qatari government in supporting investments in Iraq, especially in the oil and gas sectors.

**5. Lebanon:** Lebanon ranks sixth among Arab investment destinations in Iraq, with investments valued at \$3.744 billion. Strong bilateral relationships between the two countries, exchange of expertise, and enhancing economic and trade cooperation contribute to this ranking.

**6. Jordan:** Jordan ranks seventh among Arab investment destinations in Iraq, with investments valued at \$773 million. Economic agreements and partnerships between the two countries encourage mutual investments.

**7. Bahrain:** Bahrain ranks eighth among Arab investment destinations in Iraq, with investments valued at \$167 million. Bilateral relations between the two countries and economic cooperation contribute to this ranking.

**8. Algeria:** Algeria ranks ninth among Arab investment destinations in Iraq, with investments valued at \$45 million. Some small-scale Algerian investments in various sectors in Iraq contribute to this ranking.

The provided data includes information about Arab investment destinations in Iraq, which highlights the economic relationships between these countries and Iraq, specifically the investments being made in Iraq. Unfortunately, there is no detail about the location and type of these Arab investments in Iraq in the presented data. It is possible that these investments are distributed across different regions in Iraq based on the economic sectors in which they are invested.

Source/Destination	Jordan	The UAE	Lebanon	Total
Iraq	16 million dollars	127 million dollars	15 million dollars	158 million dollars

Source: FDI Markets. For more information, please refer to the complete table in Annex 2.

The table above illustrates the total investments made by Iraq in a number of Arab countries, and the data can be interpreted as follows: Iraq appears to be the country that has invested the largest amount of money in these countries, with a total investment of \$158 million. The table shows that the UAE was the primary destination for Iraqi investments, with investments totaling \$127 million, followed by Jordan with \$16 million and Lebanon with \$15 million. This is influenced by the economic, political, and social factors affecting investments and financial flows in each country. The main reason for capital outflows could possibly be the lack of a stable economic environment in Iraq, increasing potential risks for investors and making Iraq less attractive for investment. Other reasons could include higher returns available in other markets, availability of infrastructure and necessary facilities for investors, and lower political and economic risks in other countries. (17)

#### Fourthly: Analysis of the Current Situation of the Tourism Sector in Iraq.

Table 3: Numbers of Hotels, Tourist Accommodation Complexes, and Employees in the Tourism and Hospitality Sector in Iraq, excluding the Kurdistan Region, for the specified period 2007-2020

Year	Number of hotels and tourist accommodation complexes	The number of workers in hotels and tourist accommodation complexes	The sum of wages and benefits Million dinars	Number of travel and tourism companies	The number of tourists coming to Iraq
2007	492	4574	12163	479	915938
2008	-----	-----	-----	475	863657
2009	662	6065	22225	466	1127008
2010	751	6071	25438	469	1562194
2011	929	7109	25577	460	1500277
2012	1084	7491	32454	531	1215394
2013	1267	8830	50297	556	834711
2014	----	----	-----	606	1185242
2015	1296	8182	37822	665	2535778
2016	1484	9132	44475	742	3572997
2017	1618	10167	43024	----	----
2020	2291	12989	61828	----	-----

Source:

1. Ministry of Planning, Central Statistical Organization, Directorate of Trade Statistics, Survey of Hotels and Tourist Accommodation Complexes for the year 2020.
2. Tourism Board, Planning and Monitoring Department, Baghdad, 2016.

Based on the data provided in the table above, it is evident that there has been a gradual and positive development in the numbers of hotels and tourist accommodations in Iraq, excluding the Kurdistan region. This development began after the year 2007, and the numbers of hotels ranged from 492 to 2291 tourist facilities. The annual growth rates during the period 2007-2020 were positive. These indicators suggest a favorable increase in the hotel supply to meet the demand for tourism. There is also a positive trend in the number of workers in hotels and tourist accommodations. This indicator has been gradually increasing since 2009, reaching 12,989 workers in 2020. However, these ratios are still modest and not proportional to the incoming hotel revenues. The worker-to-hotel ratios (2.91, 2.99, and 2.65) for the years 2015, 2016, and 2017 respectively indicate that each hotel generates very limited employment opportunities.

This is especially significant as the hotel investment has outperformed other types of tourism investments in Iraq. Private sector hotels constitute 99% of Iraq's hotels, but the highly rated hotels (such as five-star hotels) make up a very small percentage (0.7%). These highly rated hotels offer a variety of services beyond accommodation, resulting in more employment opportunities compared to lower-rated hotels (two- and three-star hotels) which make up the majority.

Additionally, the wages and benefits provided to workers in all governorates have shown a positive development, increasing from 2,817 million Iraqi dinars in 2003 to 43,024 million dinars in 2017 and further to 61,828 million dinars in 2020. Travel and tourism companies have also experienced continuous and positive growth. These companies contribute to the development of tourism in Iraq by marketing tourism programs domestically and internationally, providing employment opportunities to address both local and external (Arab and foreign) tourism demand.

There has been a noticeable increase in the number of these companies since 2003, leading to an increase in tourist arrivals to Iraq. The opening up to the world, easing of entry procedures, and the development of diverse and suitable hotel services, especially for religious tourism, have also contributed to this growth. The total revenues for the year 2020 amounted to 3,846,688 million dinars, while the total expenses for the same year were 1,683,343 million dinars. Despite some indicators being weaker, they serve as relative advantages for the tourism sector, motivating its managers to market Iraq as a tourist destination and promote it globally for tourism investment opportunities. This approach involves focusing on diverse medium and small-scale tourism projects needed in most Iraqi cities. These projects can meet the diverse tourism demand, enhance the tourism income of cities with tourism potential, and strengthen both their local and national economies. <sup>(18)</sup>

## **THE SECOND SECTION: ANALYSIS OF THE NECESSITIES FOR ADOPTING A NATIONAL STRATEGY TO ACTIVATE TOURIST INVESTMENTS.**

**First Requirement: Analyzing the importance of partnerships in implementing strategic plans through examining the experiences of Arab countries.**

### **First: Analysis of the Importance of Collaboration between the Public and Private Sectors in Encouraging Tourist Investments**

The state plays a crucial role in supporting the proposed strategy for tourism investment in Iraq by providing a conducive and supportive investment environment to bolster the proposed strategy. Its main role involves enhancing the tourism infrastructure in Iraq, including the modernization and development of roads, airports, hotels, tourist resorts, and landmarks. This aids in attracting more tourists and improving the services provided to them. Streamlining administrative and regulatory procedures for tourism investors is essential, achieved through reducing bureaucracy and facilitating governmental processes related to tourism investment licenses. Additionally, providing financial and material support to tourism investors through offering funding, government grants, financial incentives, and tax benefits is pivotal. Encouraging international cooperation and strategic partnerships in the field of tourism is also important, accomplished by collaborating with donor entities, international organizations, and foreign companies specialized in tourism. <sup>(19)</sup>

Furthermore, the private sector plays a significant role in executing tourism strategic plans, serving as an economic growth driver in many countries. It provides employment opportunities for the local community and contributes to improving quality of life. As tourism is an industry primarily managed by the private sector, its role lies in offering exceptional tourism services to visitors and enhancing their tourism experience in alignment with the country's strategy in this field. Public institutions, such as governmental bodies, in coordination with associations of hotels and tourist restaurants, represent a crucial step towards bridging the gap between the public and private sectors. This step is part of a serious endeavor to develop and empower this vital sector, which is a fundamental partner to the public sector and a key pillar of development in Iraq. The private sector can significantly contribute to achieving the defined goals in the proposed strategy for tourism investment in Iraq. The collaboration between the public and private sectors in promoting tourism investments provides numerous opportunities for investors, fosters economic and social development within the local community. It's important to enhance this collaboration through the exchange of expertise and information, as well as setting common goals to ensure the success of tourism projects. This collaboration presents various opportunities for investors and contributes to the overall development of the tourism sector. The following are some of the important aspects that characterize the collaboration between the two sectors. <sup>(20)</sup>

- The public sector works to provide the appropriate environment for tourism investments, such as necessary infrastructure and streamlined administrative procedures, while the private sector leverages this environment and transforms it into viable investment opportunities.
- Collaboration between the two sectors helps in securing the required financing for tourism projects. The public sector can offer financial support and necessary guarantees to investors, while the private sector can provide the capital needed to fund the projects.
- Enhancing the quality of tourism services: Collaboration between the sectors can lead to an improvement in the quality of provided tourism services. The public sector can offer technical support and professional training to those working in the private sector, while the private sector can provide resources and modern technologies to enhance tourism services.
- Collaboration between the sectors can lead to enhanced marketing and advertising of tourism products. The public sector can support advertising and marketing campaigns for the private sector, while the private sector can provide the necessary resources and expertise to design effective and attractive marketing campaigns.
- Collaboration between the sectors contributes to creating employment opportunities for the local community. Successful tourism projects can generate jobs for local citizens, thereby promoting economic and social growth in the region.

**Secondly: Drawing Insights from the Experiences of Arab Countries that Adopted Strategies for Developing the Tourism Sector**

There are several Arab countries that have adopted similar tourism strategies to the proposed strategy for Iraq. Here are some examples of Arab countries that have implemented comprehensive tourism strategies to develop this vital sector, achieve further economic growth, and provide new employment opportunities. The following are references to the experiences of Arab countries that have embraced national investment strategies:

Country	procedures
Saudi Arabia	<p><b>Tourism activity contributes around 10% of the Kingdom's Gross Domestic Product (GDP). In October of 2021, Saudi Arabia launched the National Investment Strategy with the goal of enhancing investment and improving the competitive environment of the Kingdom through various sub-strategies and initiatives. The National Investment Strategy aims to primarily contribute to achieving the goals of Vision 2030 by increasing the cumulative value of investments by more than 12 trillion Saudi Riyals by 2030, which will elevate the Kingdom to the 15th position as the world's largest economy with a Gross Domestic Product of about 6.4 trillion Saudi Riyals. It also aims to achieve direct investment cash flows of 388 billion Saudi Riyals, contributing to over 5% of the economy. Saudi Arabia is currently implementing several initiatives within this framework, including the Partner Program to enhance partnerships with the private sector, with the goal of raising cumulative private investments to 5 trillion Riyals by 2030. Additionally, the "Invest in Saudi" platform enables investors to complete their procedures, obtain licenses, and access any information they need from a single website. Saudi Arabia is one of the Arab countries that has adopted comprehensive tourism strategies to develop the tourism sector in the country and attract more tourists. The Saudi tourism strategy focuses on diversifying sources of income and transforming the Saudi economy into a service-based economy, in addition to enhancing social and cultural development, as well as the development of natural resources and cultural heritage.</b></p>
the UAE	<p><b>In the UAE, where the contribution of the tourism sector to the Gross Domestic Product (GDP) has risen to about 14%, the United Arab Emirates has adopted a tourism strategy aimed at attracting a larger number of international tourists and enhancing its position as a global tourist destination. The strategy focuses on developing tourism infrastructure, diversifying the tourism product, improving the quality of services, and aiming to elevate the country's status as the best tourism destination worldwide. It seeks to establish the UAE as a leading tourist destination and increase the contribution of the tourism sector to the national GDP to 450 billion dirhams, with an annual increase of 27 billion dirhams. This strategy also aims to attract new investments worth 100 billion dirhams to the tourism sector in the country and attract 40 million guests to hotel establishments. The strategy encompasses the implementation of 25 initiatives and policies to support the development and growth of the tourism sector in the country. It is based on four main pillars: enhancing</b></p>

	the national tourism identity, developing and diversifying specialized tourism products, building tourism capacities and encouraging national talents to enter the tourism sector, and increasing investments in various tourism sectors. The National Tourism Strategy 2031 is developed in collaboration and coordination between the Ministry of Economy and various local and federal entities concerned with the tourism sector. These entities include the Ministry of Foreign Affairs and International Cooperation, the Federal Authority for Identity and Citizenship, Customs, Ports Security, the Central Bank of the United Arab Emirates, the General Civil Aviation Authority, Emirates Airlines, the World Tourism Organization, several international companies, and the Federal Competitiveness and Statistics Authority. The United Arab Emirates also works on developing tourism as a new source of national income, adopting a tourism strategy to enhance various tourism sectors. This involves constructing more hotels and tourist resorts, improving tourism services and facilities, expanding entertainment and shopping opportunities, and facilitating the development of air, land, and sea transportation.
Egypt	The Arab Republic of Egypt has adopted a tourism strategy aimed at enhancing domestic tourism and attracting a larger number of international tourists. The strategy focuses on diversifying the tourism product and developing tourism services in major tourist areas and emerging tourist regions.
Morocco	The Kingdom of Morocco has adopted a tourism strategy aimed at attracting more international tourists and diversifying the tourism product. The strategy focuses on developing tourism infrastructure and enhancing tourism services in rural and mountainous areas.
Jordan	The Hashemite Kingdom of Jordan has adopted a tourism strategy aimed at diversifying the tourism product and attracting a larger number of international tourists. The strategy focuses on developing tourism infrastructure and enhancing tourism services in tourist areas.
Qatar	The State of Qatar is working on implementing a tourism strategy aimed at making the country a primary tourist destination. The Qatari tourism strategy focuses on developing various tourism sectors, including culture, heritage, sports, entertainment, and shopping. It also aims to enhance the hospitality sector and improve the services and tourism products offered to visitors.

## Second Requirement: Analyzing the Importance of Innovation, Technology, and Sustainable Tourism Development

Firstly, analyzing the importance of innovation and technology in developing tourist investments can be outlined as follows:

- **Providing Unique Tourist Experiences:** Technology and innovation are crucial factors in advancing the tourism industry. They can offer unique and enjoyable tourist experiences. Virtual reality and augmented reality technologies, for instance, allow visitors to explore places that might be difficult to access physically. These technologies also enable tourists to engage in activities not readily possible in their current travel environments. Such technologies stimulate tourism and attract more visitors.
- **Enhancing Efficiency and Productivity:** Technology and innovation enhance efficiency and productivity in the tourism sector. Online hotel reservation systems save time and effort, while advanced applications assist in trip planning and provide information about tourist destinations and available activities. Consequently, cost savings can be achieved, leading to increased profitability.
- **Improving Marketing and Promotion:** Technology and innovation also improve marketing and promotion of tourist destinations. Social media and online platforms can be used to promote destinations, share news about events and special offers. Digital marketing techniques, like online and digital marketing, enable reaching a wider target audience, enhancing user experience and interaction.
- **Enhancing Services and Tourist Experiences:** Technology and innovation can be utilized to improve services and tourist experiences. Applications and websites offer customized services for visitors, such as identifying preferred tourist routes and providing guidance services. Technology can also enhance management and organization of tourism services, thereby improving service quality and visitor satisfaction.
- **Environmental Sustainability:** Technology and innovation play a crucial role in promoting environmental sustainability within the tourism industry. Green and renewable technologies can be employed to conserve energy and resources, improve

waste and water management. Such efforts to preserve the environment attract environmentally-conscious tourists who value nature conservation.

### Secondly: Analyzing the Importance of Sustainable Tourism Development

Sustainable tourism is one of the most significant modern trends in the tourism industry. Its aim is to strike a balance between tourism development and the preservation of the environment, culture, heritage, and social aspects in tourist destinations. Achieving sustainable tourism requires cooperation and coordination among governmental and private entities, as well as the local community and visitors, to ensure the long-term sustainability of this industry.

Tourist investments are a crucial part of achieving sustainable tourism. It involves investing in sustainable tourism projects that align with international sustainable tourism standards. Such projects must consider the environmental, cultural, social, and economic impacts on local communities and the environment. Sustainable tourism can be achieved by implementing the following measures and policies:

**- Enhancing Natural Resource Management:** The care, preservation, and development of natural resources in tourist areas, including protected areas and nature reserves, are essential. Techniques for conserving natural resources can be integrated into tourism projects, such as utilizing solar and renewable energy.

**- Raising Awareness among Local Communities and Visitors:** Raising awareness among local communities and visitors about the importance of preserving cultural heritage and the environment in tourist areas is crucial. Cultural communication between local communities and visitors should also be supported. Providing employment opportunities for local residents and training them for the tourism sector is important.

**- Promoting Cultural Tourism:** Cultural and heritage tourism should be encouraged, as it enhances cultural and historical heritage in tourist areas.

**- Enhancing Local Participation:** Local participation in the tourism industry should be promoted to ensure that tourism projects align with the needs and aspirations of local communities.

**- Developing Infrastructure:** Developing infrastructure in tourist areas, such as transportation, hotels, restaurants, and other facilities, should be prioritized. These facilities should also meet international sustainable tourism standards.

Furthermore, achieving sustainable tourism can be facilitated through promoting innovation and technology within the tourism industry. Technology can improve natural resource management and strike a balance between environmental preservation and enhancing the tourist experience. It can also enhance the tourist experience by providing information and services more quickly and efficiently.

Balancing tourism development with environmental and cultural preservation in tourist areas necessitates collaboration and coordination among relevant stakeholders. Coordinated and comprehensive efforts are vital to achieving equilibrium between tourism investments and the preservation of the environment and cultural heritage. This is crucial for ensuring the long-term sustainability of the tourism sector and achieving sustainable development.

### Thirdly: Analysis of the Importance of Building a National Investment Strategy

The importance of building a national investment strategy in Iraq can be highlighted through the following points:

**1. Achieving Economic Development:** A national investment strategy aids in achieving economic development by enhancing vital sectors that contribute to wealth generation and job creation.

**2. Attracting Foreign Investments:** Constructing a national investment strategy enhances attractiveness for foreign investors. This strategy can direct efforts and resources towards vital sectors sought by foreign investors.

**3. Promoting Innovation and Technology:** A national investment strategy boosts innovation and technology by focusing resources and efforts on sectors demanding modern technology and innovation.

**4. Realizing Regional Balance:** The national investment strategy can help achieve regional balance by channeling resources and efforts towards vital sectors in different regions of the country.

**5. Improving the Investment Climate:** The national investment strategy contributes to improving the investment climate by providing an encouraging environment for investment. This involves adopting governmental policies and laws that safeguard investor rights and streamline procedures. Many Arab countries, including Iraq, suffer from a lack of tourism investments, impacting economic, social, and cultural growth. Therefore, Arab nations need strategic plans to invigorate tourism investments, focusing on developing tourism infrastructure, increasing government expenditure on this sector, and attracting local and international investors for tourism projects.

**6. Setting Strategic Priorities:** The strategy determines the priorities of strategic plans, identifies important markets, crucial tourist products, and required services to enhance service quality.

### **THE THIRD SECTION: ASPIRATIONS TOWARDS ADOPTING A NATIONAL INVESTMENT STRATEGY IN IRAQ**

#### **First: Analysis of the Ambitious Vision for Developing Tourism Investments and Enhancing Tourism Service Quality**

The ambitious vision for developing tourism investments and enhancing tourism service quality in Iraq is associated with several aspects, among which the most prominent are:

**1. enhancing Tourism Infrastructure:** This encompasses the development and modernization of hotels and tourist resorts, along with providing essential facilities and services such as roads, transportation, and recreational areas. Furthermore, the enhancement of archaeological, cultural, and natural sites is vital to attract tourists and promote sustainable tourism.

**2. Improving Tourism Service Quality:** Providing high-quality and exceptional tourism services is essential to ensure that tourists feel satisfied and enjoy their experiences. This includes training workers in the tourism sector to interact with tourists in a professional manner and offering diverse services that cater to the needs of tourists.

**3. Facilitating Tourism Procedures:** Simplifying travel procedures, obtaining visas, and necessary permits for tourists is crucial. Streamlining procedures related to transportation, accommodation, shopping, and other services that tourists require is of utmost importance.

**4. Tourism Promotion:** Effectively and appropriately promoting tourist regions and attractions within the country through advertising and marketing campaigns that target the intended audience can enhance the country's image as a distinguished tourist destination.

**5. International Cooperation:** International collaboration among countries in the field of tourism can contribute to the development of tourism investments and the enhancement of tourism service quality. This can be achieved through cultural and economic convergence, exchanging experiences and expertise in this domain. International cooperation can also contribute to improving sustainable tourism practices and protecting the environment and cultural heritage in tourist regions.

#### **Second: Analysis of the Structure of Forming the Axes of the National Investment Strategy**

Developing a national strategy for investment in Iraq is crucial to achieving economic and social development. The following points can be part of this sustainable strategy for the country. They will be generally incorporated into the investment process in Iraq, followed by a focus on the investment process in the tourism sector, as follows:

- Identifying key sectors for economic growth enhancement, such as oil, gas, agriculture, industry, and tourism, and creating future plans for their development.
- Establishing an attractive investment environment for local and foreign investors by improving laws, regulations, the labor climate, streamlining procedures and licenses, and reducing bureaucracy.
- Concentrating on developing Iraq's infrastructure, including roads, bridges, ports, airports, and other essential facilities, to facilitate the movement of goods and services and enhance investments.
- Enhancing the quality of education, training, and scientific research through educational system restructuring, curriculum development, encouraging innovation and creativity, and supporting scientific research.
- Fostering the growth of the private sector in Iraq, including promoting small, medium, and large enterprises, improving the business environment for companies and private institutions.
- Enhancing transparency and combating corruption in both the public and private sectors through clear policies, stringent laws, reinforcing oversight, and accountability.
- Improving security and stability in the country by strengthening security forces, enhancing border security, combating terrorism, and crime.



- Enhancing the business environment in Iraq by simplifying governmental procedures, reducing administrative costs, improving the investment climate, and providing funding for small and medium-sized projects.
- Developing Iraq's infrastructure, including improving roads, bridges, ports, airports, and communications, providing electricity, water, sanitation, and waste management.
- Improving education and training in Iraq by developing curricula, offering vocational training for workers, encouraging innovation and creativity.
- Encouraging foreign investment in Iraq by improving the investment climate and providing incentives and benefits for foreign investors, including tax exemptions and reduced fees.
- Developing transformational and agricultural industries in Iraq by providing government support and funding for agricultural and industrial projects, encouraging innovation and technological development.
- Developing tourism in Iraq by improving tourism infrastructure, organizing cultural and entertainment events, providing suitable tourism services, and establishing a national tourism strategy. A national tourism strategy is essential for setting goals, plans, and priorities for developing the tourism sector in Iraq, contributing to economic development, and improving living and social conditions for citizens.

The existence of a national tourism strategy in Iraq is vital for improving the tourism sector, increasing investment opportunities, and achieving economic and social development in the country.

### **Third: Proposed Steps for Developing the National Tourism Strategy and Enhancing Tourism Investments in Iraq**

There are several important steps to prepare the national strategy for tourism and the development of tourism investments in Iraq, ensuring the effective development of the tourism sector and achieving the desired goals.

- 1- **Current Situation Analysis:** This requires studying the current tourism environment in Iraq, analyzing strengths, weaknesses, opportunities, and studying the obstacles and issues that hinder the development of the tourism sector in the country.
- 2- **Setting Objectives:** Clear and measurable objectives must be defined, achievable within a specific timeframe. The focus should be on the main objectives of tourism investment in Iraq, determined by the government's vision for this sector. Specific objectives for investors should also be identified, along with defining the target audience to determine suitable tourism services.
- 3- **Developing Operational Plans:** These plans involve improving the infrastructure of the tourism sector in Iraq, updating hotels, restaurants, historical sites, tourist attractions, providing other tourism facilities and services, enhancing human resources in the sector, and improving tourism services.
- 4- **Identifying Financial Resources:** Determining the required financial resources to implement the strategy and providing appropriate funding for operational plans. This can be achieved through offering banking facilities, tax exemptions, and other financial incentives to investors in the tourism sector in Iraq.
- 5- **Enhancing Tourism Marketing:** This involves developing effective advertising campaigns and promoting various tourist destinations in Iraq.
- 6- **Strategy Implementation and Monitoring:** Regularly executing the strategy and monitoring its application to ensure the achievement of goals.
- 7- **Developing the national tourism investment strategy in Iraq** requires a comprehensive study of the current tourism situation, analyzing factors influencing the growth of the tourism sector in the country, assessing global competition in tourism, evaluating strengths and weaknesses in the sector, considering the needs of potential visitors, and analyzing global changes in tourism patterns. Challenges that might be faced during the implementation of the national strategy should also be examined.

8- Based on what's mentioned, the national vision and objectives for tourism in Iraq can be defined. The practical plans and programs to achieve these goals can be determined. Factors influencing success and failure can be identified, as well as the necessary support and resources to implement the national tourism investment strategy in Iraq.

9- Important foundations to consider when defining the vision, message, and objectives include:

- Challenges facing the tourism sector in Iraq and available growth and development opportunities.
- Priorities set by the Iraqi government and relevant entities.
- Needs and interests of potential tourists, whether they are domestic or international travelers.
- Global developments in the tourism industry and emerging travel trends.
- Iraq's capacity to receive tourists, develop infrastructure, and provide tourism services.
- Enhancing the skills of workers in the tourism industry through education and training.

10- The vision, objectives, and message in the tourism investment development strategy all aim to enhance the tourism industry in Iraq, improve tourism investments, attract tourists, and enhance their experience.

The vision includes describing the desired state to be achieved in the tourism and tourism investment industry in Iraq. It envisions a clear future outlook for the tourism industry that aligns with the aspirations of investors, the local community, and tourists.

**As for the objectives, they describe the expected outcomes of the tourism investment development strategy and outline the main goals to achieve the vision. These objectives include:**

1. Increase the number of tourists in Iraq by a certain percentage within a specified period.
2. Develop tourism products and increase their diversity to meet the needs of tourists.
3. Improve available tourism services, including enhancing infrastructure, accommodation, security, and safety.
4. Increase tourism investments in remote areas that suffer from poverty and underdevelopment.
5. Enhance the skills of individuals working in the tourism industry and increase employment opportunities in the sector.
6. Promote and organize tourism events, festivals, exhibitions, conferences, seminars, workshops, and informational sessions to enhance and promote tourism destinations in Iraq.

Regarding the message, it clarifies the primary message for achieving the vision and objectives. It usually involves enhancing the positive image of the targeted area as a tourism destination, facilitating access to information and tourism services, and improving the tourist experience.

**Important foundations to consider when defining the vision, message, and objectives include:**

1. Recognizing the challenges faced by the tourism sector in Iraq and the available opportunities for growth and development.
2. Understanding the priorities set by the Iraqi government and relevant entities.
3. Identifying the needs and interests of potential tourists, whether they are domestic or international travelers.
4. Staying informed about global developments in the tourism industry and new tourism trends.
5. Evaluating Iraq's capacity to receive tourists, develop infrastructure, and provide tourism services.
6. Developing the skills of workers in the tourism industry through education and training.

## CONCLUSION

1. **Enhancing the National Economy:** Successful tourism investments can contribute to boosting the national economy and increasing tourism revenues, which can serve as an important source of foreign currency.
2. **Providing Job Opportunities:** Tourism investments can provide job opportunities for many people in Iraq, whether through direct employment in the tourism sector or jobs related to logistical services.
3. **Promoting Sustainable Development:** Tourism investments can help develop remote and less developed areas in Iraq, promoting sustainable development in the region.
4. **Enhancing Cultural Identity:** Tourism investments can contribute to enhancing Iraq's cultural identity and introducing the world to its rich cultural and historical heritage.

5. Boosting Religious Tourism: Tourism investments can enhance religious tourism in Iraq, particularly in the holy cities of Najaf and Karbala, which are significant religious centers for Muslims.
6. Attracting More Tourists: Successful tourism investments can attract more tourists to Iraq, thereby increasing tourism revenues.
7. Need for Tourism Infrastructure Development in Iraq: This includes improving roads, airports, hotels, and tourist attractions.
8. Increasing Investments in the Tourism Sector: Encouraging both domestic and foreign investors to invest in the tourism sector.
9. Developing Administrative, Legislative, and Institutional Processes: Necessary for improving the business environment and making it more attractive for investment.
10. Enhancing Collaboration Between Public and Private Sectors: Encouraging cooperation and integration among different companies in the tourism sector.
11. Focus on Marketing and Promotion of Tourist Destinations in Iraq Internationally: To attract more tourists and investors.
12. Developing Training and Professional Qualifications for Workers in the Tourism Sector: Improving the quality of service and standards.

Considering what has been clarified, it can be said that adopting a national strategy for tourism investments focusing on the tourism sector in Iraq will contribute to the development of this sector, increase investments, and achieve specific goals. Building a national strategy for tourism investment in Iraq has become an imperative dictated by the current reality to harness the potential of the country's tourism sector and develop it.

However, this strategy must be distinguished by an ambitious vision to achieve Iraq's aspirations in this sector. Iraq possesses significant untapped tourism potential, and there are great opportunities to attract more tourists and increase tourism revenues in the country. If a well-thought-out and ambitious national strategy for tourism investment in Iraq is adopted, it can lead to several positive outcomes.

These outcomes include increasing tourism revenues in Iraq, boosting the national economy, creating new job opportunities, improving living standards for citizens, attracting more foreign investments, enhancing the tourism infrastructure in the country, and improving Iraq's global image, making it a preferred tourist destination. This will also promote cultural interaction and exchange between Iraq and other countries.

Furthermore, important recommendations can be derived to achieve these results, such as improving and developing tourism infrastructure in Iraq, increasing promotion of Iraqi tourism, providing better security for tourists, prioritizing it in security policies, and focusing on enhancing the quality of tourism services available in the country.

After presenting and analyzing all the indicators related to the topic, we can conclude that it is imperative to build a national strategy for supportive tourism investment in Iraq. This strategy should focus on activating investment in all its activities, attracting local and foreign investments, and regulating tourism work and the resulting impacts on this investment. Such a strategy will capitalize on Iraq's diverse natural, cultural, and religious attractions, playing an active role in achieving sustainable and stable development centered around elevating this sector as a vital industry supporting the national economy.

In conclusion, adopting a national strategy for tourism investments in Iraq has become an imperative dictated by the current reality to harness the potential of the country's tourism sector and develop it. This strategy must be distinguished by an ambitious vision to achieve Iraq's aspirations in this sector. Iraq possesses significant untapped tourism potential, and there are great opportunities to attract more tourists and increase tourism revenues in the country. Therefore, a comprehensive and integrated tourism industry can be achieved through a well-crafted and ambitious national strategy for tourism investment.

المصادر :

1. محمد فريد عبدالله وآخرون ، استراتيجية التنمية السياحية المستدامة دار الايام للنشر والتوزيع 2015 ص 23
2. إسماعيل الدباغ ، الهام شبر ، الاقتصاد السياحي ، نظريات الاقتصاد الجزئي واستخدامها في الاقتصاد السياحي ج 1 بغداد 2014، ص 24-25
3. الزهراني د. عبدالناصر وقسيمة د كياشي حسين، الاستثمار السياحي في محافظة مركز العلا ، مركز الابحاث السياحية السعودية 2008 ص 17
4. رعد مجيد العاني الاستثمار والتسويق السياحي دار كنوز للنشر والتوزيع عمان الاردن الطبعة الاولى 2008 ص 19
5. الاستثمار السياحي: مفاهيم وتطبيقات، عمر الشريف ومحمد أحمد الحاج، دار الحوار للنشر والتوزيع عام 2016.ص 33
- 6- Higgins ,D.H Organization Policy and Strategic Management , Texts and Cases.Chicago.Dryden Press, 1993,p 65
- 7- Tilles ,Seymour ,How to Evaluate Cororate Straegy,(H.B.R)-july-August, 1963,p112
- 8- الغالبي ، طاهر محسن منصور ، ادريس ، وائل محمد صبحي ، الادارة الاستراتيجية ، منظور منهجي متكامل دار وائل للنشر عمان 2007 ص 50
- 9- حسن تغريد سعيد : دور الاستثمار الأجنبي المباشر في تنمية القطاع السياحي تجارب مختارة مع التركيز على الواقع العراقي ، أطروحة دكتوراه الجامعة المستنصرية كلية الإدارة الاقتصاد قسم السياحة وإدارة الفنادق 2010 ص ص 119-139
- 10- عيسى رجاء عبدالله. حسن خولة رشيد اثر الاستثمار السياحي في تنويع مصادر الدخل في العراق للسنوات (2000-2015) مجلة العلوم الاقتصادية 2017. جامعة البصرة ص 6-10.
- الأنصاري ، رؤوف محمد علي ، السياحة في العراق ودورها في التنمية والاعمار ، اتحاد الناشرين العراقيين،بغداد ،2013
- 1- الدباغ ،إسماعيل والهام خضير شبر ، مدخل متكامل في الاستثمار السياحي والتمويل ، إثراء للنشر والتوزيع، الطبعة الأولى ،عمان 2013،
- 2- العاني ، رعد مجيد ،الاستثمار والتسويق السياحي ، دار كنوز المعرفة العلمية للنشر والتوزيع، الطبعة الأولى ،عمان، 2008
- 3- أحمد حسن علي\* نحو استراتيجية لتطوير السياحة العراقية مركز الببان للدراسات والتخطيط حقوق النشر محفوظة 2018  
org.bayancenter.www  
عادل عبد الزهرة شبيب بعض معوقات الاستثمار في العراق وسبل النهوض به ، متاح على الموقع  
www.iraqicp.com/index.php الالكتروني
- 14- - 14Doing Business Report 2017, WB
- 15- Global competitiveness index 2015-2016
- 16- الأونكتاد - تقرير الاستثمار في العالم 2107
- 17- FDI Markets تقرير مناخ الاستثمار في الدول العربية "مؤشر ضمان لجاذبية الاستثمار" لعام 2016، المؤسسة العربية لضمان الاستثمار وانتمان الصادات
- 18- The Economic Importance of Museums and their Role in the Development of cultural Tourism With Reference to Iraq Transylvanian Review - Prof-Elhamkh.abbas.Shubar etel
- 19- أيسر ياسين ، الإطار المؤسسي للشراكة بين القطاعين العام والخاص ، جريدة الصباح ، 2015/12/19 متاح على الموقع الالكتروني  
www.alsabaah.iq/ArticleShow.aspx
- 20- وزارة التخطيط ، استراتيجية التنمية الوطنية 2007-2011 ، بغداد
- 21 استراتيجية تطوير القطاع الخاص 2014-2030، رئاسة مجلس الوزراء ، هيئة المستشارين ،الملخص التنفيذي، الفقرة 11 ، بغداد - العراق
- 22 الادارة الاستراتيجية نظريات مداخل امثلة وقضايا معاصرة فاضل حمد القيسي علي حسون الطائي دار صفاء للنشر والتوزيع -عمان الطبعة الاولى 2114 44-48
- 23 الادارة الاستراتيجية مدخل متكامل شارلزهل جارديث جونز الرياض 1443 -المملكة العربية السعودية دار المريخ للنشر ص 57
- 24 البطاط كاظم و.محمد علي ،وسلطان جاسم نحو بناء استراتيجية وطنية لتطوير القطاع السياحي - مجلة كلية الإدارة والاقتصاد المجلد الخامس العدد السابع عشر جامعة كربلاء
- 25 مسح الفنادق ومجمعات الإيواء السياحي ، الصادر عن الجهاز المركزي للإحصاء ، مديرية إحصاء التجارة في وزارة التخطيط (2020).

<b>An annex attached to Table No. 1: Direct Foreign Investment Balances Inflows to Arab Countries in millions of dollars for the years 2015 and 2016.</b>					
<b>Country</b>	<b>2015</b>	<b>2016</b>	<b>Share of the total for 2016 %</b>	<b>change value</b>	<b>percentage change</b>
Jordan	30,629	32,148	3.9	1,520	5
The UAE	108,959	117,944	14.1	8,986	8
Bahrain	28,324	28,606	3.4	282	1
Tunisia	34,689	29,305	3.5	-5,385	-16
Algeria	26,232	27,778	3.3	1,546	6
Djibouti	1,629	1,789	0.2	160	10
Saudi Arabia	224,050	231,502	27.8	7,453	3
Sudan	24,404	25,467	3.1	1,064	4
Syrian	10,743	10,743	1.3	0	0
Somalia	1,623	1,962	0.2	339	21
Iraq	15,409	9,498	1.1	-5,911	-38
Oman	18,406	18,548	2.2	142	1
Palestine	2,511	2,588	0.3	77	3
Qatar	33,169	33,943	4.1	774	2
Kuwait	14,604	14,260	1.7	-344	-2
Lebanon	58,455	61,019	7.3	2,564	4
Libya	19,237	19,730	2.4	493	3
Egypt	94,307	102,324	12.3	8,017	9
Morocco	49,671	54,784	6.6	5,114	10
Mauritania	6,478	6,750	0.8	272	4
Yemen	3,426	2,865	0.3	-561	-
Arab total	806,954	833,554	100	26,600	3