Desk Research on Tourism from Israel to Europe

Prepared for the European Travel Commission (ETC)
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CONTENTS

1) Overview on Israel's outbound tourism:

Introduction:

❖ In the early years of the state, the situation of tourism in Israel did not reflect the situation of tourism in the world. The 1950's and 1960'S marked the beginning of extensive economic development in the West, which also influenced international tourism. Whereas in Israel at that time, tourism was making its first steps. However, enactment of social legislation and labor laws ensured workers of the right to paid vacations and provided with leisure fftime that was exploited in part for tourism. The real development of tourism in Israel was made possible only during the 1970's by an increase in national income, which in turn raised the population's standard of living.

In the mid-1980's there was a decline in economy growth throughout the world, which also influenced Israel. The travel tax that had been abolished, was reinstated, raised and lowered in accordance with the economic policy of the incumbent government. Thus the imposition of travel tax in 1985 was followed by a steep 24% drop in the number of departures abroad compared with the previous year.

The 1990's witnessed a sharp increase in departures abroad throughout the world and in Israel. Continuing the upward trend since 1990, outbound travel has grown steadily for the past ten years. Israel holds today the 14th place in the number of outgoing travelers in relation to its population. In 2000, the total outbound travel grew a robust 10.2% from 1999, to reach over 3.5 million departures. Long-haul travel increased nearly as much as the total outbound market (8.9%). See Table No. 1 Appendix 1.

❖ **The years 2000-2001:** in the last years we have witnessed a sharp increase in the number of departures. During three years, the average figure per month grew steadily, as shown in table no.1.

Table no. 1: Average Departures per Month

Year	Average departures per month
1998	245,000
1999	272,000
2000	297,000
May 2001	304,000

Source: Israel CBS.

Outbound tourism was not negatively influenced by the political situation. The crisis in the relations with the Palestinians did not stop 3.5 million Israelis from leaving the country during the year 2000. This represented an increase of 10% compared to the previous year. Of this figure, 2.9 millions Israelis traveled by air, 14% more then in the previous year.

This trend continued in the year 2001, to reach an all-time record number of departures during the summer of that year. The tendency of sharp increases in departures slowed down in the months following September 11th. Therefore, during the High Holiday's months (September-October), the number of departures remained at the same level as in the parallel months of the year 2000. During the month of October 2001, a decrease of more then 16% was registered in the number of departures. The travel agents association is referring to a decrease of 20%-30% during the months of October-November 2001 compared with the same period last year. People that used to go on short weekends during those months postponed it to the coming spring. This tendency continued until the end of the year. The explanations for this slow-down are continuing recession in Israel, security instability and September 11th events in the USA. A first sum up of the year 2001 indicates that despite all handicaps, regarding the global situation as well as the situation in Israel, there was a total increase of 7% in the number of Israelis that went abroad. The Palestinian uprising ("intifada") and the recession did not prevent the Israelis from going on vacation outside the country.

The big demand for travel abroad reflects the public's need to go on vacation, as to relax from the continuing tension of life in Israel and to "recharge". In addition, Israelis stopped traveling to Sinai (Egypt), previously a popular resort, and were now looking for close and sometime low- priced European destinations.

2) Key factors influencing outbound travel:

a) National economic factors:

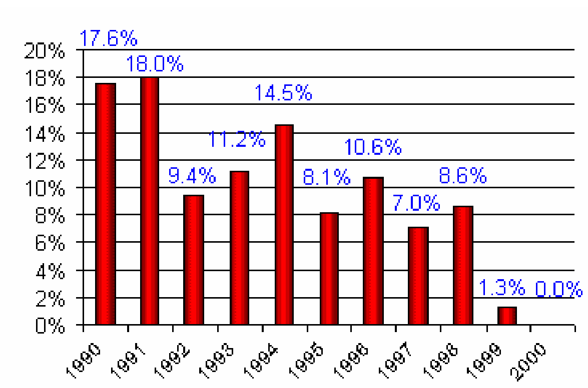
Economy overview

- Israel has a technologically advanced market economy, with substantial government participation. It depends on imports of crude oil, grains, raw materials, and military equipment. Despite limited natural resources, Israel has intensively developed its agricultural and industrial sectors over the past 20 years. Israel is largely self-sufficient in food production except for grains. Cuts diamonds, high-technology equipment, and agricultural products (fruits and vegetables) are the leading exports. Israel usually posts sizable current account deficits, which are covered by large transfer payments from abroad and by foreign loans. Roughly half of the government's external debt is owed to the US, which is its major source of economic and military aid.

♦ The influx of Jewish immigrants from the former USSR topped 750,000 during the period 1989-99, bringing the population of Israel from the former Soviet Union to 1 million, one-sixth of the total population, and adding scientific and professional expertise of substantial value for the economy's future. The influx, coupled with the opening of new markets at the end of the Cold War, energized Israel's economy, which grew rapidly in the early 1990s. But growth began moderating in 1996 when the government imposed tighter fiscal and monetary policies and the immigration bonus petered out. Growth was a strong 5.9% in 2000.

♦ **CPI:** Israel's inflation rate was cut from 444.9% annual inflation in 1984 to 0% in 2000, in line with Western norms (see figure no. 1). The Deficit Reduction Law sets annual targets for the budget deficit as a percentage of the Gross Domestic Product, ensuring responsible government spending. The inflation rate for the last 3 years was lower than the target rates, and was lower than in most developed nations (excluding Japan). The main reasons behind the price stability were the restrictive monetary policy and the economic slowdown. However, the inflation rate in 2001 was 1.3% and it is expected to reach a level of about 5% in 2002.

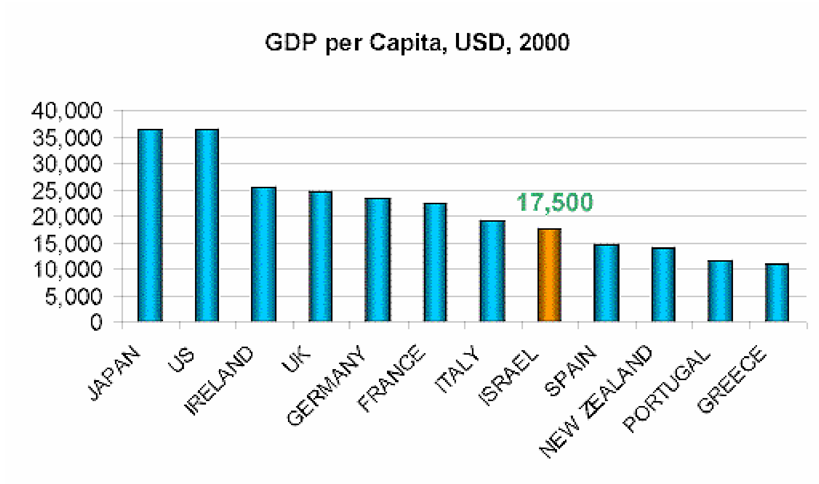
Figure no. 1: Inflation by year



Source: Bank of Israel, 2002

♦ The country's debt to GDP ratio is also decreasing. Israel adheres to macroeconomic stability as a means of encouraging growth and providing the private sector with a predictable macroeconomic environment for its activities influencing the GDP.

Figure no. 2: GDP per Capita in USD, 2000



Source: Bank of Israel, 2001

Israel's GDP per capita in 2000 was US $ 17,500, which is higher than in Spain, New Zealand, Portugal and Greece. In 2000, Israel's GDP per capita increased by 3.4% after two years of negative growth. A growth rate that is considered high or sufficient in European countries (such as 2-3%), is regarded as negative growth rate or stagnation of the GDP per capita in Israel, because the population growth in Israel is much higher.

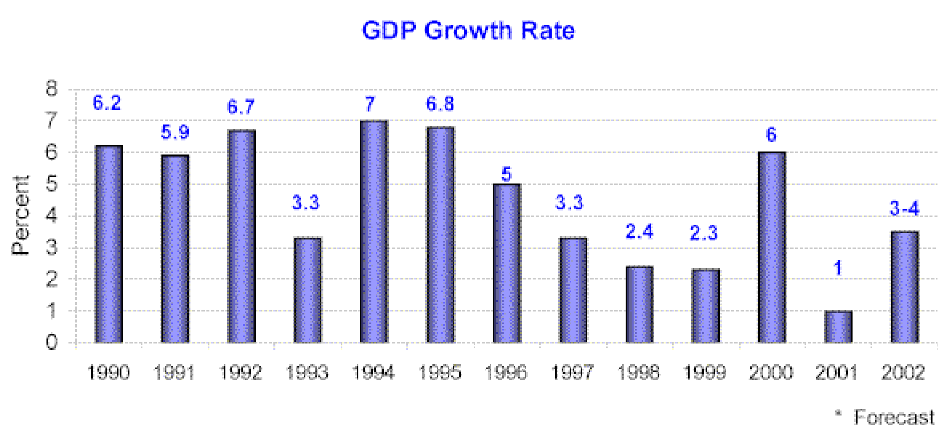
In the early 1990's Israel's GDP annual growth was remarkable. It was very high from 1994-1996, followed by a slowdown and a decrease in growth rates in 1997-1999. The high growth rates resulted mainly from two developments: first, the absorption of Russian immigrants into the Israeli market, which contributed to the emergence of the high-tech sector; secondly, the peace process, which encouraged foreign investments. The recession of 1997-1998 resulted from a decrease in the number of immigrants, leading to a decline in consumption of durable goods and investments in residential complexes. A slowdown in world trade and in world economic growth adversely affected the Israeli economy. However, the turmoil that prevailed in world financial markets during 1997-1998 did not develop into a financial crisis in Israel because of its macroeconomic stability.

In 1999 there was a turnaround in economic activity: after falling in the first quarter, GDP grew sharply during the rest of the year. The recovery was attributed to the renewal of the peace process, the acceleration in world growth, and in world trade, as well as to Israel's macroeconomic stability.

The year 2000 was a one of rapid and sharp changes. The first three-quarters of the year were characterized by rapid economic growth. Whilst growth in the early 90's was consumption-led, in 2000 the growth structure was much healthier, as it was export-led. The prospects for peace encouraged consumer confidence in 2000 and most likely caused the boom in outbound travel.

However, in the last quarter of 2000, the economic climate began to change due to the slowdown in the US's economy and changes in the geo-political situation. The recent uprising has mainly affected three sectors: tourism, both incoming and domestic tourism decreased, construction and agriculture. Outgoing tourism was almost not affected. The damage to the Israeli economy from the security events is estimated at about 1% of Israel's GDP. The GDP for 2001, which was 1%, marks the continuation of the recession.

Figure no. 3: GDP Growth rate



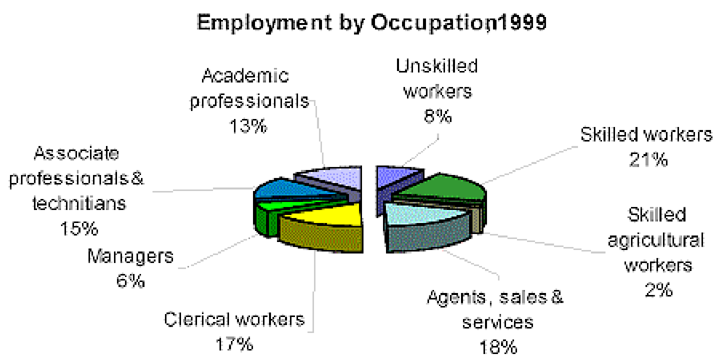
Source: Bank of Israel, 2002

Employment

Except for the Dead Sea minerals, Israel has almost no natural resources, making human capital the country's catalyst for economic growth and competitiveness. In 1999, 13% of those employed were academic professionals and 14.6% were professionals and technicians. In 1999 about 15% of the civilian labor force had 16 years of schooling or more, compared to 1% in 1979, indicating a sharp rise in Israeli qualified professionals. Israel has a Minimum Wage Law, which is 47.5% of the average wage.

During the 90's, the Israeli labor market absorbed about 960,000 immigrants from the former Soviet Union. Many of the immigrants were highly skilled workers.

Figure no. 4: Employment by occupation, 1999



Source: Economic report 2001, Bank Hapoalim

The effect of the recession on the labor market has increased significantly in 2001. Trend data for the unemployment rate showed a rise to 9.4% in October. In November, the number of job seekers rose by 3,000 to a new record of 198,400. Since the beginning of the year, 39 thousand persons were added to the pool of job seekers – an increase of 25%. The unemployment rate is expected to increase next year and reach an average level of 9.8%.

Balance of payments and foreign trade: In the first 9 months of 2001, the current account deficit totaled \$3.25 billion, compared with \$1.65 billion in the same period last year. According to the estimate, the current account deficit will total \$3.5 billion, equal to 3 % of GDP (including the full U.S. civilian aid of \$740 million). Net foreign liabilities contracted to \$4.5 billion. The balance of payments situation continues to show strength.

b) Exchange Rates

Israel's exchange rate is defined as managed float. During 2000, the Shekel had appreciated against the dollar, the Euro and the basket. During December 2001 the exchange rate of the Shekel appreciated to 4.22 NIS per dollar, compared to 4.36 at the beginning of October. At the end of December a new cycle of depreciation of the Shekel occurred as a result of the interest rate cut the dollar reached 4.53 NIS. As a part of the new economic steps, 1% and its slope of 2% set at 0% lowered the lower limit of the diagonal band.

As for the European currencies, the main ones for the Israeli traveler are the English pound, the German Mark, the Swiss Frank, and the French Frank, due to popularity of corresponding destinations. It should be mentioned that even though many Israelis travel to Italy, the Italian Lire does not play such a big role. With the introduction of the Euro, traveling has become much easier for Israeli travelers, who used to take dollars with them to Europe. In this respect it should be mentioned that travel trade in Israel is usually calculated in US Dollars.

Table no. 2: Exchange rates (NIS to various currencies)

Last change: 18.1.2002		
Currency	**Country**	**Rate**
1 Basket *	Currency basket	4.5546
1 Dollar	USA	4.515
1 Pound	Great Britain	6.4752
100 Yen	Japan	3.3992
1 Euro	European Monetary Union	3.975
10 Shilling	Austria	2.8887
10 Franc	Belgium	0.9854
1 Mark	Finland	0.6685
1 Franc	France	0.606
1 Mark	Germany	2.0324
1 Pound	Ireland	5.0469
1000 Lira	Italy	2.0529
1 Guilder	Netherlands	1.8038
100 Peseta	Spain	2.389
1 Dollar	Australia	2.3279
1 Dollar	Canada	2.7972
1 Krone	Denmark	0.535
1 Krone	Norway	0.5027
1 Rand	South Africa	0.3964
1 Krone	Sweden	0.4295
1 Franc	Switzerland	2.7056
1 Dinar	Jordan	6.3699
10 Pound	Lebanon	0.0298
1 Pound	Egypt	0.9757

Source: Bank of Israel, Economic review, and 2002

Basket: An average of several main European currencies +US$

c) Air transport capacities (to various destinations, including ticket prices):

Air transport capacities:

- Due to constant political changes in Israel, air transport capacities cannot keep a steady growing trend. During the year 2000, which was the Holy Christian year, tourism to Israel was expected to expand tremendously, thus increasing air transport capacities for the outbound movement as well. However, the Palestinian uprising ("Intifada") that erupted at the end of September 2000, brought down the number of incoming tourists, and as a result air capacities had to be decreased. Thus in the year 2001 tourism movement on the main lines from and to Ben-Gurion airport went down sharply.

Scheduled Airlines: During the year 2000 as well as in 2001, 45 scheduled airlines were active at Ben-Gurion Airport near Tel-Aviv. Toward the end of 2001 this figure decreased to 37 scheduled airlines. The airlines capacities to Europe are generally sufficient, but from time to time there are requests on behalf of different airlines to increase the number of their weekly flights. Several European carriers are negotiating with El-Al in an effort to increase their capacities, as they make use of the routes to Europe for connections to North America and Northern Europe, as well as the Far-East and South-America. El-Al on the other hand, claims that capacities on the routes to Europe are sufficient, and furthermore wishes to maintain a situation of equal opportunities, as El-Al has no rights to pick-up passengers traveling from Europe to all these destinations. This case applies to all European airlines that have connection flights, such as Lufthansa, Air-France, Alitalia, KLM, etc. However, demands from those airlines have declined since the "Intifada" erupted, as mentioned above.

The most important route for El-Al is the North-American one, which is routinely negotiated with the American carriers. Since the bankruptcy of TWA, we witness every once in a while new carriers that try to fill in the gap. However, according to the Israel Civil Aviation, there is over capacity on this route.

CHARTER AIRLINES: Nearly 50 charter airlines, including 3 Israeli charter companies operated at Ben-Gurion Airport during the year 2000. During the year 2001 this figure decreased, and towards the end of the year it reached 37 charter companies. Israeli charters suffered a 16% drop in the number of passengers, compared with the year 2000, whereas foreign airlines faced a 6% drop. Today, the share of the charter market from the total travel market is 15%-20%.

The two Israeli charter companies, namely Arkia and Israir, are constantly trying to replace El-Al on routes to destinations which El-Al found unprofitable. For example, El-Al stopped their operation of flights to Vienna in the middle of 2001, leaving Austrian Airlines as a sole carrier on that line. Arkia calculated that they could fill in this gap, however, their request to the Israel Civil Aviation to fly to this destination was denied. A second example is the flight to Copenhagen, which was cancelled recently by SAS, only to be followed El-Al's cancellation of their flight. Arkia's request to fly to Copenhagen was approved.

Lack of capacities to various destinations that are not served by the scheduled airlines brought mainly Arkia, but also Israir, to initiate flights to these destinations. Such initiatives included flights to Osaka, Japan, Seychelles Islands in Africa, and Brazil. Authorization to fly to these destinations was granted to Arkia, however not always implemented by it.

Destinations:

During the year 1999 and the first nine months of 2000 there were flights from Ben-Gurion airport to 125 destinations in 50 countries. Of these, during the whole year, scheduled airlines flew to 59 destinations.

The following destinations are among those which had a substantial growth in flights, over the average: Check Republic (Prague); Italy (Rome, Milan, Verona, Turin, Venice); Far East; Turkey.

In destinations that El-Al has a code-sharing agreement with the national carrier the growth was noticed. The lines to Zurich, Brussels and Warsaw are few examples. Figures from the years 2000 and 2001 are available in the tables located in appendix no 2.

Ticket prices:

Ticket prices are fixed with the participation of all scheduled airlines. These prices are executed by Airtour , who is at the service of all scheduled airlines, including El-Al. Therefore prices are of all scheduled airlines.
Tables of ticket prices are to be found at appendix 4, Tables no 9, 10.

d) Obstacles to travel

Due to the fact that the boarding, including security measures, might take a while, the larger airlines offer their clients a pre-checking service on the eve of departure. Pre-checking service was aimed at shortening queues at Ben-Gurion airport. This service may be suspended in the near future due to budgetary cuts in the airports authority. This, in turn, might increase congestion in the airport.

1. Security check: Each passenger has to go through a security check.

2. Leaving the country: Israelis who travel abroad go through the following formalities:

2.1 In order to pass the border gate at the airport, Israeli citizens need a valid passport and a boarding pass as well as an airline ticket.

2.2 A tourist visa for countries that still demand one. Today, few countries still demand it.

2.3 Israeli travelers who travel abroad frequently have the possibility to register for a speedy check-in.

2.4 Soldiers in their military compulsory service, which lasts for three years (18-21 years old), were not allowed to travel during their service according to a regulation dated from the 1960's. This regulation was changed only recently, as now they are permitted to travel for a short period not longer than two weeks.

3. Foreign currency: when leaving the country, Israelis are allowed to carry a maximum amount of foreign currency which is the equivalent of N.I.S. 80,000- (approx. US 16,000 $). Amounts above this limit, as well as items whose value exceeds this amount, have to be declared at the customs.

3.1 The preferred currency by most Israelis for traveling abroad is the US$.

4. Border crossing: Israel is a small country, with closed borders with part of its neighbors. There are officially 22 border crossing points.

4.1 Israel has one main international airport, the Ben-Gurion airport near Tel- Aviv, which can be considered also as Jerusalem's international airport, as it is situated only 40 minutes away from the city. In addition there are several small international airports like the ones in Eilat and in Haifa.

Military airports are also used for international landing, most notably in that respect is Ovda airport near Eilat.

The sea border crossings are mainly the ports of Haifa and of Ashdod,
that both serve cruise ships. The ferry movement that existed in the past is almost inexistent due to the security situation.

4.3 The main land crossings are the ones to Egypt and Jordan. Recently the movement of tourists at these crossing points slowed down tremendously, due to the "Intifada".

5. The connections with Europe are mostly by air.

e) Social factors

Israeli society is multicultural: people arrived to Israel from different countries with manifestations of cultures from all over of the world, sometimes very different from each other in many senses. Fascinating encounters between those cultures take place within Israeli society, for example in art, music and cuisine. Over the last generation, a society that used to be small and insular with a siege mentality has undergone a radical change, in how it perceives itself in relation to the world. Gradually it is moving from an identity based on a clear national ethos of heroism and struggle to a society pondering its identity and seeking to live a life of tranquility, well being and prosperity. Mass immigration from a number of former Soviet Union countries and from Ethiopia and the opening of the media to sights and sounds from around the world through commercial and cable television, as well as the tremendous increase in Israelis traveling abroad and the frequency of their trips, have opened up a window to the Western way of life, which is perceived as desired by the majority of the population.

Several aspects of Israeli characteristic way of life can be mentioned as effecting outbound travel:

- Israeli society is exposed intensively to the media, especially to television and the internet. Two of the most popular TV programs in Israel are about traveling, presenting different destinations (the programs are "a different journey” and “Passport”, and are broadcast on channel 2). Different programs on food, hosted by Israeli well-known chefs, are also broadcast and popular. Most of them are filmed on location, presenting a specific country or region as a background for presenting its cuisine. In most of the cases these programs will feature cuisine of European countries. In addition, Israelis are exposed to many international channels originated in different European countries, such as SAT 1 & SAT 3 from Germany, TV 2 and TV 5 from France, Channel 5 from Italy, the international Spanish channel etc. On those channels as well as on others, one could watch also programs, featuring different destinations.

- As Jews came to Israeli from practically all over the world, many of them still have relatives in their countries of origin, which they like to visit. Furthermore, many Israelis have grown interested during the recent decade in going on “heritage tours”, visiting countries from which their parents or grandparents came, even if they have no relatives left there. This trend is mostly manifested in East European countries.
- In social meetings, such as meetings on a Friday evening, Israelis like to share their traveling experiences with friends, and moreover, to recommend about destinations they visited. When asked the question “have you already been to…?”, many Israelis feel obliged to keep up with their friends and visit all those new destinations their friends tell them about.
- The two months of July and August, when schoolchildren are free, are the popular time for family vacations for Israelis. A new growing trend in that respect is that of grandparents traveling with their grandchildren.

f) Political stability

Political stability has positive influence on outbound travel all over the world, and specifically in Israel. During the optimistic days following the assignment of the Oslo agreement between Israel and the Palestinians, there was a substantial increase in outbound travel. However, political instability resulted in the last years and especially since the Arab "Intifada" began, in the increase of travel abroad. Israelis will do their utmost to go abroad, in order to be far away from the daily life in Israel. Near-by European countries are taking advantage of the situation and are offering low price packages that are beating the prices they will get in the beach hotels in Israel. In spite of what is mentioned above, during times of frequent terror attacks, many Israelis refrain from traveling abroad so as not to be away from their families. This was clearly manifested during the months of March & April 2002.

Another political factor effecting outbound travel is the general elections. Israel has a very high participation rate, and many Israelis prefer to stay in Israel and vote and plan their travel accordingly.

g) Marketing/promotion by destinations to visit

The marketing and promotion activities are different from destination to destination. This theme will be elaborated in paragraph 3b.

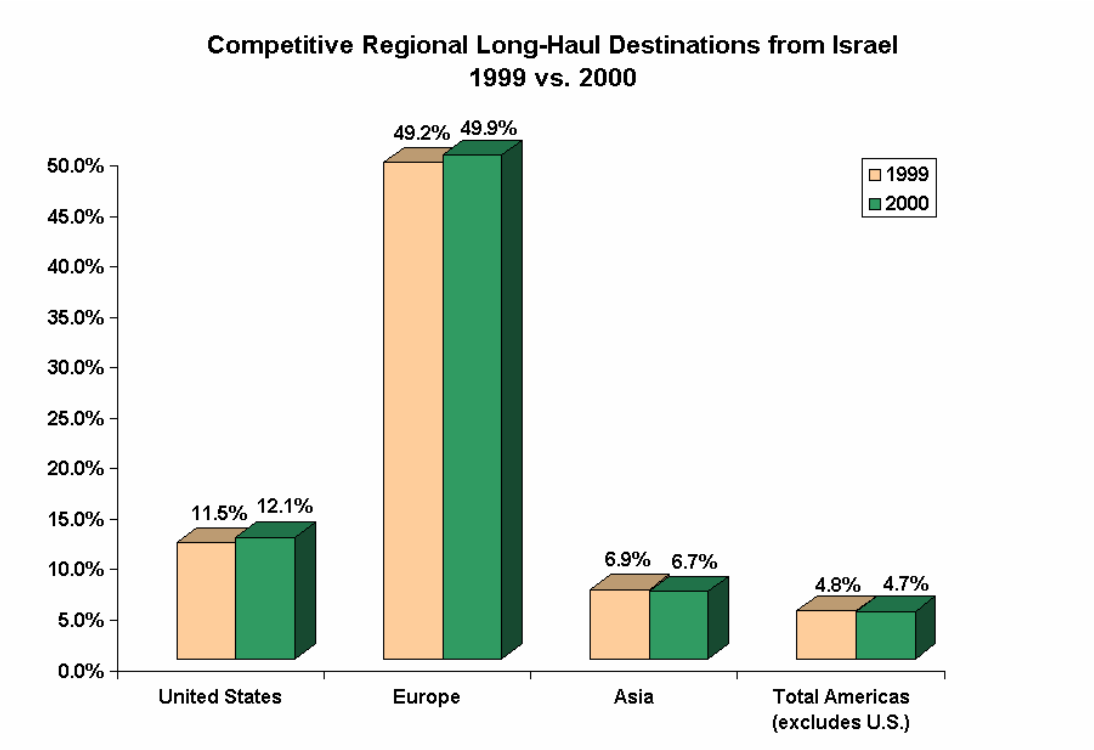
3) Overall market size and developments:

According to the Central Bureau of Statistics (CBS), Israel holds a record in the average growth of outgoing movement of tourists. The world average of growth is around 3%-4% yearly. The growth of the Israeli Market in the years 1995-2000 was 56%.

a) Travel volumes outbound by continent:

The United States is the number one country destination, for Israeli long-haul travel, receiving a 12.1% share of the market in 2000, followed closely by Italy with a 10.9% share. The United Kingdom and Germany are the next most popular destinations, garnering 8.9% and 4.6% of long-haul Israeli travelers, respectively. Although the changes were small, the U.S. was the only top competitive country, to experience a gain of this market in 2000.

Figure no. 5: Competitive Regional Long-Haul Destination from Israel 1999 vs. 2000



Source: TIA (Travel Industry Association of America)

Table no. 3: Travel abroad from Israel by Region (by air)

Regions	1999
AFRICA	29,786
AMERICAS	400,203
EAST ASIA AND THE PACIFIC	155,808
EUROPE	1,619,096
MIDDLE EAST	540,781
SOUTH ASIA	30,990

Source: WTO

Departures abroad by purpose and destination: In Israel, as in the rest of the world, most departures abroad are for tourism purposes. Sample data show that in 1998, about 76% of the departures of Israelis aged 15+ who left the country were for tourism purposes, about 8% were for business and about 14% were for other purposes. The percent of departures for tourism purposes was particularly high between July and October (around 80% per month) and particularity low between January and March (about 65% per month).

In 1998 there was a significant decline in Israeli departures to nearby destinations such as Turkey (8%) and Cyprus (11%). In contrast the proportion of trips to more distant destinations such as the USA rose by 11%.

The popularity of countries of destination varies according to the purpose of the trip. Countries that have especially high percent of trips for tourism purposes are Turkey and Spain (85% each), Greece (84%) and Cyprus (82%).

Several factors that influenced in the increase in Israelis' departures abroad in the last decade can be mentioned:

- Many people who arrived with the influx of immigrants from the Former Soviet Union often leave Israel to visit relatives who remained in their country of origin.
- The fall of the Iron Curtain opened up new destinations for Israeli tourists, including trips in search of family and social roots.
- Travel tax was repealed at the end of 1992 and all restrictions on foreign currency were eliminated in April 1998.
- Amendment of charter flight regulations and the introduction of numerous new air routes brought down international airfares.
- Political changes in the Middle East, such as the peace agreement with Jordan in 1994, opened the new Jordan River and Arava border crossing.

- Casinos as tourist attractions opened in Turkey, Sinai, Rhodes etc.
- The large supply of inexpensive package holidays to new destinations significantly increased the number of departures to countries such as Spain, Greece and Turkey.

Changes in destinations: Destinations have also changed over the years. In 1972, 11% of the departures of Israelis were to Asian countries; from 1995 to 1996, this figure grew to 20% of the Israeli travelers who chose Asia as their principal destination. This is apparently the result of the “discovery” of the Far East and the popularity of Turkey (about 12% of departures abroad in 1998) and is considered an Asian country. In contrast Europe has declined as a principal destination from 68% of all departures in 1972 to 55% in 1995-1996. In 1997 departures to Europe rose to 61% of all departures abroad, apparently due to the discovery of new and cheaper destinations such as Greece and Spain.

b) Travel volumes to Europe by countries of destination:

Europe is clearly the leader as a regional destination for long-haul travel from Israel, benefiting from its proximity. In 2000, almost half of all long-haul travelers from Israel visited Europe, approximately three and a half times the share that the United States received. Asia and the rest of the Americas region (not including the U.S.) were well behind, receiving only 6.7 percent and 4.7 percent of long-haul Israeli travelers, respectively.

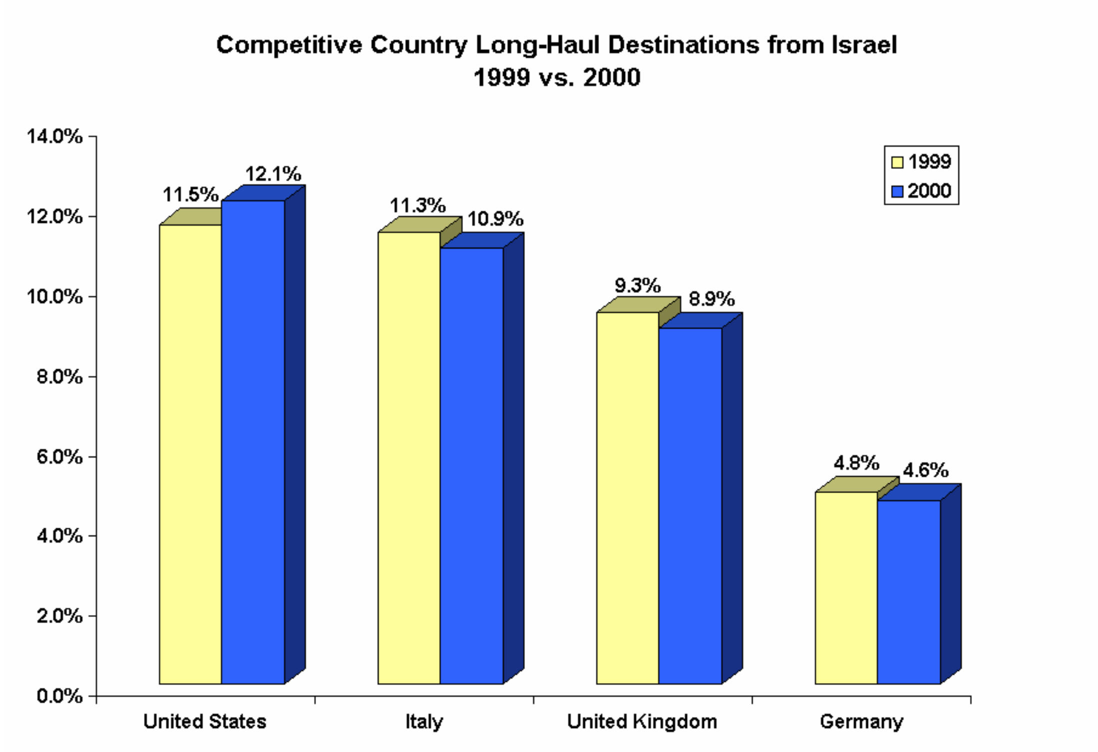
From the data of the year 2001 we can see that during this year there was a rise in the number of travelers to nearby destinations: Turkey had in January-April 2001 67,000 visitors from Israel, a rise of 23.4% over the year 2000. The rise in the number of travelers to Cyprus was of 8%.

Table no 4: Israelis aged 15 and over, departing via Ben-Gurion airport, by destination

DESTINATION	2000				1999	1998
	III	II	I	I-III		
TOTAL	193,500	139,600	134,500	467,600	2,313,100	2,148,100
ASIA – TOTAL	16,400	12,900	11,500	40,800	295,700	345,700
TURKEY	12,400	7,400	5,800	25,600	216,000	259,800
CYPRUS	800	700	600	2,100	28,800	30,700
THAILAND	900	1,800	1,800	4,500	14,800	19,700
OTHER COUNTRIES	2,300	3,000	3,300	8,600	36,100	35,500
AFRICA – TOTAL	2,200	2,200	3,100	7,500	42,200	42,900
EUROPE – TOTAL	83,200	52,000	52,600	187,800	1,239,000	1,310,100
AUSTRIA	900	600	700	2,200	20,300	27,200
ITALY	10,900	4,300	3,900	19,100	105,000	117,700
UNITED KINGDOM	10,000	9,300	10,300	29,600	176,900	200,900
NORDIC COUNTRIES	500	400	700	1,600	20,500	22,500
BELGIUM	1,500	1,600	1,200	4,300	24,700	29,600
USSR (FORMER)	3,600	2,400	3,700	9,700	79,500	98,400
GERMANY	11,400	8,400	7,400	27,200	149,600	143,900
NETHERLANDS	4,600	3,700	3,800	12,100	82,500	83,900
GREECE	3,000	1,100	1,300	5,400	108,900	83,500
SPAIN	6,100	1,600	1,900	9,600	87,300	107,900
POLAND	2,900	500	200	3,600	16,500	16,900
FRANCE	18,000	13,000	11,800	42,800	242,700	228,100
ROMANIA	1,100	900	1,100	3,100	31,900	49,100
SWITZERLAND	4,400	1,800	2,600	8,800	45,800	50,100
OTHER COUNTRIES	4,300	2,400	2,000	8,700	46,900	50,400
AMERICA AND OCEANIA	62,300	47,800	45,200	155,300	507,500	431,100
UNITED STATES	58,600	44,400	42,300	145,300	472,900	392,800
OTHER COUNTRIES	3,700	3,400	2,900	10,000	34,600	38,300
NOT KNOWN	29,400	24,700	22,100	76,200	228,800	18,300

Source: Israel CBS

FIGURE NO 6:



Source: TIA

Table No 5: Number of passengers to European countries:

Country	1999
ALBANIA	84
AUSTRIA	80,200
BELGIUM	29,822
BULGARIA	19,506
CROATIA	7,084
CYPRUS	61,023
CZECH REPUBLIC	119,753
FINLAND	6,167
GERMANY	117,219
GREECE	154,987
HUNGARY	48,032
ICELAND	682
ITALY	284,780
LATVIA	1,952
LIECHTENSTEIN	225
LITHUANIA	2,529
MALTA	4,248
MONACO	1,139
POLAND	31,762
PORTUGAL	15,686
REPUBLIC OF MOLDOVA	211
ROMANIA	50,188
RUSSIAN FEDERATION	37,742
SLOVAKIA	12,841
SLOVENIA	5,958
SWITZERLAND	79,839
THE FORMER YUGOSLAV REP. OF MACEDONIA	342
TURKEY	173,347
UKRAINE	36,008
UNITED KINGDOM	230,000
YUGOSLAVIA	529

Source: WTO (All European countries-for the year 1999).

c) Type of outbound trips in general/ to Europe and to European countries in particular:

In Israel, as in the rest of the world, most departures are for tourism purposes. Sample data show that in 1999 about 76% of the departures of Israelis aged 15+ who left the country were for tourism purposes, about 8% were for business, and about 14% were for other purposes. The percent of departures for tourism was particularly high between July and October (around 80% per month) and particularly low between January and March (about 65% per month). In 1999 there was a significant decline in Israeli departures to nearby destinations such as Turkey (8%) and Cyprus (11%). In contrast, the proportion of trips to more distant destinations such as the United States rose by 11%.The popularity of countries of destination varies according to the purpose of the trip. Countries that have especially high percents of trips for tourism purposes are Turkey and Spain (85% each), Greece (84%), and Cyprus 82%).

Table no 6: Israelis aged 15 over, departed via Ben-Gurion airport by purpose of trip

PURPOSE OF TRIP	2000				1999	1998
	III	II	I	I-III		
TOTAL	193,500	139,600	134,500	467,600	2,313,100	2,148,100
TOURISM	149,400	97,800	95,100	342,300	1,806,000	1,629,400
BUSINESS	7,100	6,700	5,500	19,300	70,200	165,500
OTHER	12,500	12,100	12,300	36,900	230,400	295,900

Source: Israel CBS, 2000

Table no. 7: Type of Israeli Outbound Travel to Europe by Countries

Country	Business	Spa & Holidays	VFR	School	Study	Conference
Austria	+	+	+	-	-	-
Belgium	+	+	+	-	-	-
Bulgaria	-	+	+	+	-	-
Croatia	-	+	-	-	-	-
Cyprus	+	+	-	-	-	-
Czech	-	+	-	-	-	+
Denmark	+	+	-	-	-	-
Estonia	-	-	+	-	-	-
Finland	-	+	-	-	-	-
France	+	+	+	+	+	+
Germany	+	+	+	+	+	+
Greece	+	+	-	-	-	-
Hungary	+	+	+	+	-	+
Iceland	-	+	-	-	-	-
Ireland	-	+	-	-	-	+
Italy	+	+	-	+	+	+
Luxembourg	+	+	-	-	-	-
Malta	-	+	-	-	-	-
Monaco	-	+	-	-	-	+
Holland	+	+	+	+	-	+
Norway	-	+	-	-	-	-
Poland	+	+	+	-	-	-
Portugal	-	+	-	-	-	+
Romania	+	+	+	+	-	-
Slovakia	-	+	-	-	-	-
Slovenia	-	+	-	-	-	-
Spain	+	+	-	-	-	+
Sweden	+	+	-	-	-	-
Switzerland	+	+	+	+	-	+
Turkey	+	+	+	-	-	-
United Kingdom	+	+	+	+	+	+

Source: Research field group of LANIR-I.A.T.P.

d) Main generating regions in Israel:

Israel is a small country with total territory of 20,000 square km and a population of 6.5 million. Potential Israeli travelers come from all over the country. However, several major generating regions can be distinguished: the metropolis of Tel Aviv, including all its satellite cities, leads the list. Tel Aviv is unquestionably the main business and industry center of Israel. Tel Aviv is followed by the city of Haifa and its surroundings, located to the north of the country, as a second major generating area. Other potential travelers come from several little towns scattered throughout the country, which are inhabited by people from middle as well as upper-middle classes.

4) Characteristics of Travelers and Holiday Makers:

a) Age; Countries of Destination; Sex; Social Class:

- **Age:** In general the data indicate that the rate of the departures abroad of Israelis increases with age and peaks in the 50-54 age group. This rate then slopes down again for older age groups.

Table no 8: Departure of Israelis by age group:

Age	2000	1999	1998	1997	2000	1999	1998	1997
	Percentages				Thousands			
Total	**100.0**	**100.0**	**100.0**	**100.0**	**3,530.0**	**3,203.0**	**2,983.0**	**2,756.0**
0-4	2.4	2.3	2.2	2.0	83.0	73.4	65.9	56.3
5-14	6.7	6.7	6.7	6.5	235.3	214.1	200.8	180.2
15-19	4.8	4.8	4.8	4.8	170.3	153.7	143.6	132.7
20-24	8.3	9.0	9.3	9.7	292.7	287.0	278.9	266.3
25-29	12.0	11.8	11.4	11.0	424.2	378.0	339.5	303.1
30-34	9.1	8.7	8.4	8.4	321.0	278.0	251.7	231.0
35-44	18.0	18.2	18.4	19.0	635.0	581.4	549.9	524.7
45-54	21.1	21.1	21.2	21.0	744.2	675.8	631.2	578.0
55-64	10.6	10.5	10.3	10.3	374.2	335.0	307.5	285.2
65+	7.1	7.1	7.2	7.2	249.6	226.2	214.0	198.6
Median age					39.0	38.7	39.1	39.3

Source: Israel CBS

- **<u>Countries of destination:</u>** The data reveal a difference between younger and older groups with respect to preferred countries of destination. In the 15-29 age group, which constitutes 26% of departing Israelis, the percent of departures to the following countries is relatively high: Greece (33%), Poland (53%, youth missions that are part of Holocaust studies), Thailand (33%), the USA and Cyprus (30% each). In contrast, the percent of departures to the following countries is relatively low in this age group: Hungary and Switzerland (18% each), Austria and Romania (16% each).

The share of Israelis aged 60+, who account for 14% of all departures, was relatively high for departures to Romania (29%) and to Hungary and Austria (24% each). In contrast, the percent of departures to countries such as Cyprus and Greece was low in this group (9%). The following table summarizes data on age and destination.

Table no. 9: Destination vs. Age

Country	Age: 15-29	Age: 30-44	Age: 45-49	Age: 50-54	Age: 55-60	Age: 61-69	Age: 70+
Austria	L	L	H	H	H	H	H
Belgium	L	L	L	L	L	L	L
Bulgaria	L	L	N/A	N/A	H	H	H
Croatia	N/A	N/A	H	H	H	M	M
Cyprus	H	H	H	H	L	L	L
Czech Republic	L	H	H	H	H	H	H
Denmark **1)**	M	N/A	N/A	M	M	N/A	N/A
Estonia	N/A	N/A	M	M	H	H	H
Finland **1)**	N/A	N/A	L	L	L	N/A	N/A
France	H	H	H	H	H	H	H
Germany	L	L	M	H	H	H	H
Greece	H	H	H	H	H	L	L
Hungary	L	L	M	M	H	H	H
Holland	H	H	H	H	H	H	H
Iceland	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ireland	L	L	H	H	H	H	M
Italy	H	H	H	H	H	H	H
Luxembourg	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Malta	L	L	H	H	M	M	N/A
Monaco	L	L	M	M	M	M	N/A
Norway **1)**	L	L	M	M	M	L	L
Poland	H	L	L	L	H	H	H
Portugal	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Romania	L	L	L	M	M	H	H
Slovak Republic	L	L	M	M	M	M	M
Slovenia	L	L	M	M	M	M	M
Spain	M	H	H	H	H	H	M
Sweden **1)**	L	M	M	M	M	L	L
Switzerland	M	H	M	M	H	H	H
Turkey	H	H	H	H	H	H	H
United Kingdom	H	H	H	H	H	H	H

Source: Research team of LANIR-I.A.T.P.

H= rate of this age group is High to this destination; M= rate is Medium; L= rate is Low;

N/A= Not Available

1) Estimates are relative to each country.

2) All 4 Scandinavian countries are usually traveled as one entity from Israel.

- **Departures abroad by sex:** Data from the 1998 sample indicate that the percent of men departing abroad (55%) exceeds that of women. The percent of men leaving for the purpose of tourism was 51%, whereas the percent of men leaving for the purpose of study or business was higher (69% and 85% respectively).

Some differences between the sexes were found with regard to travel destinations. The percent of men departing for Asia (53%) was not significantly higher than that of women. With regard to departures to the USA and Europe however, the percent of men were 55% and 56% respectively and 58% for departures to Africa.

- **Social Class and Traveling Style:** The famous **"Smith institute"** (in Israel) conducted a research recently among a sample of 700 people representing the adult population. According to this research about 60% of the Israelis are planning a trip abroad during the next year. A fifth of them will do it in an organized group.

  - ***Travel more then one time:*** 20% of them estimated that they would travel more then one time the next year.
  - ***Travel with children:*** 60% mentioned that they would travel with their children, compared with 38.5% that will travel without children.
  - ***Level of education:*** The research found out also that the level of education is playing an important role in the decision to travel:
  - 64% of the participants that were academically trained said that they would travel during the coming year, compared with only 37% of participants with lower education.
  - ***Level of income:*** The level of income is also playing a role: 45% with lower income intended to travel, compared with 67% with a higher income.
  - ***Holiday participation:*** Israelis take great pleasure in traveling abroad, particularly to vacation destinations. Vacations also serve as means of escaping from a tense political situation. Until the late 1980's, the Israeli tourist had to confront many limitations that hindered his or her traveling. Therefore, at that time the Israeli tourist used to travel to Europe for period 2-3 weeks, in an attempt to cover as many countries as possible in that time. This concept of tourism has changed dramatically in the last 10-12 years. Nowadays, the Israeli traveler goes abroad more often, and therefore is more relaxed: Israelis are now willing to spend a weekend or a whole week in one country, or

even one region, such as "Center Parks" in Holland, or renting houses in Scotland or in Ireland.

b) Types of trips:

- **Package tours vs. FIT:**

Until 15 years ago, Israelis tended to travel mainly in groups and to nearby destinations in Europe, "Classical Europe" or other destinations in Western and Central-Europe. Inexperienced Israeli travelers would choose organized tours as a solution to feel in comfort and in security. In the last decade, Europe has become more familiar to Israelis, and now they feel more self-assured when traveling to Europe. This feeling encourages Israelis to travel on their own, with their families, or in groups of a few couples who join together for a trip on an individual basis. These days the Israelis travel to most European countries and to specific regions on an FIT basis. Israelis still enjoy the advantages of GIT when traveling to less familiar destinations such as South-America, the Far-East, Australia and New-Zealand.

During the summer of the year 2001, 75% of the passengers traveled independently and only 25% went on an organized tour. Starting at the group age of 50 and over people are looking more for an organized group. In the age group from 18 years old to 49 years old, 6% traveled by group .In the age group over 50 years old 11% traveled by group.

The potential Israeli traveler can be broken down into several sub-groups (a summary of these sub-groups is shown in table no.):

1) ***High school students (16-18 years old):*** they tend to travel in groups of 4-8 friends to nearby destinations, such as Greece, usually before their recruitment. These trips usually take 1-3 weeks, and are planned on the basis of the lowest budget possible.
2) ***Youngsters after the army service (21 years of age):*** After three years of military service (two years for girls), many Israelis feel they must get away for a while, and relax in remote countries. Popular destinations among these youngsters are South-America, Far-East, Australia and New-Zealand.
3) ***Young couples (married or not married in their twenties):*** they tend to travel individually, or 2-3 couples together. Their destinations could be within Europe or North America.
4) ***Young couples with children:*** these are one of the big potential for individual travel to Europe and to North-America. These trips can be characterized as family vacations.

5) ***Couples with grown-up children:*** parents who travel by themselves (without their children). Most often, they travel individually, or a few couples together. Their destinations are all over the world.
6) ***Golden age:*** this group age travel very often, usually in groups. Popular destinations for this age group are Europe and North-America.

Table no. 10: Sub-groups of Potential Israeli Travelers

Name of sub-group	Mode of travel GIT or FIT	Preferred destinations
High school students	FIT	Sinai Peninsula(Egypt), Greece and other nearby destinations
Youngsters after the army service	FIT	South-America, Far-East, Australia and New-Zealand
Young couples	FIT	Europe or North America
Young couples with kids	FIT	Europe and to North-America
Couples with grown-up children	FIT	All over the world
Golden age	GIT	Europe and to North-America

Source: Desk team of LANIR-I.A.T.P.

- **Booking patterns:**

The "last-minute" trend: Israelis like to pay low prices, and in many cases, they are willing to take a chance and wait until the last moment in order to get a good bargain. In some cases, prices of last minute packages can be 70% cheaper than usual. The last minute trend developed in Israel in recent years, and it plays an increasingly important role in the outgoing traffic from Israel. In addition to their appeal as being cheap, last minute packages offer Israelis flexibility and allow them to spontaneously decide today and fly tomorrow. In addition, prices of packages during mid-week are a lot cheaper then the same packages during the weekend, which increases bookings for mid-week packages. The last minute trend has become popular to such an extent, that it affects the booking patterns during the high seasons months of July-August. During the summer of 2001, holiday packages were sold as last minute packages even two weeks before departure. In the last week of the month of August, prices of last minute packages drop and reach their lowest rate, due to lack of bookings during this time of the year (see table no. 11). This has to do with that fact that school in Israel starts on September 1st, thus preventing parents to children from traveling abroad. Potential travelers who are free to go on holiday during this time of year take advantage of this low demand and get the best deals.

Table no. 11: Prices of vacation packages- August 2001

Prices of vacation packages at the last week-end Of August 2001 (Flight+3 nights B/B)		
Destination	Summer	Last week-end of August
Greece	US$474 -	US$394-
Italy	US$494 -	US$404 -
Paris	US$514 -	US$427 -
London	US$614 -	US$541 -

Source: Different newspapers

Travel agents estimate that last minute sales account for 1.5-%-2% of the total number of passengers who travel abroad, and about 10% of the passengers who fly with charter flights. During the summer of 2001, last minute packages were based on an average of 10-20 seats that remained available on each charter flight. The prices of last minute flights were a little lower than the regular charter fares. For example, a flight to Spain would sell for 80-100 dollars less than the usual price, and 50 dollars less to nearer destinations.

c) Decision-making:

Several factors influencing decision-making of Israeli travelers can be mentioned:

- Period of decision: The period of decision to travel has grown shorter throughout the last decade, as Israelis now are more spontaneous in their decisions. Nowadays, many Israelis can decide to go abroad even as short as a week's time before departure. This is manifested by the growing popularity of the last minute trend, as was mentioned above. One of the main reasons for the short time of decision is the security situation in Israel, as people are hesitant until the last moment about making a decision to travel.
- Period of travel: a survey that was prepared the major "last-minute" travel agency showed that the average Israeli traveler is taking a vacation abroad 2.5 times a year. The reasons mentioned by participants for going relatively so often were:

a) Attractivity of nearby destinations in the Mediterranean region, as well as in Europe.
b) Low prices offered in the above destinations compared with Israel.
c) The increase in leisure time.
d) Recent transition to five working days a week.
e) The desire to ease the tension and fear caused by the security situation.
f) The wish to go on "family vacations".

- Public Holidays: The Jewish calendar is different from the Gregorian one. The calendar starts around the month of September with the Jewish New Year, and ends around the month of August (after the summer school vacations). The Jewish holidays are celebrated throughout the year and sometimes coincide with the dates of the Christian holidays. Part of the holidays last a week or even more (for example, Passover) which enables family vacations, as schools are closed as well as universities, government offices and some private institutes. Some of the Israelis prefer to spend Jewish holidays at home with their families, while many others use them for vacations abroad.

- Social & religious requirements: The “religious Jewish travelers” prefer to travel in special packages to European cities, were they can eat in “kosher” restaurants. In addition, religious Jewish travelers will not travel on the holy day of Saturday ("Shabbat"). A touring program for this public must consider all these restrictions and be adapted accordingly. However, the religious travelers account for only 10% of all travelers; therefore there are very few tour operators that specialize in this market (see paragraph 7b below).

- The attitude of the average Israeli to different countries: Some Israeli travelers may re-consider their choice of destination following political events in the country of destination. For example, some Israelis cancelled ski vacations in Austria after the election of Mr. Heider and his party. This factor is more prevalent among older generation.

Table no 12: Jewish holidays:

Jewish Year	5763	5764	5765	5766	5767
Civil Year	**2002**	**2003**	**2004**	**2005**	**2006**
ROSH HASHANAH Jewish New Year	Sat 7 Sep Sun 8 Sep	Sat 27 Sep Sun 28 Sep	Thu 16 Sep Fri 17 Sep	Tue 4 Oct Wed 5 Oct	Sat 23 Sep Sun 24 Sep
YOM KIPPUR Day of Atonement	Mon16Sep	Mon 6 Oct	Sat 25 Sep	Thu 13 Oct	Mon 2 Oct
SUCCOT First two days of Tabernacles	Sat 21 Sep Sun 22Sep	Sat 11 Oct Sun 12 Oct	Thu 30 Sep Fri 1 Oct	Tue 18 Oct Wed 19 Oct	Sat 7 Oct Sun 8 Oct
SHEMINI ATZERET Eighth Day of Solemn Assembly	Sat 28 Sep	Sat 18 Oct	Thu 7 Oct	Tue 25 Oct	Sat 14 Oct
SIMCHAT TORAH Rejoicing of the Law	Sun 29Sep	Sun 19 Oct	Fri 8 Oct	Wed 26 Oct	Sun 15 Oct
CHANUKAH Eight Days Festival of Lights	Sat 30Nov Sat 8 Dec	Sat 20 Dec Sat 27 Dec	Wed 8 Dec Wed 15Dec	Mon 26Dec Mon 2 Jan	Sat 16 Dec Sat 23 Dec
Jewish Year(continued)	**5763**	**5764**	**5765**	**5766**	**5767**
Civil Year(continued)	**2003**	**2004**	**2005**	**2006**	**2007**
PURIM –Carnival	Tue18Mar	Sun 7 Mar	Fri 25 Mar	Tue 14 Mar	Sun 4 Mar
PESACH --Passover	Thu17 Apr Fri 18 Apr	Tue 6 Apr Wed 7 Apr	Sun 24 Apr Mon 25 Apr	Thu 13 Apr Fri 14 Apr	Tue 3 Apr Wed 4 Mar
PESACH -Last two days	Wed23Ap Thu 24Apr	Mon 12 Apr Tue 13 Apr	Sat 30 Apr Sun 1 May	Wed 19 Apr Thu 20 Apr	Mon 9 Apr Tue 10Mar
SHAVUOT Feast of Weeks	Fri 6 Jun Sat 7 Jun	Wed 26May Thu 27 May	Mon 13 Jun Tue 14 Jun	Fri 2 Jun Sat 3 Jun	Wed23May Thu24 May

Source: Israel government Almanac 2001

d) Seasonality:

Seasonality factors affect the flow of Israeli departures abroad and have a direct impact on the extent of departures, the age distribution of those departing, the purpose and destination of their trips and the length of stay abroad. During vacation periods, e.g., summer, Passover and the autumn holidays, the number of departures increases, as does the proportion of departures of children up to age 14, which join their families on vacations. About 28% of the departures in 1998 occurred during July and August.

During these months, 15% of the departures were children up to age 14 (as opposed to 7% on average in the other ten months of the year).

Seasonality & prices:

- There are certain periods during the year, in which the Jewish Holidays are celebrated. These times are considered the tourist high season in Israel. As these periods do not always coincide with seasons in Europe, Israeli tour operators may exploit this fact to over-charge the Israeli travelers, without the awareness of their European counterparts. Alternatively, European and Israeli tour operators sometimes co-operate to over-charge the Israeli costumer. The Jewish High Holidays, that take place during the months of September- October, are one example. Prices in Europe at that time are relatively low, compared to prices during the high seasons. The same can happen with the holiday of Passover (see table no. 12 above). However, there are years when Passover coincides with its Christian equivalent (Easter), and then prices are anyway high.

Table no. 13: Prices of vacation packages to nearby European destinations

Prices of vacation packages in some nearby European destinations(2001)		
Destination	Passover	After Passover
Antalia (Flight+4 nights)	US$349 -	US$149 -
Dubrovnik (Flight+ 3 nights)	US$379 -	US$149 -
Prague (Flight+3 nights)	US$399 -	US$299 -
Budapest (Flight+3 nights)	US$339 -	US$249 -
Crete (Flight+4 nights)	US$299 -	US$199 -

Source: Different professional papers

A combination of factors, such as prolonged weekend of the Feast of Pentecost on May 2001, as well as low prices, led to an increase of 25% in the number of passengers who left the country compared with the same period in 2000. At least 80,000 Israelis traveled then abroad. The airlines had to supply extra planes for this weekend. El-Al had to add nine planes over the regular planning to supply the demand. Other companies followed suit. The popular destinations that were chosen by the Israeli customer for that weekend were Rhodes, Crete, Majorca, Paris, Amsterdam, and Istanbul, as well as Dubrovnik in Croatia. The prices on that weekend were very attractive. Here are some examples:

- **Crete:** Flight + 3 night's b/b –US$444 -per person.
- **Palma-De-Majorca:** Flight + 7 Nights h/b in a tourist class hotel US$564 – p/p.
- Paris: flight + 4 night's b/b in a tourist class hotel as from US$480 - p/p.
- London: Flight + 4 nights in a tourist class hotel b/b as from US$545 – p/p.

In the month of December 2001, there was a steep rise in number of families traveling abroad, due to the fact that the Jewish holiday of Hanukah coincided with Christmas. The main destinations for that month were western and Eastern Europe. The average stay was between 3 to 6 days.

e) Preferred types of holiday making:

- ***Family Vacation:*** The summer season is considered the "family vacations" season. 60% of all parents went on vacation last year with their children, in Israel or abroad. Therefore tour operators are preparing tours that include attractions that are suitable for children. It might occur that in many cases, the operators prepare two separate day trips, one for the children, and one for the parents. Children may visit an amusement park, while the parents might visit a museum, a gallery etc. 50% of the Israeli families that went abroad in the summer of 2001 went on vacation during the months of July and August. The preferable destinations were Turkey (17%), France (14%), especially Paris, with Euro Disney. Other popular destinations for families were Holland (9%), USA (7%), Italy, England and Cyprus (each with 4%).

Many of the operators devote a special brochure to family trips:

- "Disenhaus" offer 20 organized tours.
- "Natour" has issued a special brochure with 39 itineraries.
- "Ofakim" offers 14 itineraries.
- "Ophir tours" offers 12 trips.
- "Rimon" offers 30 family tours for the general public and 12 to religious Jews or new immigrants that still prefer to speak Russian only. According to the figures, the rise in "family vacations" over the year 2000 was between

20%-25%.

- ***Resorts/beach vacations:*** Although Israelis can enjoy the beaches of the Mediterranean and the Red Sea (Eilat) at home, many of them like to go on beach vacations, especially in neighboring countries like Turkey, Greece and Cyprus. Another trend is staying in resorts like Club Med as well as other clubs like Club Valtur or Robinson clubs.
- ***Ski:*** A few years ago Israelis discovered ski vacations during the winter season. Most popular among ski fans are the clubs, and in first priority the Club Med.
- ***City trips:*** With the growing trend of going abroad for short visits of 3-4 days, city trips have become increasingly fashionable. London, Paris, Amsterdam are a few examples.
- ***Culture:*** There are many Israelis that look for different varieties of cultural trips. This has given rise to several companies specializing in that kind of a tour, such as "The Geographical Company", “Geographical seminars” and others. In an attempt to follow their success, "regular" tour operators opened up special departments to deal with these clients. However, the potential tourist prefers the specialized companies.
- ***Prestige packages:*** The operator Disenhaus has initiated the opening of a new department as a strategic decision, which is going to sell exclusively a new tag name called “Ego trip”. In this department they will sell all the prestige products. “Ego Trip” is handling a great variety of special products, which are different, from the daily wholesale operation of the company. Disenhaus found out that, due to the increased demand of prestige products, which rose by 5% per year, there is a need to handle separately this brand name. For that purpose Disenhaus also produced a special brochure, which includes a selection of exclusive destinations around the world. To start with hotel "Anassa” in Cyprus, to astonishing recreation sites, in the Far East. The famous Cancun Laguna in Mexico, Hawaii Islands, the “Orient Express” train in Europe, to end with packages, of the prestigious “Ritz Carlton” hotel chain.

Disenhaus sees a potential clientele of 15,000 people, that could be handled by this department and who are ready to spend 20,000-30,000 Dollars for a trip of several days. The age of those people is between 45 to 50 years that would like to go on vacation, on a discreet way and have the possibility, to spend money on exotic places around the world.

Recently, the new department handled a trip around the world, lasting 28 days, with a budget per person of 104,000 Dollars.

f) Length of stay:

An analysis of the average length of stay abroad shows that it has shortened over the years. Whereas in 1993 the average duration of trips was 16 days, in 1996 it was only 11 days. The declining length of stay was due to the increasing number of residents who traveled by land to Jordan and Egypt for a few days, as well as inexpensive short package holidays to nearby countries such as Turkey, Greece, and Cyprus. Accompanied by the rise in the standard of living, these factors have led to a reduction in the number of days spent abroad for each trip. In other words, Israelis have started to leave the country more frequently and for shorter periods.

Different aspects affect the length of stay:
a) Length of the official holidays or the length of the regular period of vacations.
b) Mode of travel.
c) Age of the travelers.
d) Type of trip.
e) Type of destination.
Israelis that go by flight remain abroad longer (13 days on average) than those departing by land (4 days) or by sea (11 days). The longest trips among those traveling by air are during the summer (15 days in July-September), whereas by land the longest trips are during the second half of the year, that is July-December (5 days). By sea the longest trips are during the months of the summer (18 days).
See table no. 8 at appendix no. 4: "Departures of Israelis by mode of travel ".

Table no. 14: Returns from abroad of Israelis by duration of stay abroad

DURATION OF STAY ABROAD	2000	1999	1998	1997	2000	1999	1998	1997
	Percentages				Thousands			
Total	**100.0**	**100.0**	**100.0**	**100.0**	**3,513.0**	**3,179.0**	**2,981.2**	**2,722.0**
Less than 1 month-Total	87.1	87.9	87.7	86.9	3060.0	2792.8	2613.4	2366.2
0 Days	4.0	4.9	5.0	5.3	140.8	155.8	147.9	144.2
1-4 Days	34.6	33.1	30.8	28.8	1216.9	1052.0	918.3	783.3
5-9 Days	25.5	25.6	26.2	26.0	895.0	812.3	780.5	707.9
10-14 Days	12.2	12.8	13.4	13.7	428.4	408.1	398.8	373.7
15-19 Days	5.5	5.8	6.1	6.6	193.4	184.4	182.2	178.7
20-29 Days	5.3	5.7	6.2	6.6	185.5	180.2	185.7	178.4
1 Month	4.0	4.2	4.5	4.9	140.5	134.0	133.4	133.3
2 Months	1.4	1.4	1.5	1.5	48.1	46.0	43.7	41.6
3 Months	0.9	1.0	1.0	1.1	33.0	31.3	29.9	29.1
4 Months	0.7	0.7	0.7	0.7	23.1	22.9	20.8	19.6
5 Months	0.6	0.6	0.6	0.6	20.7	19.8	18.8	17.4
6-8 Months	1.1	1.1	1.1	1.1	37.4	35.2	32.1	30.5
9-11 Months	1.0	1.1	1.1	1.1	34.2	34.0	32.4	29.7
1 Year And More	1.8	2.0	1.9	2.0	61.8	62.1	56.7	54.5
Unknown	1.5				53.9			
Median Stay					7	7	8	8
Stayed abroad up to:								
3 Months					10	10	10	11
1 Year					18	19	19	20

Source: Israel CBS

g) Composition of travel groups:

As mentioned above, most Israelis prefer to travel individually. Among other types of groups, some Israelis join traveling groups out of a common interest for exotic destinations, cultural interest, historical interest etc. These types of groups include a maximum of 20 to 25 people, and the intellectual level of the tour as well as of participants is expected to be high. The age of participants in these groups is above 40 years old.

h) Spending per trip:

The Israeli traveler believes in "value for money", and at the same time, is willing to spend any amount of money to accomplish his desire. The variety of prices that Israelis pay to go abroad on vacation is multifarious. The aspiration to reach far and exotic new destinations (which are normally quite expensive) on the one hand, and to buy low priced packages to nearby destinations on the other hand, varies the amount of expenditure that Israelis spend on a trip.

Tour operators during wintertime advertise tours for prices as low as US$70 for a three-night package including flight, to nearby destinations. On the other hand there are cruises to far away destinations, private adventure tours to exotic countries as well exclusive trip around the world with a price range from US$ 20,000 to US$ 70,000.

Table no. : Prices of packages from Israel (In US$) Year 2001

Region FIT/ Group	Mediterranean Basin	Tours around Europe	North America	Far East & South America
FIT	70- to 1,500-	1,000-to 2,000-	1,000-to 2,500-	1,500-to 3,000-
Group	500 to 1,500-	1,000 to 2,500-	1,500-to 2,500-	2,000-to 5,000-

Source: Lanir-IATP group.

Unfortunately, there is no up to-date data on expenditures of Israelis abroad in general, neither of breaks down to countries. Latest data available is from 1997, and is shown in the following tables:

Table no. 15: Expenditure abroad according to destinations 1997

Country of destination	Total expenditure (In million of US Dollars)	Average per day (in us$ Dollars)
All traveling	1,687	49.5
USA+Canada	430	48.5
Western Europe	562	67.3
Eastern Europe	120	28.1
Jordan+Egypt	118	48.9

Source: Ms. Malka Kanterovitch-expenditures of Israelis abroad, 2001

Table no. 16: Expenditure abroad according to trip duration 1997

Number of days abroad	Total expenditure (In million of US$ Dollars)	Average per day (in us$ Dollars)
All trips	1,687	49.5
0-2 days	51	127.3
3-6 days	294	100.4
7-9 days	308	78.7
10-19 days	455	62.6
20-60 days	306	35.7

Source: Ms. Malka Kanterovitch-expenditures of Israelis abroad, 2001

Table no. 17: Expenditure abroad according to trip purpose 1997

Purpose of trip	Total expenditure (In million of US$ Dollars)	Average per day (in us$ Dollars)
All trips	1,687	49.5
Trip(organized or other) Business trip Other purposes	668 313 330	56.8 107.8 35.8
From the above: Studies Family visit/event Other purpose(including illness recovery) 2 purposes at same trip	 68 156 57 49	 54.2 28.0 38.0 54.4
Unknown purpose	377	37.0

Source: Ms. Malka Kanterovitch-expenditures of Israelis abroad, 2001

The following points should be highlighted:

- The amount of 1,687 billion US$ refers to the year 1997. Under the assumption that expenditure per traveler remained the same, it can be concluded that in the year 2001 it reached 3 billion US$ dollars.
- From the total of 1,687 billion US$, the expenditure in Europe was about 40%.
- The highest expenditure per capita per day was in Western Europe (US$67.3).
- The high amount of expenditure during the first 6 days of stay abroad can be explained by the fact that businessmen normally travel for very short periods.

- The total expenditure for tourism purposes is about 40% from the total amount that was spent abroad.
- The total expenditure for business purposes is about 20% from the total amount that was spent abroad.
- The most popular means of payment among Israelis is credit card.

5) Motivations for decision-making:

a) Preferences for countries

The following destinations have become in recent years the most popular:

- Greece and in particular the Greek Islands.
- Spain, especially in packages.
- Eastern Europe with Prague (Czech Republic) and Budapest (Hungary), at the top of the list.
- Paris and Amsterdam are two destinations that witnessed a rise in the number of Israeli visitors, in contrast to a slow down in Israelis traveling to London.
- Family vacations: Parks in Holland and clubs in Turkey. Both are based on a package of "all included".

b) Preferences by type of attractivity

- The countries that are considered to be among the first to offer attractions for family trips are: a) USA. b) England. c) France. d) Holland. e) Belgium. f) Denmark. g) Germany.
- The student travel agency, "Issta", conducted a research among 700 of its passengers, in order to check which are the most popular and romantic destinations for the year 2001. The popular destinations were:

a) Paris, which is keeping its first place - 18% of all passengers.
b) Rome - 12%.
c) Venice - 11%.
d) Prague - 10%.
e) Florence - 7%.
f) Provence - 7%.
g) New-York-7%.
h) Amsterdam-5%.
i) Tuscany-4%.

The romantic destinations were rated as follows:

a) Eiffel tower-28%.
b) Gondolas' rowing in Venice-21%.
c) The Spanish Stairs in Rome-11%.
d) The alleys of artists in Paris-9%.
e) Pisa Tower in Italy-4%.

c) Preferences on accommodations:

- When in the city, many Israelis find that a 3 stars hotel is "good enough" for them, and they will settle for this level of accommodation. However, when it comes to resort, most Israelis will opt for the higher level accommodation, namely 5 stars hotel. To this is there is one exception of different clubs that are usually rated 3 stars but are still very popular among Israelis.
- Family packages: on family packages the operators offer hotels with large rooms that are fit for families and are based on breakfasts served on a self-service basis. Many Israelis like to stay in sites like the "Center Parks" in Holland, where accommodation is provided on a self-catering basis.
- High quality accommodations: Israeli firms who hold board and senior staff meetings abroad choose special quality accommodation.

d) Preferences on travel intra Europe:

Israeli Businessmen usually prefer to fly while traveling intra Europe. Among Fit's, renting a car and driving from country to country is the preferred mode of traveling. Riding the train is the second preferred choice, and it is popular especially among young travelers.

Several years ago a popular tour to Western European countries was under the name of “Classical Europe”. This tour included the following countries: Italy, Switzerland, France, Belgium and Holland. This tour was offered on group basis and it was popular for a first visit to Europe. In addition such a tour might have included also London. Nowadays intra Europe tours includes a group tour to the Scandinavian countries. Due to individuality of the Israeli traveler, tours today will be mostly planned to one country or to one region of a country.

e) Preferences on food and drinks:

There are several factors influencing the Israeli traveler consumption of food and drinks. Presently a “trend” in tasting and exploring new realms of culinary experiences has been established in a major sector of the Israeli travelers market. People are more enthusiastic to try new dishes of local cuisine: for example culinary purposed tours are organized in well known regions in Europe such as in France Provence, Alsace and of course Paris, and in Italy the regions of Tuscany and the outskirts of Rome. This growing interest is well example in the number of restaurants opened in Israel influenced from this exposure. It is seen as well in the number of television programs dedicated to this subject.

In addition to the culinary aspect, the drinking interest is establishing itself rather firmly targeting for example the European wine resorts such as Spain, France Italy and Germany. The beer market is growing as well and countries specializing in this area can benefit greatly such as Belgium, Denmark and Ireland.
Religious requirements are personal matter of each traveler .It is important, however, for the operators to be able to supply kosher food catering if needed.

f) Other preferential aspects:

Generally, Israeli travelers prefer nowadays closer and cheaper destinations and more specifically, holiday packages that can be cancelled without being charged with cancellation fees.

6) Travel trade:

a) Structure of trade:

The travel agents association is very active in Israel, as all of the important travel agents as well as the wholesalers are members. The chairman of the association is since January 2000 the GM of the biggest wholesaler in Israel, "Natour". The greater part of the travel industry is located in Israel's business city, Tel-Aviv. This is convenient as geographically Tel-Aviv is located in the center of the country and it is easy for the industry people that come from Jerusalem in the south or Haifa in the north to reach Tel-Aviv.

- Wholesalers & tour operators:

There are about 25-30 tour operators in Israel. Some of them are pure wholesalers while others are doing both retail and wholesale.
Some of the operators have their own chain with offices all over the country (Ophir tours, Issta). Others are operating from one office, acting as a wholesaler and at the same time as a tour operator, doing direct sale (Ofakim).

Table no 18: List of Tour Operators (Source: Israel Ministry of tourism**)**

City	Zip code	Address	Name of tour operator
Tel-Aviv	61033	32 BEN YEHUDA ST.	OPHIR TOURS LIMITED
Tel-Aviv	63324	5 IDELSON ST	OFAKIM TRAVEL & TOURISM LTD.
Tel-Aviv	63473	206 BEN YEHUDA	ORNITOUR TOURS & TRAVEL LT(197
Haifa	31043	2 SHMARYAHU LEVIN ST	E.W.T.R. LTD.
Tel-Aviv	63805	32 BEN YEHUDA ST	E.W.T.R. LTD.
Jerusalem	94386	13 HATZVI ST	AYALA TRAVEL AND TOURS LTD.
Ashdod		5 Rogosin St	ISSTA LINES LTD.
Tiberias	14100	4 LEV HA'IR CANYON	AMSALEM TOURS & TRAVEL LTD.
Tel-Aviv	61392	SDE DOV AIRPORT	ARKIA INTERNATIONAL (1981) LTD
Haifa	33123	4 NORDAU	ESHET NIZZA TOURS LTD.
Tel-Aviv	68091	44 JERUSALEM BLVD	BALKANIM TOURS & TRAVEL LTD.
Tel-Aviv	63903	2 MENDALEI	BENTZY BRASIL &.TRAV TOURS LTD
Tel-Aviv	68091	42 JERUSALEM .Blvd	BARON TOURS LTD. {{YAFFO
Ramat-Gan	52461	37-39 BIALIK ST	GANIM TOURS LTD.
Tel-Aviv	63808	Bugrashov 5 A	DOLPHIN SHIPPING AGENCY LTD
Tel-Aviv		84 BEN YEHUDA ST	VACATION ROUTES LTD.
Tel-Aviv	63805	32 BEN YEHUDA ST	WORLD GESHER-KANDEL FERBER KED
Tel-Aviv	65132	20 LILINBLOM	VITS-VELICH INT'L TOUR SERV LT
Netanya	42431	9 SMILANSKI	TOPAZ TOURS LTD.
Tel-Aviv	63432		T.A.T. TRAVEL & TOURI.TL.1978
Tel-Aviv		Beit Shamai 10	TAYELET TOURS .T.T LTD.
Tel-Aviv	63807	33 BEN YEHUDA	TERMINAL 1 TRAVEL AND TOURISM
Tel-Aviv	63435	92 BEN YEHUDA	MEGA TRAVEL SERVICES LTD.
Tel-Aviv	63806	53 BEN YEHUDA	NATOUR TRA.AGEN.ASSOC.-ORGLTD.
Ramat-Gan	52521	Hayezira 3	NETIVEY KESHET LTD.
Tel-Aviv	63802	16 BEN YEHUDA	ROUND THE WORLD &.TRAV .TOUR LTD.
Tel-Aviv	61033	51 BEN YEHUDA	SENTOSA TOURS LTD.
Tel-Aviv	63807	40א' BEN-YEHUDA	OLAMOT LTD.
Tel-Aviv	63806	12 SHALOM ALEICHEM	OLAMI TRAVEL & TOURIST .CO LTD
Jerusalem	91192		ARAB TOURIST AGENCY
Tel-Aviv	61031	99 HAYARKON DAN) (HOTEL	ATIRIM TRAVEL & TOURISM LTD.
Tel-Aviv	63802	14 BEN YEHUDA	P.T.C.PAN TRADING .COLTD.
Tel-Aviv	63435	84 BEN YEHUDA	AVIATION LINKS LTD.
Jerusalem	94146	1 SHLOMZION HAMALKA	REJWAN'S TRAVEL SERVICE LTD.
Tel-Aviv	63802	14 BEN YEHUDA	RIMON TOURS LTD.
Tel-Aviv	62198	62 HEI B'IYAR	RESHET TOURS & TRAVEL LTD.
Netanya	42281	6 SHMUEL HANATZIV	SHARTOURS TRAVEL& TOUR SERVICES LTD.

- Travel Agents:

There are around 750 travel agencies registered by the Ministry of Tourism in Israel. They had to be registered by law, but recently this law was changed, thus everybody can, potentially, open a travel agency. Only 572 travel agencies were members of the Travel Agents Association in the year 2001, compared with 590 agencies in the year 1999 and 607 in 1998.

- National Tourist offices (NTO's):

There are around 20 NTO’s in Israel. Some of them are very active, like the office of Cyprus, and others are rather passive. Some of them are actually delegates that were sent by their Tourism Authority to promote tourism to their countries, like Greece, Turkey, and India etc. Others have the same structure, but the head of the delegation is an Israeli citizen, like Cyprus. A third group, are the delegates that are located in the office of their national carrier, like Lufthansa and the DZT.

- Carriers:

As mentioned previously, there were 45 scheduled airlines operating in Ben-Gurion airport in 2000. This figure was reduced to 37 in 2001. All major European airlines are operating in Israel, like Lufthansa, British Airways, KLM, Air France, Alitalia as well as North American Airlines. The routes to Europe operated by these carriers are usually profitable. In addition, there were approximately 50 charter carriers that operated during 2000 including 3 Israeli carriers, and this figure was reduced also to 37 carriers in 2001.

Table no. 19: The ten major carriers operating in Ben-Gurion airport in 2001 (scheduled & charters)

The Airline/Country	*No of Pax*	*No of flights*	*Share of scheduled flights Year 2001*
1)El-Al-Israel	***2,713,000***	***15833***	***34,9%***
2)Arkia	***320,000***	***1568***	***4,1%***
3) B.A.	***302,000***	***1689***	***3,8%***
4)Lufthansa	***300.000***	***1748***	***3,8%***
5)Sun D’or	***269,000***	***1434***	***3,4%***
6)Alitalia	***265.000***	***2200***	***3.4%***
7)Israir	***240,000***	***1425***	***3,1%***
8)Swissair	***231.000***	***1425***	***2,9%***
9)Turkish-Airlines	***199.000***	***1554***	***2,5%***
10)Continental	***172.000***	***717***	***2,2%***

Source: Israel Civil Aviation

b) Major players in outbound travel:

- El-Al - Israel airlines, is a very dominant factor in the travel industry in Israel. They are active, not only in the airline business, but also in travel activities. Their “Israel branch” in Tel-Aviv, which is in charge of the operation of outbound movement, acts many times in a very aggressive way, thus creating many conflicts with the wholesalers and tour operators. A recent example is a new system of paying commission to the retail agents. In 2001, El-Al wanted first to lower their payment for ticket’s commission from 9% that had been paid until then to 7%, due to financial difficulties. After a protest from the travel agents association, the commission was left at 9%, but with new restrictions. The major one concerns the override commission, which is paid to agents. Until now this commission was paid on a year basis. El-Al decided to change it to a monthly basis, a decision which led to dissatisfaction on behalf of the agents.
- Another major player is wholesaler company, “Airtour”, with a shared ownership of El-Al, the association of foreign carriers and the travel agents association.
- The foreign carriers are also playing a major role in the outbound travel market. In recent years, they have introduced low fares in an attempt to compete with El-Al on the Israeli market. Most of the airlines showed a decrease in the number of passengers in the year 2001, compared with the year 2000.The only one to show an increase of 2% was Lufthansa. Swissair had a fall back of 11%; Turkish Airlines (-13%); British Airways (-14%); El-Al (-16%); Alitalia(-17%); Continental(-26%).
- Another active group is the charter companies. Among the three Israeli companies, "Arkia" is leading with 320,031 passengers in 2001 (1,568 flights). "Arkia" is followed by "Sun D’or", the daughter company of El-Al, which had 268,977 passengers during the year 2001(1,434 flights) and Israir that flew 239,539 passengers in 2001 (1,389 flights). Among the foreign charter companies the Czech charter carrier namely "Travel Service" ranked number one with 138,073 passengers (876 flights); Second came "Kibris", the Turkish charter carrier with 116,140 passengers (722 flights); third was "Futura", the Spanish charter with 79,084 passengers (484 flights). Analysis by country shows that the Turkish charters in total had 399,612 passengers (a drop of 4%, compared with the year 2000); the Czech charters came in second, with 174,439 passengers (an increase of 25%) and the Spanish charters came in third with 95,273 passengers in total (increase of 3%). The increase of the charter flights in general and particularly in the foreign charters is due to the aviation policy of open skies that has been implemented in the last years. In the year 2001 the Israeli charter carriers

registered a drop of 16% in the number of passengers, compared with the year 2000. The foreign charters registered a drop of 6%.
There are a few wholesalers that dominate the outgoing travel market in Israel:
1) "Natour" - a company which was founded by an affiliation of approximately 200 travel agents and now leads the market. "Natour" sells packages all over the world.
2) "Unital" - one of the biggest charter operators in the market.
3) "Issta" - the students' travel agency, which became a large tour operator and has about thirty offices all over the country. They are involved also in other operators' activities.
4) "The Flying Carpet" - another big charter operator.
5) "Ophir tours" - a very active operator that acts as a wholesaler but at the same time has a chain of his own retail agencies all over the country.
6) "Disenhaus" - a sub-company belonging to an industrial company named “klal”.
7) "Ofakim" – which was mentioned above and caters directly to the consumer and at the same time offers packages as a wholesaler to retail agencies.
8) "Rimon" - a private company that acts only as a wholesaler.
9) "P.T.C." - an exclusive tour operator.
10) "Airlinks" - specializing in the East European market.
11) "Mega" - a mid-size operator.
12) "Sky Hakikar" - a mid-size operator.
13) "Gesher" – an operator which sells exclusively to the traditional-religious market. As such, "Geshser" is perceived by religious consumers as an operator that will satisfy all their needs, such as kosher food, or not traveling on Saturday (Shabbat). "Gesher" offer the customers activities that one could reach by walking.

c) Travel marketing and distribution:

The European continent is the closest to Israel as there are no possibilities for the Israeli traveler to go to the immediate destinations on the eastern border of Israel. The reason for that is that all countries to that direction (except Jordan) are hostile countries.

- NTO’s: For the Israeli traveler almost all European countries are Potential ones for travel. At the same time it should be mentioned that most European countries do not have NTO’s in Israel. France, Spain Portugal, all Scandinavian countries and even Italy with almost 300,000 visitors did not

find it necessary to open an NTO or at least a small local office. The reason might be the fact that Israel has a small population of 6.5 million inhabitants and some of those countries did not evaluate the potential (as mentioned above, there were 3.8 million travelers in the year 2001). Holland and Switzerland opened recently small representation but in general there are no special marketing activities performed by existing NTO's. On the other hand there are efforts made on behalf of different regions like Barcelona or Northern Spain that last year organized seminars in different cities in Israel. "Tourespana" (Spain's Ministry of tourism) together with Iberia, the national carrier of Spain, also organized several activities with the travel agents sector. France started to organize a ski fair a few years ago, which takes place every year around the month of October. About 25 different ski resorts from France participate in the fair, which is aimed at travel agents and the general public as well.
In addition some NTO's organize tours or invite journalists individually to visit and then to write about the relevant destination. There are some NTO's that have sufficient budgets that allow press advertising.

- Fairs: Every year on February the "IMTM" fair takes place in Tel-Aviv. This fair is targeted at the travel industry, but it also opens on certain days to the general public.

- Advertising: El-Al as well as the Israeli charter airlines is doing a lot of advertising in the daily press, magazines, radio and sometimes on TV as well. A few of the foreign carriers also advertise destinations, but these are most of the time the cities to which they fly. For example the Israeli branch of Lufthansa is very active in introducing the carrier with different fares to cities they fly to. They offer flights to German cities but at the same time to different European countries. It should be mentioned in this context, that they are adapting themselves to the Israel way of travel. In the last two to three years they have offered special low price fares in order to attract the Israeli customer.

As mentioned above, TV can play an important role in advertising tourist destinations. All the Daily newspapers and magazines have a regular section on travel, domestic or international. Adds with different proposals for travel, as well as last-minute deals appear daily in the newspapers.
The use of the Internet in Israel is becoming more and more popular. The main users of the tourism websites are private customers, whereas agents use the Internet only rarely. Despite the forecasts, the Internet did not succeed until now to break down the travel agencies. The travelers still need the

personal contact with the agent that directs them to a good hotel, for example, or recommends a cheap flight, as well as an organized rent-a-car. In this way the customer also has an address for complaints about the services provided during the trip should there by any. More and more Israelis (like all over the world) are now buying the flight ticket through the agents or the Airline Company and reserve all the rest - hotels, sites, car rental - through the Internet.

7) Prognosis/Prospects:

a) Outbound travel in general :

In general, the number of Israelis traveling abroad is expected to grow. The underlying explaining parameters for this growth have basically remained the same, and are the following:

Population: Israel has a population of 6.5 million people, which is expected to grow to 8 million by 2007. If we take into account the increase in the number of Israeli travelers abroad during the last four years, we can estimate that in 2005 about 4.7 million Israelis will travel abroad, and this figure will reach a level of 5.5 – 6 million travelers in 2007.

Economy: The Israeli economy has developed in the last decade and has reached a stable position: the N.I.S has been generally stable, and CPI has remained low in recent years. Israel’s GDP per capita last year has reached US$17,500. All these factors are playing to the benefit of the Israeli potential travelers, who can now afford to travel two to three times a year. Furthermore, it enables new groups who did not travel abroad so far to "join the club" of travelers.

However, the economical situation has changed in recent months. A depreciation of 15% was registered in the value of the shekel since the beginning of the year 2002. The month January 2002 witnessed a surprising CPI rate of 1.5%. This recession that started in the beginning of 2002 has had a negative influence on the numbers of departures. Statistics show that there was an 11% decline in the number of outgoing travelers between January and May 2002, compared with the same period last year.

Security situation: The economical conditions are strongly linked with the political and security situation in Israel and the Middle East in general.

The political events have obviously an immense influence on the way people are behave in their daily life, as well as on decision to travel, as was elaborated previously. Operators expected that 2002 will show an improvement, but unfortunately the deterioration of security situation proved them wrong, as has already been shown in negative effect on traveling in the coming summer. It is hard to foresee where the current situation is leading. If the security and political circumstances continue to deteriorate, it will definitely have its negative influence on the travel habits of the potential traveler.

b) Europe's competitiveness:

Recent years have shown a steady growth in relative number of travelers to far-away destinations, such as North and South America, and the Far East. Thailand is a perfect example, with its growing popularity among Israeli travelers, and more surprisingly - even as resort site.

However, even in case of such growth, Europe will remain the first priority destination for short trips, due to its proximity to Israel. Countries that have not been popular so far are expected to be "discovered" by Israeli travelers (see below). Furthermore, Europe will remain the first priority destination for Israelis who travel for the first time, most notably cheap and near destinations such as Greece and Turkey.

It should be noted also that if security tension alleviates, Sinai (Egypt) will make its "comeback" as a competitor for Mediterranean resort destinations.

c) Travel to Europe:

The current trends and characteristics of Israeli travel to Europe are expected to continue. Israelis will keep on traveling to "classical" European destinations. London leads the list, as Israelis' second language is English, which facilitates their possibilities to communicate with the local population, as well as to enjoy a musical or a theater. A second favorite is Paris, which is followed by Amsterdam, Rome and Italy in general and Madrid that are becoming more and more fashionable among Israelis.

Among the closer destinations, Turkey has become trendy in the last years, changing positions with Greece. Croatia and Slovenia have become increasingly fashionable in the past years, and this trend is expected to grow.

At least two segments, among others, can be developed in the years to come:

a) ***Beach vacations*** along the European Mediterranean beaches. This segment is relatively easy to promote as the main factor that appeals to Israeli travelers is the price. Once the relevant countries offer low price packages, which can easily compete with expensive prices of tourist facilities in Israel, the potential Israeli traveler will choose those packages.

b) ***Ski vacations*** in European countries. The group that comprises the potential Israeli skiers is growing steadily. There are practically no ski possibilities in Israel and Israeli travelers are increasingly looking for that type of vacation.

There are other segments that could be developed as well and this will depend on initiatives taken by different European countries. Israelis are very enthusiastic to visit different cities as well as the countryside. Many of the European countries are becoming more and more popular to visit. Some examples of popular destinations for a long weekend are Turkey (Istanbul), Croatia (Dubrovnik), Czech Republic (Prague), Hungary (Budapest), whereas Ireland, Scotland, and Spain (Andalusia, Catalonia, The Basque country) are popular for a week's visit. Countries that might expect growth in the future are Portugal, Croatia and Slovenia and Scandinavian countries. As Israel is close to Europe, in the last years there has been a growth in regional traveling to Tuscany (Italy), Provence (France), and The Lake District (UK). This movement could spread to other regions in those countries, such as Normandy (France), Umbria, Lazio & Le Marche (Italy), but at the same time also to regions in other countries like Russia and Finland.

Countries with Jewish communities or with a rich history of Jewish communities may also expect a growth in number of visitors, for VFR purposes or as "heritage" tourists, as explained earlier.

d) Do’s and don’ts in marketing European countries

As mentioned above, marketing activities on behalf of the European countries in Israel could increase tremendously the flow of Israelis to Europe. Part of the European countries did not discover as yet the potential in the Israeli market.

The European countries should do regular activities in marketing, PR, customer service etc., either by having a representation in Israel or through activities they might take several times a year.

A number of countries rely on their diplomatic missions to do the job. However, marketing activities are better carried out by experts in tourism. Some airlines companies promote traveling to their countries of origin, but here again an expert in tourism and not in aviation should be designated to do the job.

Some countries find it sufficient to participate in the IMTM Fair that takes place every year in February in Tel-Aviv. By itself, this is a sporadic activity that will prove useless unless complemented by additional measures.

Some European countries leave the job to be done to the local Israeli operators. Naturally, these operators concentrate on enhancing their profits, and do not pay sufficient attention to the overall picture of marketing a relevant country. Therefore, as was previously mentioned, the relevant tourist authority should control these activities. The European countries should take advantage of the fact that Israel is geographically close to Europe and make a maximum use of this aspect.

Another proposed way of action for larger countries is to promote their regions, as was mentioned above. Israelis nowadays like to spend an entire week in specific regions (Tyrol in Austria or Tuscany in Italy). Shorter visits to specific cities (Vienna in Austria, Budapest in Hungary, and Prague in the Czech Republic) should also be promoted.

As a conclusion remark one might say that it is worthwhile for Europeans to invest in the Israeli market, as the results will certainly be very positive. Israel should not be seen as a small country with a relative small population, but the potential of travelers should be taken into consideration on the first place.

Appendix No. 1

Table no.1: Total Departures 1999-2000

Departure of Israelis in the years of 1999 & 2000		
Month	**Number of tourists**	
	1999	**2000**
January	171.000	167.000
February	148.000	173.000
March	242.000	251.000
April	242.000	323.000
May	232.000	264.000
June	275.000	314.000
July	427.000	427.000
August	461.000	480.000
September	351.000	368.000
October	262.000	303.000
November	196.000	175.000
December	196.000	190.000
Total:	3.200.000	3.530.000

Source: Israel civil aviation

Appendix No 2: Air transport capacity:

- From the scheduled airlines that are operating in Ben-Gurion airport, Lufthansa had the best performance in the year 2001, as the number of its passengers increased by 2% compared with the year 2000. Swissair dropped by 11%, Turkish airlines by 13%, British Airways by 14%, El-Al by 16%, Alitalia by 17%, Continental by 26%.
- The charter companies flew 2, 67 million passengers in 12,580 flights. The Israeli charter companies flew 829,000 passengers and the foreign charters flew 1, 24 million people. Among the Israeli charter companies Arkia flew 320,031 passengers in 1,568 flights a drop of 39%; Sun D'or in second place with 268,977 passengers in 1,434 flights, enlarged its activity by 15%; and Israir in third place flew 239,539 passengers in 1,389 flights which increased its activity by 5%. Among the foreign charters the biggest in the market was Travel Services with 138,073 passengers in 876 flights; second was the Turkish charter Kibris with 116,140 passengers in 722 flights; third came Futura, the Spanish charter with 79,084 passengers in 484 flights; in places four and five are coming also Turkish companies.
- On the line between Israel and the USA there was a decrease of 27%; between Israel and GB a drop of 20%; between Israel and France 19%; between Israel and Germany 22% and between Israel and Italy a drop of 35%.

As a total the distribution of the passengers movement in the year 2001 was as follows: 49% to Western and North Europe; 12% on the trans-Atlantic flights to USA and Canada; 16% to nearby destinations (Turkey, Greece, Cyprus etc.); 13% to Eastern-Europe (Czech Republic, Hungary, Romania etc.); 6% to Russia and Ukraine; 3% to the Far-East and 1% to Africa (Except Egypt).

- Heathrow Airport was the destination number one for the Israeli traveler in the year 2001. According to the Israel Civil Aviation data 574,537 passengers traveled to Heathrow Airport, an increase of 7,3% compared with the year 2000. The 2nd destination was Kennedy Airport near New-York to which 415,000 passengers traveled a decrease of more then 33%. The 3rd place among the airports was Charles De-Gaulle Airport near Paris, to which 379,000 passengers flew. compared with 535,000 that flew there in the year 2000, a decrease of 29,2%. The reasons for the drop to the USA and French airports were due to the September 11th events. Schiphol Airport near Amsterdam was in place number four on the list with 374,000 passengers, compared with 420,000 passengers in the year 2000- a decrease of 11%. In the fifth place was the airport of Prague, to which 369,000 passengers, compared with 347,000 passengers that flew there in the year 2000- an increase 6.35%.

<u>Table no 2:</u> <u>Distribution of passengers by first destination of aircraft (country):</u>

%e	Passengers				
2001 – 00	% of Total	1 - 12 / 2001	% of Total	1 - 12 / 2000	Country
-29.04	10.15	799,528	12.11	1,126,806	UNITED STATES
-20.39	9.05	713,351	9.63	896,014	UNITED KINGDOM
-1.92	8.82	694,927	7.62	708,549	TURKEY
-19.32	8.68	683,773	9.11	847,484	FRANCE
-22.21	6.66	524,527	7.25	674,308	GERMANY
-35.26	6.65	523,681	8.70	808,952	ITALY
17.48	4.93	388,189	3.55	330,423	GREECE
-11.22	4.74	373,779	4.53	421,036	NETHERLANDS
6.57	4.72	372,231	3.76	349,292	CZECH
-11.95	4.64	365,861	4.47	415,511	SWITZERLAND
-22.66	3.67	288,805	4.01	373,440	SPAIN
-0.84	2.95	232,228	2.52	234,194	RUSSIA
25.91	2.59	203,938	1.74	161,973	HUNGARY
12.36	2.23	175,797	1.68	156,462	ROMANIA
-14.11	2.08	163,884	2.05	190,810	CANADA
-21.47	1.72	135,349	1.85	172,350	BELGIUM
42.21	1.71	134,348	1.02	94,474	THAILAND
6.18	1.70	134,261	1.36	126,441	UKRAINE
-13.76	1.46	115,376	1.44	133,784	CYPRUS
45.11	1.42	111,634	0.83	76,931	BULGARIA
-25.84	9.43	743,368	10.78	1,002,373	Other's
-15.30	100.00	7,878,835	100.00	9,301,607	Total

Source: Israel civil aviation, 2001

Table no 3: Distribution of passengers by first destination of aircraft (Airport):

Change	Passengers				Airport	
2001 – 00	% of Total	1 - 12 / 2001	% of Total	1 - 12 / 2000		
7.33	7.29	574,537	5.75	535,301	LHR	LONDON
-33.69	5.27	415,378	6.73	626,421	JFK	NEW YORK
-29.24	4.81	378,948	5.76	535,544	CDG	PARIS
-11.07	4.74	373,716	4.52	420,259	SPL	AMSTERDAM
6.35	4.69	369,363	3.73	347,301	PRG	PRAGUE
-21.06	4.44	349,653	4.76	442,945	EWR	NEWARK
-12.96	4.14	326,109	4.03	374,681	FRA	FRANKFURT
-11.78	3.90	307,626	3.75	348,716	ZRH	ZURICH
3.20	3.72	293,242	3.05	284,150	IST	ISTANBUL
-12.77	3.34	263,544	3.25	302,109	AYT	ANATALYA
-0.02	3.08	242,917	2.61	242,969	ORY	PARIS ORLY
-21.00	3.08	242,651	3.30	307,162	MXP	MILANO
-31.00	2.92	229,988	3.58	333,319	FCO	ROME
25.87	2.59	203,870	1.74	161,973	BUD	BUDAPEST
12.01	2.22	175,006	1.68	156,242	OTP	BUCHAREST
0.98	2.07	162,728	1.73	161,155	YYZ	TORONTO
-16.77	1.98	155,799	2.01	187,182	MUC	MUNICH
39.48	1.92	151,388	1.17	108,538	RHO	RODUS
-21.68	1.71	134,952	1.85	172,301	BRU	Brussels
40.76	1.69	132,977	1.02	94,474	BKK	Bangkok
-24.20	30.39	2,394,443	33.96	3,158,865	Other's	
-15.30	100.00	7,878,835	100.00	9,301,607	Total	

Source: Israel Civil Aviation, 2001

Table no 4: Distribution of passengers according to company (airline):

%Change	Passengers				Company
2001 – 00	% of Total	1 - 12 / 2001	% of Total	1 - 12 / 2000	
-14.83	37.84	2,981,497	37.64	3,500,699	LY
-39.35	4.05	319,221	5.66	526,357	IZ
-13.51	3.83	301,754	3.75	348,888	BA
1.89	3.80	299,176	3.16	293,622	LH
-17.42	3.36	264,473	3.44	320,280	AZ
4.83	3.05	240,112	2.46	229,055	ISR
0.63	2.93	230,488	2.46	259,015	SR
-12.69	2.53	199,317	2.45	228,285	TK
-25.90	2.19	172,198	2.50	232,376	CO
462.26	1.75	138,237	0.26	24,586	QS
-14.44	1.72	135,558	1.70	158,431	KL
-28.76	1.54	121,568	1.83	170,644	AF
-28.90	1.47	116,062	1.75	163,242	YK
-14.18	1.44	113,659	1.42	132,444	AC
-0.15	1.33	104,540	1.13	104,699	RO
28.39	1.26	99,076	0.83	77,165	OK
-16.51	1.05	82,637	1.06	98,982	OS
49.13	1.01	79,424	0.57	53,257	FUA
5.22	0.98	76,821	0.78	73,012	MA
-0.35	0.97	76,044	0.82	76,314	VV
-22.57	21.92	1,726,973	23.98	2,230,254	Other's
-15.30	100.00	7,878,835	100.00	9,301,607	Total

Source: Israel civil Aviation, 2001

Appendix No 3: ***Analysis of 23 ETC countries***

Table no. 5: Analysis of countries (Pages 58, 59)

Country	Flying Time-hours	Air Connections	Geography	Weather	Jewish Community	Statistics	Packages(sample)
Austria	3	El-Al+ AUA	Different (from Israel)	Different	Small one	80,000	Ski+summer+ FIT
Belgium	4	El-Al +Datt No charter	Different	Different	Small	30,000	No packages
Bulgaria	2	El-Al + Balkan air	Different	Different	Small	20,000	Sofia+Varna+Ski
Croatia	2,5	Air Croatia+ charters	Different	Different	Small	7,000	Dubrovnik+Croatia in general
Cyprus	30 minutes	El-Al+Cyprus airways	Similar	Similar	Small	61,023	Round trip+beach
Czech republic	3	El-Al+ CSA	Different	Different	Small	119,753	Prague+ Karlovivari
Denmark	4.5	El-Al+ SAS	Different	Different	Small	N/A	Copenhagen+ Scandinavia tour
Estonia	5	No direct	Different	Different	Small	N/A	
Finland	5.5	El-Al+ Finnair	Different	Different	Small	6,167	Finland +Scandinavia tour
France	4	El-Al+charter +Air-France	Different- Similar----	--North --South	Big	N/A	Paris +Different regions+ski
Germany	4	El-Al +Lufthansa	Different	Different	Medium	117,219	Different +cities+regions
Greece	1.5	El-Al +Olympic	Similar +Different	Similar+ Different	Small	154,987	Round trip +Beaches
Hungary	2.5	El-Al +Malev	Different	Different	Small	48,032	Budapest +round trip
Iceland	6-7	No direct	Different	Different	None	682	Nature
Ireland	5-6	No direct	Different	Different	Small	N/A	Dublin+round trip
Italy	3.5	El-Al +Alitalia +charter	Similar +Different	Similar+ Different	Small	284,780	Rome + round trip+ different cities+ski

Country	Flying Time/hours	Air Connections	Geography	Weather	Jewish Community	Statistics	Packages(sample)
Luxembourg	4.5	No direct	Different	Different	Small	N/A	In package to some countries
Malta	2.5	Air Malta	Similar	Similar	Small	4,248	Beach+history
Monaco	3.5	Nice	Similar	Similar	Small	1,139	Sightseeing
Holland	4	El-Al +KLM + Charter	Different	Different	Small	N/A	Amsterdam+different cities&sites
Norway	6-7	No direct	Different	Different	Very small	N/A	Scandinavia
Poland	3.5	El-Al +LOT	Different	Different	Small	31,762	Warsaw +different sites
Portugal	5-6	El-Al	Similar +Different	Similar+ Different	Small	15,686	Lisbon +sightseeing
Romania	2.5	El-Al +Tarom	Different	Different	Small	50,188	Bucarest+sites +ski+cure
Slovak Republic	3	Air Bratislava	Different	Different	Small	12,841	Sightseeing
Slovenia	2.5		Different	Different	Small	5,958	Sightseeing
Spain	4.5-5.5	El-Al +IBERIA	Similar +Different	Similar+ Different	Small	N/A	Madrid&other cities+regions
Sweden	6-7	No direct	Different	Different	Very small	N/A	Stockholm +Scandinavia
Switzerland	4	El-Al +Crossair	Different	Different	Small	79,839	Different cities +ski
Turkey	1.5-2.5	El-Al +Turkish	Similar +Different	Similar+ Different	Small	173,347	Round trip +beaches
United Kingdom	4.5	El-Al +BA +charter	Different	Different	Big	230,000	London+other cities&regions

Source: Working team -LANIR-I.A.T.P.

The following is an analysis of potential Israeli travel to all 23 ETC member countries. It includes the following items (the analysis is summarized in table no. 6 above):

1) Flying time: as it is a crucial factor in decision making.
2) Air connection: direct air connections to the country of destination have a major role in the decision of the Israeli traveler.

3) Geography, History and Culture: New places to discover and a different history.
4) The weather: The weather is an important factor as well.
5) Jewish community: this factor is included as many Israeli travelers visit their country of origin in East and West Europe.
6) Statistics: There are two main sources for the statistics: One is data of the WTO and the second one is the Israel CBS (Central Bureau of Statistics). Unfortunately there are cases where they do not dispose of figures. Furthermore, they are missing the figures of the years 2000 and 2001 for most cases.
7) Packages: a general overview on the packages to each country, when relevant.
8) Representation: level of tourist representation, when relevant.

Austria:

1) Flying time: Austria is one of the closest countries to Israel. The flying time to Vienna airport, from Tel-Aviv airport, is three hours and fifteen minutes.
2) Air connections: The two national carriers, namely AUA and El-Al are flying this line. There are charter airlines, which are flying from Israel to Austria, during peak times.
3) Geography: Austria has geographically a complete different scenery then Israel, mountains, lakes and green scenery.
4) The weather: The weather in Austria is cold during wintertime and generally mild, during the summer.
5) The Jewish community: Austria had until the Second World War a big Jewish community of about 500,000 people. Part of this community moved to Israel, but they did not loose their contacts with relatives in Austria, or with the memories they kept, from the times they lived there.
6) Statistics: The last elections in Austria brought to power the political party of Mr. Jurg Heider. This fact had a negative impact, first on the diplomatic relations between Israel and Austria (since these elections and until today, there is no Israeli ambassador in Vienna). It had also a direct influence on the decision-making of the Israeli citizen, related to the traveling to Austria. This fact reflects itself in the trend of statistics of travel from Israel to Austria. Since 1995 there has been a steady growth in the number of Israeli visitors to Austria. In 1995, 57,202 tourists from Israel visited Austria. In 1996 it went up to 66,596 visitors and reached in

a number of 83,174 visitors in 1998. However, during 1999 there was a drop of more then 3000 visitors due to the elections mentioned above.

7) Packages: Some Israeli tour operators market Austria as a summer destination. Many Israelis visit Austria to enjoy the pleasant spring, as well as the summer and autumn. During the winter many will go to Austria for ski vacations. Most Israeli visitors will go there on an individual basis. Austria is a country, which might be visited by the potential Israeli tourist, as a sole country.
8) Tourist representation: Austria has a representation of the “Austrian tourist Authority” in Israel. They are represented by Austrian Airlines. There are no special activities that are made, besides the activities of AUA.

Belgium:

1) Flying time: Belgium (Brussels) is four hours away by plane from Tel-Aviv.
2) Air connection: The two national carriers, namely Sabena and El-Al are serving this line.
3) Geography: Part of Belgium is a flat country. There are also the seaside to the north and the mountains to the south.
4) The weather: Belgium has a mild climate in the summer and cold during the winter.
5) The Jewish Community: There was never a very big Jewish community in Belgium. Before the Second World War, the Jewish community counted 80,000 people. Nowadays there are about 40,000 Jews. So there is relatively a very small amount of family visits (VFR) to Belgium.
6) Statistics: All these result in a very small number of Israeli visitors to Belgium. In 1995 - 24,010 visitors; 1997 - 32,319; 1999- back to 29,822 Israeli visitors.
7) Packages: There are almost no packages on the market that only for Belgium. Belgium is offered on different tours as part of a tour to The Netherlands. Another option is a tour called "Classical Europe” which includes a complete package to Italy, Switzerland, France, Holland and Belgium. This combination of two weeks leaves very little time to tour each country and the time designated to Belgium in such a package is very small.
8) General impression: Belgium is not an attraction for potential Israeli tourists. This is mainly because Belgium has made no effort to promote

itself as a tourist destination to the Israeli public. Even Sabena as a national airline has hardly ever done any advertising for Belgium, as a tourist attraction. Such an effort, however, is worthwhile and will increase the number of Israelis that might travel to Belgium.

Bulgaria:

1) Flying time: The airport of Sofia is two hours and fifteen minutes away from Tel-Aviv airport.
2) Air connections: El-Al and Balkan Air.
3) Geographically Bulgaria has different scenery from Israel. The Israeli potential visitor could be attracted by a variety of possibilities Bulgaria is proposing: Hunting and Fishing; Cultural Tourism; National and international folk festivals possibilities for arts lovers; Sea Vacation in Bulgaria; Rural Tourism; Ecological Tourism; Ski and Mountain Tourism; Spa Tourism as Bulgaria has a variety of thermos-mineral waters of varied physic-chemical elements and curative mud raw materials. In short, Bulgaria offers a variety of attractive services for modest prices.
4) The weather in Bulgaria is colder than the weather in Israel.
5) The size of the Jewish community of Bulgaria was approximately 70,000 people. About 45,000 immigrated after the war to Israel. Today the size of the Jewish community is 5000 people, mainly residing in Sofia. Thus there are some family visits (VFR) to Bulgaria.
6) The abolition of the need for a visa a few years ago increased considerably the volume of travelers to Bulgaria. Statistically we can observe an increase, between the years 1995 (5,292 visitors) and in 1999 when there were 19,506 visitors, an increase of almost 400% and an additional recorded increase in the year 2000.
7) Packages: Bulgaria will be visited as a sole destination. Another possibility is a combined visit with a neighboring country such as Romania. There has been a gradual development of short visit packages to Bulgaria (mainly to Varna on the Black Sea), as a beach and casino weekend.
8) Bulgaria has recognized the potential of incoming tourism from Israel, as was shown by its participation in the IMTM tourism fair in Tel-Aviv.

Croatia:

1) Flying time: Croatia is 2 hours and 30 minutes away from Tel-Aviv. There are several destinations available: Dubrovnik in the south, Zagreb

in the Northeast or Rijeka in the north. Another possibility is to fly to Trieste in Italy and from there to cross to Croatia.
2) Air connections: El-Al and Croatian airways as well as charter companies.
3) Geographically Croatia is different from Israel. The distance, geography, and the people are of important factors in the decision-making of the potential tourist from Israel.
4) The weather is very attractive for Israelis.
5) The Jewish community of Croatia numbers today approximately 2000 people. Most of the Jews immigrated to Israel, after the Second World War.
6) Statistically Croatia had one of the biggest increases of Israeli travelers. In 1995, 400 Israelis visited Croatia. In 1999 7,084 visitors from Israel were recorded.
7) Croatia participated a few times, in the IMTM fair in Tel-Aviv.

<u>Cyprus:</u>

1) The nearest European destination to Israel is Cyprus. Flying time from Tel-Aviv airport to Nicosia is about 25 minutes.
2) Air connections: El-Al and Cyprus airways as well as charter flights.
3) Cyprus is very similar to Israel in its scenery, especially to northern Israel. As such Cyprus was never a big attraction for the Israelis, even though the distance is very close. The change came when the Israelis started to look for low prices beach vacations outside Israel. As an island Cyprus can offer of course beach vacations and the prices are lower than the prices in the beach hotels in Israel. Another attraction for the Israelis is the Cypriots, as they are very hospitable.
4) The weather is almost the same as the weather in Israel.
5) There is no significant Jewish community in Cyprus.
6) Statistically there was a growth of 100% between 1995 (33,000 Israelis) and 61,023 in 1999.
7) Cyprus opened a national tourist office in Tel-Aviv. This office is the largest participant in the IMTM fair in Tel-Aviv.

<u>Czech Republic:</u>

1) Flying time: The flying time from Tel-Aviv to Prague is close to four hours flight.
2) Air connections: El-Al and CSA as well as charter airlines.

3) Geographically the Czech Republic does not resemble Israel. The Czech Republic is attractive for its cities (Prague, Bratislava etc.), as well as for its spas (Karlovy Vary and others), as well as forests and mountains.
4) An interesting fact is that even though the weather is very cold for Israelis especially during the late autumn and during the winter, it is not preventing a lot of Israelis to travel.
5) The Jewish community of Czechoslovakia counted before World War Two 350,000 people. Nowadays there are about 10,000 Jews that live in both the Czech Republic and the Slovak Republic. So that there are relatively few Jews that return over there as VFR.
6) Until a few years ago, the Czech Republic was not a destination that was popular among the Israeli potential tourist. This proved itself in the number of visitors in 1995 - 27,936 Israelis visited the country. In 1996 there was an increase to approximately 100%, and 51,744 Israelis visited the Czech Republic. In 1999 we see a growth of 140%, totaling 119,753 visitors from Israel.

   There were two main reasons for that growth: a) the growing attractively of Prague. b) The type of packages that are offered by the various tour-operators which until a few years ago were not so common in the travel market in Israel: i.e. weekend packages, among them low price weekend packages, which gave the possibility to the “mid-low” class to travel. At the same time lower priced packages for mid-week, then low price packages for an entire week and longer.
7) As a tourist destination, the Czech Republic will be combined with Hungary and or Austria. This combination will be done mainly among the two, respectably the three capitals, namely Vienna, Budapest and Prague.

Denmark:

1) The flying time between Tel-Aviv and Copenhagen is about five hours.
2) Flight connections with Denmark are with the two national carriers i.e. SAS and El-Al. Both cancelled recently their flights due to lack of passengers from the Scandinavian countries to Israel.
3) Geographically Denmark is not like Israel as it is a flat country and part of it is built on islands. Attractions for the potential Israeli traveler are Copenhagen as an attractive city, as well as other interesting sites and cities around Denmark.
4) Weather that is not “very friendly” to people like the Israelis that are used to much higher temperatures.
5) The Jewish community is small, so that there are no many VFR.

6) Statistics were not available on visitors from Israel to Denmark.
7) Denmark is marketed and sold on the Israeli travel market mostly as a combination with the other Scandinavian countries.

Estonia:

1) The airport of Tallinn is five hours away by plane from the Tel-Aviv airport.
2) Airline: There are no direct connections to Estonia. Only through Prague or Budapest.
3) Geographically, Estonia as a country in the north of the European continent is completely different from the country of Israel.
4) The weather is not very appealing to the potential Israeli traveler.
5) As a country that was a part of the former Soviet-Union, it mostly attracts Israelis of Estonian or otherwise "Soviet" origins. The Jewish community in Estonia is a small one. But we can see VFR of Jewish people to Estonia.
6) Statistically, we do not dispose figures of Israeli arrivals to Estonia.

Finland:

1) The distance between Tel-Aviv and Helsinki is a little over five hour's flight.
2) Air connection: The direct air connection is with Finnair.
3) Geographically, Finland is a "Nordic Country". With its many lakes, snowy landscapes and open spaces it can best be described as a country contrary to Israel.
4) Similarly, the weather is very different.
5) The Jewish community of Finland is a small one, therefore, there are not so many VFR.
6) Finland has not attracted many Israelis in past years. Figures from 1997 show 4,882 visitors from Israel, which grew to 6,167 in 1999.
7) As a destination Finland is usually marketed with the other Scandinavian countries.

France:

1) Flying time: Paris lies four and half-hours from Tel-Aviv. Other airports, to which there are flights from Israel, are the airport of Marseilles and the airport of Nice. In addition there is a flight to Basle/Millhouse, which is the way to get to the eastern part of France.

2) Air connections: The air connections between France and Israel are, first of all, through Air-France and El-Al as national carriers. In addition to that there are scheduled flights that are making a stop in Paris. There are also various charter flights that are serving France, as a destination.
3) Geographically, France offers the potential visitor a variety of regions that practically cover most wishes of the Israeli traveler. Although one might say that the scenery of the southern part of France (Provence) has many similarities to regions in Israel. But firstly, there is the capital of France, Paris that is a leading attraction for Israelis. So Paris is sold, together with London (England), as a first priority city for the Israeli customers. The packages that are sold on the market vary from weekend packages to mid-week packages. There is also Paris as a basis for families to visit the Asterix Park, as well as going to Euro-Disney. Paris will also be included in a package with other regions in France, like the “Chateaux De La Loire” as well with a combination of other regions of France. We mentioned above the tour called “Classical Europe” in which several countries are included. As far as France is concerned, Paris will be included in that tour. There are other regions all over France that became in recent years increasingly popular, Provence as a good example. The cuisine in that region is becoming more and more attractive for the potential Israeli customer, and by itself is a reason to travel there for a week or more. Also, regions like the area of Nice, The “Massif Central", Alsace-Lorraine, Normandy are considered attractive for Israelis. For the winter months one might mention the entire region of the French Alps. It is becoming more and more fashionable to travel to Europe for ski vacations. The French Alps rank at the first place as a region to which the potential Israeli traveler will go for his skiing vacation.
4) The various climates that reside in France are an additional reason for the Israeli to travel to France.
5) The Jewish community of France is one of the biggest in the world (around 650,000). Therefore, there are many Israelis that regularly visit their families in France.
6) Statistically, 228,100 Israelis traveled to France in 1998. In 1999 this figure grew to 242,700 Israeli visitors.
7) Packages: see above.
8) France had a tourist office until a few years ago within the premises of Air-France. This office is now closed and inquires we made show the necessity of the immediate opening of a tourist office, to serve mainly the

agents but also the individual customer. There is a ski fair every year in Tel-Aviv, promoting different ski regions in France.

Germany:

1) The flying time between Tel-Aviv and Germany varies between three hours and fifteen minutes to four hours and fifteen minutes. It depends if the flight is going, as a direct flight, to Munich, Frankfurt, Berlin or Düsseldorf.
2) Air connections: El-Al and Lufthansa supply the main air connection between Tel-Aviv and Germany. Both are flying directly to Munich and Frankfurt. In addition El-Al is flying also to Düsseldorf and Berlin. Lufthansa, as a national carrier, serves passengers to almost every city in Germany, but through Munich or Frankfurt.
3) Geographically, Germany is a vast country, compared to Israel. As a western and central European country, Germany can offer various scenery and attractions to the potential Israeli traveler. Currently, Israelis that are travel to Germany tend to stay in the main cities like Munich, Frankfurt, Berlin, Hamburg, Düsseldorf and others. Hence, many potential Israeli travelers do not know regions and natural attractions like the "Black Forest", the "Romantic Road", the "Rhine Valley" and others.
4) Weather is different from Israel.
5) The large Jewish community that resided in Germany before the War hardly exists anymore. The actual community was until recently about 50,000 people. To these joined another 50,000 Jews that emigrated from Russia in the last ten years. So there is a certain quantity of people that will come as VFR.
6) Statistically, Germany counts among the leading countries, as far as the Israeli visitor is concerned. 99,637 Israelis visited Germany in the year 1995; in 1997 there was an increase of about 10,000 visitors. In the year 1999 there was again a growth of 10,000 visitors, i.e. about 5,000 more visitors every year (about 5%). Upon checking with various tour-operators the general opinion is that the increase can be much higher. The bulk of the travelers from Israel to Germany consist, at the moment, from VFR, Business people, different delegations as well as people traveling for professional purposes, mainly for fairs and exhibitions. It seems that the common Israeli traveler has not yet added Germany to his traveling preferences. It should be mentioned here, that many Israelis, especially older people and people of German origin, are still reluctant to travel to Germany, because of the holocaust.

Greece:

1) The airport of Athens is one hour and thirty minutes away from Tel-Aviv airport.
2) Air connections between Israel and Greece are through the two national carriers; namely Olympic airways and El-Al. Part of the a/m packages are served by charter airlines.
3) Geographically Greece is a bit similar to Israel. On the other hand, Greece is further north from Israel, so it will have also European panoramic views. Greece offers, among others, historical and archeological sites, beach vacations etc.
4) The weather in the summer will be similar to the Israeli weather, whereas in the winter it will be cooler.
5) The Jewish community of Greece consists today of about 7,000 Jews. There are not so many Jews that immigrated to Israel, so we cannot expect a great amount of VFR.
6) Statistically, there has been a considerable rise in the number of visitors from Israel to Greece. 54,264 visited Greece in 1995; then in 1996 the number has risen to 74,980. In 1998 the figure was 89,402. In 1999 there was a tremendous increase as 154,987 Israelis visited Greece. Greece became very popular among youngsters from Israel that travel, usually after the eleventh grade, to the Greek Isles. In addition, adults travel to Greece for beach vacations. The reason they will not do it in Israel are, among others, the lower prices for the entire package that Greece is offering and the tasty cuisine.

Hungary:

1) Budapest is two hours and thirty minutes away from Tel-Aviv by flight.
2) The air connections between Hungary and Israel are through Malev, the Hungarian national carrier and El-Al. In addition there is charter airlines involved from the Israeli side as well as from the Hungarian side.
3) Geographically Hungary is a country different from Israel in its scenery. It has a central European flavor. Hungary is appealing to Israelis due to the attractiveness of the capital Budapest.
4) The weather in Hungary is much colder than in Israel. Israelis travel there normally from the month of April to the end of October at the latest.

5) The Jewish community consists today of about 100,000 people. After the war Jews from Hungary immigrated to Israel. Therefore, there is a constant VFR trend.
6) Statistically, there were 40,658 Israelis that traveled to Hungary in 1995. In 1997 traveled from Israel 55,378; in 1998 the number goes back to 44,502 and in 1999 up again, to 48,032.
7) In the last three years Budapest has been marketed as a “City flight” i.e. weekend packages as well as mid week packages for lower prices.

Iceland:

1) Iceland does not have direct air connection with Israel. The connection until recently was through Copenhagen. But as there are no scheduled flights right now to Copenhagen it is hard to estimate the flying time.
2) Geographically Iceland is has completely different scenery from Israel. Geysers, snow, wild nature, are complete new attractions.
3) The weather as well is the opposite of the Israeli weather.
4) Regarding the Jewish community in Iceland, we do not dispose of any figures.
5) Statistically, Iceland had 342 visitors from Israel in 1995; in 1998 there were 548 visitors and in 1999, we had 682 Israelis visiting Iceland.
6) There are no packages of Israeli operators regarding Iceland. So the packages that will be sold on the market are of non-Israeli operators, like British operators and others.

Ireland:

1) Dublin is five hours away from Tel-Aviv, on a direct flight.
2) At the moment there are no direct flights of both national carriers. Though, last summer there was a direct charter flight between Tel-Aviv and Dublin.
3) Geographically, the island of Ireland is completely different from Israel. Ireland has lakes, rocky shores, and Atlantic scenery. Furthermore, Irish tradition and history are considered an attraction to the Israeli traveler.
4) The weather is much colder and wet compared with the Israeli weather.
5) The Irish Jewish community is small, with about 6,000 inhabitants. There are family visits from both side, but not in big quantities.
6) Statistics: There are no available figures on behalf of the WTO neither through the Israeli CBS. The estimate is that about 25,000 Israelis traveled in the year 2000 to Ireland.

7) Packages: Until a few years ago many of the Israelis traveling to Ireland, were people that went on a tour to England and in addition went for a few days to Ireland. Later, some Israeli operators started to offer tours of 7 to 14 days to the Israeli customers. In addition many individuals are traveling independently to Ireland. As already mentioned above, the Israeli Charter Company “Arkia” was offering direct flights between Tel-Aviv and Dublin. At the same time they were marketing as operator's different package to Ireland.

Italy:

1) Air travel between Tel-Aviv and Italy (Rome /Milan) is about three hours and thirty minutes.
2) Air connections are first with the two national carriers, namely Alitalia and El-Al. Then different charter companies that are using also other airports, in addition to Rome and Milan.
3) Geographically, Southern Italy has scenery similar to Israel, whereas the center part and the north are already with a European flavor. Italy has this variety of landscapes which is very attractive to people with different preferences.
4) The weather, similar to the geographical pattern, is like in Israel in the southern part, in the center already south European weather and in the north real European as well as Alpine weather in the Dolomites region.
5) The Jewish community counts 36,000 Jews nowadays. This is a good reason to have family visits.
6) Statistically, Italy is the number one tourist destination in Europe for the Israelis, whilst the VFR makes a small percentage of the traveling traffic. About 200,720 Israelis traveled to Italy in the year 1995. During 1997 there was a rise of 40%, reaching a total of 241,246 visitors. In 1999 Italy reaches a record of 284,780.
7) Packages and tours: Italy has an unlimited variety, which appeals to the potential Israeli traveler. It could offer sightseeing in Mediterranean landscape, history, archeology, beach vacations, lakes, and mountains for ski as well as for trekking.

Luxembourg:

1) Luxembourg is four hours and thirty minutes away from Tel-Aviv.
2) There are no air connections through the national carriers. On the other hand there are flights to and from Luxembourg, operated by charter carriers.

3) Geographically it has a landscape, which is similar to Germany and Belgium.
4) The climate also resembles the above mentioned countries.
5) The Jewish community counted 5,000 people before the war. Today it consists of about 1,200 Jews.
6) There are no statistical records about the number of Israelis that are visiting Luxembourg.
7) Packages: We can assume that a lot of those visiting Germany, Belgium, Holland and France are likely to visit Luxembourg.

Malta:

1) Flying time between Tel-Aviv and Malta is just over two hours.
2) Malta is served from Tel-Aviv by its national carrier as well as by Israeli charter carriers.
3) Geographically, Malta is located in the Mediterranean and has the same landscape as other parts of Israel. On the other hand, as an island, Malta has its unique attractions. In addition Malta is offering beach vacations, history and others.
4) The weather tends to be similar to the Israeli weather.
5) The Jewish community is a small one, so no real possibility for VFR.
6) Statistically, there was a nice rise in the number of Israelis that visited Malta in 1995 (1,086 visitors) and 1999 when 4,248 Israelis visited Malta.
7) Packages: some operators market Malta in the Israeli market. They marketed Malta in 1995-1997 mainly with another destination, like Italy for example, and in more recent years as a destination by itself. It offers sightseeing packages, Beach vacations and combination of the two.

Monaco:

1) Monaco (Nice airport) is away three hours and thirty minutes from Tel-Aviv.
2) Air connections exist through Nice airport with the two national carriers, namely Air-France and El-Al.
3) Geographically it is a very small country that has certainly its unique flavor.
4) The weather is a Mediterranean one, but in the winter it will be colder then the weather in Israel by a few degrees.

5) The Jewish community is a small one. There are no chances that it will add a lot to the statistics.
6) We possess statistical data only for the year 1999, when 1,139 Tourists from Israel visited Monaco.
7) Packages: The tours are included in packages to the south of France. Fit's will visit, while visiting the region of the French Rivera.

Netherlands:

1) Amsterdam airport is four and half-hours away from the Tel-Aviv airport.
2) The air connections are mainly, through the two national carriers, namely KLM and El-Al.
3) Geographically Holland is completely different from Israel. Holland is a flat country but has interesting beaches, as well as interesting cities to be visited.
4) The weather in Holland is a west European one, so the winter is, in general, unpleasant for Israelis.
5) The Jewish community in Holland counts 30,000 people. There is some movement of family visits.
6) Unfortunately, there are reliable figures available.
7) Packages: There are a number of Israeli tour operators that are offer several different tour possibilities in Holland. For example, a visit to Amsterdam on a City Flight basis, for mid –week or for a weekend. Then, increasingly popular is the visit "Center Parks" of Holland, which is a package for a family. Holland is also included in a "Classical Europe" tour, which includes Italy, Switzerland, France, and possibly Belgium.

Norway:

1) Oslo is five and half-hours away by a direct flight from Tel-Aviv to Oslo.
2) There are no direct flights to Oslo from Tel-Aviv. The recent connection was with SAS or EL-Al from Tel-Aviv to Copenhagen and from there with SAS to Oslo or Bergen. Now as the flights from Tel-Aviv to Copenhagen were canceled, the connections are from airports to which SAS is flying.
3) Geographically Norway as a real Nordic country is a completely different country compared to Israel. One could find in Norway fjords, woods waterfalls, high mountains and snow.
4) The weather accordingly is very cold.

5) The Jewish community consists of about 1,000 people.
6) Statistics: figures regarding arrivals from Israel are unavailable. The general figure of Israelis visiting all Scandinavia was in 1998 22,500 and it went down in 1999 to 20,500 visitors. We can assume that the majority visited Norway.
7) Packages: The tour operators will offer Norway, as already mentioned, in a Scandinavian tour.

Poland:

1) Warsaw's airport is four hours away from Tel-Aviv.
2) Air connections: The two national carriers LOT and El-Al are serving the direct line Tel-Aviv-Warsaw.
3) Geographically, Poland is a country in central Europe, with plenty of woods, lakes, and rivers.
4) The weather in typical central European. It is very cold in the winter and mild during the summer.
5) The Jewish community: Today the community has 8,000 people. There are family visits but of course not in great quantities.
6) Statistics: 24,265 Israelis visited Poland in 1995. During 1999 the number has risen to 31,762.
7) Packages: Different tours are offered on the Israeli market for potential travelers. Poland will usually be sold as a sole country.

Portugal:

1) The Flying time between Lisbon and Tel-Aviv on a direct flight is five hours and thirty minutes.
2) Air connection: There used to be direct flights by El-Al and Portuguese airlines. These flights were stopped at a certain point, so one has to find a connection through a European airport.
3) Geography: Portugal is a country on the Atlantic; it has beaches in the south as well as rocks and beaches more to the north. It has several interesting cities and first of all Lisbon, as well as history, hospitable people and much more.
4) Weather: Portugal has a climate where winter is colder then in Israel and the summer is hot.
5) The Jewish community is not big and counts a few thousand people.
6) Statistics: Available is only the figure for 1999 when 15,686 Israelis visited Portugal.

7) Packages: When there were direct flights To Portugal, there were many more possibilities for the Israeli visitor. Today the operators might combine Spain with Portugal. There are many Fit's that will reach Portugal by different means.

Romania:

1) Flying time between Bucharest and Tel-Aviv is two and a-half hours.
2) Air connections: There are direct flights, operated by the two national carriers, El-Al and Tarom.
3) Geography: Romania is a country different from Israel. It has a European flavor, which includes unique woods, Mountains, snow and beaches along the Black Sea.
4) Weather: The climate in Romania is a cold one in the winter and warm during the summer months.
5) The Jewish community: the community today counts a few thousand people. There are Israelis of a Romanian origin who like to visit Romania.
6) Statistics: In 1995, there were 33,053 Israelis that visited Romania. In the year 1997 this number increased to 41,969. In 1999 we have 50,188 visitors. During the year 2000 again an increase to 59,000 visitors.
7) Packages: Some operators offer tours to Romania in the summer months, as well as ski vacations, as well as vacations in the Carpats Mountains and in spa locations.

Slovak Republic:

1) The Slovak Republic is 3 hours and fifteen minutes away by air, from Tel-Aviv airport.
2) Air connection: The airport of Vienna, which is 45 km from Bratislava, could be used also as an airport for Slovakia. Slovak Airways is serving this line.
3) Geography: The Slovak Republic is a continental country with mountains, woods, Spas etc.
4) Weather: The weather is a European one, relatively warm during the summer and cold during the winter months.
5) The Jewish community: The Jewish community today counts about 3,000 people.
6) Statistics: In 1995, 7,640 Israelis visited Slovakia. In 1998, 13,256 visitors came from Israel. In the year 2000 the number goes back to

11,000 Israelis. Israeli visitors come to the Slovak Republic either on their way to The Czech Republic, or to visit one of the local spas.

7) Packages: There are a small number of tours to the Slovak Republic, which are sold on the Israeli market. Packages include Hungary or the Czech Republic. Many Fit's will visit Slovakia Together with the neighboring countries.

Slovenia:

1) The time flight from Tel-Aviv to Ljubljana in Slovenia is two and half-hours.
2) Air connection: Adria Slovenian Airways
3) Geography: Slovenia is a hilly country with some high mountains. It has the magnificent lake of Bled. Slovenia has also woods, snow and other nature sites.
4) The weather is relatively warm in the summer and cold in the winter.
5) The Jewish community: There are almost no Jews that are left in Slovenia. Therefore, there are not so many visits Jewish people from Israel that come for family visits.
6) Statistics: During the year 1995 Slovenia had 1,082 visitors from Israel. 5,958 Israelis came during 1999. The number of visitors during the year 2000 was 11,000 Israelis.
7) Packages: There are a few tours, offered on the market, by a few specialists. Tours are offered on a basis of a week or so. The tours include a visit to Ljubljana, relaxing in the beautiful lake of Bled and its surroundings, the spas, ski in the winter

Spain:

1) Spain is five to six hours away from Tel-Aviv, by a direct flight.
2) Air connections: The two national carriers, Iberia and El-Al are operating this line.
3) Geography: The scenery in Spain is very similar to the one in Israel. On the other hand it is a vast country. The geography of Spain, as well as the history of the country, there are a lot of possibilities for the Israeli traveler.
4) The weather: It is variable. On the coasts it will be a Mediterranean climate. Inside the country it can get very hot. In the mountains you can find alpine weather with relevant temperatures.
5) The Jewish community: Today there are 13,000 Jews in Spain. There is not a great amount of family visits.

6) Statistics: There are no available figures.
7) Packages: There are a number of Israeli operators that offer tours to Spain. The packages vary, among beach vacations on the Costa Brava or on the Costa del Sol, Ski vacations on the Pyrenees, visiting historical sites, visiting Jewish sites, visits on a weekend basis to tour the interesting cities of Spain, like Madrid, Barcelona etc.

Sweden:

1) Flying time: The flying time on a direct flight from Tel-Aviv to Stockholm is five and half-hours.
2) Air connections: Until a few months ago, there were direct flights of the two national carriers, SAS and El-Al that flew to Copenhagen in Denmark. Those flights were cancelled recently, and in order to fly to Sweden, one must make a transit flight.
3) Geography: Sweden is a typical Nordic country; part of it is flat, containing woods, snow, rivers etc.
4) The weather: It has a cold weather. Very cold in the wintertime and mild to cool during the summer.
5) The Jewish community: There are 16,000 Jews living in Sweden, but not so many Jews from Sweden immigrated to Israel, so there are not so many family visits.
6) Statistics: There are no figures available.
7) Packages: They will be sold only during the summer months. A few tour operators are marketing Sweden, but most of the times, it will be in the frame of a Scandinavian package, such as a package of 2-3 weeks covering the four Scandinavian countries. The package to Sweden used to be expensive, but in recent years prices went down due to charter flights that are operated during the summer. There are virtually no Israelis that go to Sweden during the cold months of the year.

Switzerland:

1) Flying time: The flying time between Israel and Switzerland (Zurich or Geneva) will last three and a half to four hors time.
2) Air connections: The two national carriers, namely Swissair and El-Al are serving on the line between Israel and Switzerland. Recently Israeli charter airlines started to operate flights on this line.
3) Geography: Switzerland is the opposite of Israel in its scenery. It is a green country with woods, lakes, high mountains, hilly country, passes to

drive through in the top of the mountains, snow in the winter and a very pleasant summer. In addition you could differ the four seasons of the year.

4) The weather: Cold in the winter, mild during fall and spring, mild to warm during the summer months.
5) The Jewish community: Switzerland's community counts today 13,000 people. The community has warm relations with Israel. Hence, three are many family visits from those who emigrated from Switzerland to Israel.
6) Statistics: There were 95,727 visitors from Israel to Switzerland in the year 1995. Since then these figures went down. So in 1999 there were 79,839 visitors and in the year 2000 there were 77,000 that came from Israel.
7) Packages: There are a number of tour operators in Israel that are marketing and selling Switzerland in Israel. There will be tours for the spring, summer and fall with possibilities of visiting the different cities of Switzerland, as well as going to the countryside and staying there in a room to rent. There they can do what is called in Switzerland "wandering". In the wintertime, many Israelis go skiing in different parts of Switzerland.

Turkey:

1) Flying time: The flying time From Tel-Aviv to Turkey is about one and a-half hours.
2) Air connection: The two national carriers, namely Turkish Airlines and El-Al are flying to Turkey. There are also a number of charter airlines that are flying this line as well.
3) Even tough Turkey is very close to Israel, part of the scenery is different. Turkey has beaches similar to Israel, but also high mountains, water, rivers and a lot of history and archeology.
4) The weather: In summer months Turkey has the similar kind of weather as Israel. In the winter Turkey has colder temperatures and especially as one moves up to the north of the country.
5) The Jewish community: There are 24,000 Jews living today in Turkey. On the other hand, not many Israelis go to Turkey for family visits.
6) Statistics: Turkey was the leading European country, in the year 1995 regarding the number of Israeli visitors. Since then this number dropped tremendously and in 1997 only 248,636 Israelis went to Turkey. In the year 1999, it reached the bottom of 173,347 visitors. It is estimated that numbers have risen again since then, but figures are not available.

7) Packages: The leading packages to Turkey are beach vacations going for a weekend or a mid week low price package to places like Antalia, Marmaris, or city visits like Istanbul. A number of Israeli tour operators offer these packages, as well as sightseeing tours, for seven days and more.

United Kingdom:

1) Air Travel: The flying time between Tel-Aviv and London is about five hours.
2) Air connections: The two national carriers, namely British Airways and El-Al are serving the line, between the two countries. In addition there are a lot of charter companies, British and Israeli, that also operates on this line. During April till the end of October there is a great traffic of Israelis to the United Kingdom.
3) Geography: The UK is utterly different from Israel. As an island, in the north of Europe, it has many different characteristics. It is a green country, with plenty of woods, lakes, beaches and others. We should not forget that the UK has also, a lot of history, archeology etc.
4) The weather: As an island, the UK has a climate which is much more exposed to the Atlantic Ocean and to winds coming from the Ocean. The temperatures are colder than in Israel, in the summer (even though there are also very warm temperatures), as well as in the winter.
5) The Jewish community: Today there are about 500,000 Jews in the United Kingdom. About 250,000 are living in London. However, there are not so many Jews that emigrated from the UK to Israel; therefore the figure of VFR is not high.
6) Statistics: In the year 1996, there were 241,000 Israelis that traveled to the United Kingdom and in 1997 there were 252,000 Israelis. In 1998 the figure drooped to 198,000 visitors. It went up again in 1999 to 230,000 visitors and in the year 2000 it dropped a bit to 219,000 Israelis.
7) Packages: Most of the travel of Israelis to the United Kingdom is to London. A great part of this are fit’s, that will travel, once in London, to other parts of UK. Most of the Israeli tour operators are offer this tour. There also sightseeing tours to different parts of England, as well as tours to Scotland and Wales.

Appendix No 4:

Table no. 6: Travel abroad from Israel

Country	1995	1996	1997	1998	1999
AUSTRIA	57,202	66,596	72,678	83,174	80,200
BELGIUM	24,010	27,061	32,319	31,764	29,822
BULGARIA	5,292	5,126	14,347	17,156	19,506
CROATIA	400	3,252	6,396	7,855	7,084
CYPRUS	33,000	40,000	52,474	53,614	61,023
CZECH REPUBLIC	27,936	51,744	53,553	71,541	119,753
FINLAND	4,743	4,596	4,882	5,424	6,167
GERMANY	99,637	105,051	108,322	112,959	117,219
GREECE	54,264	74,980	82,386	89,402	154,987
HUNGARY	40,658	50,631	55,378	44,502	48,032
ICELAND	342	256	292	548	682
ITALY	200,720	216,827	241,246	272,023	284,780
MALTA	1,086	1,132	1,955	4,006	4,248
MONACO					1,139
POLAND	24,265	26,773	27,626	28,499	31,762
PORTUGAL					15,686
ROMANIA	33,053	41,431	41,969	44,157	50,188
RUSSIAN FEDERATION	39,233	37,325	40,891	39,746	37,742
SLOVAKIA	7,640	7,753	8,594	13,256	12,841
SLOVENIA	1,082	1,471	3,866	5,816	5,958
SWITZERLAND	95,727	86,751	88,392	85,262	79,839
TURKEY	283,299	230,442	248,636	215,541	173,347
UNITED KINGDOM		241,000	252,000	198,000	230,000

Source: WTO

Table no 7: Airlines Carrying the Israeli flag

Print

Airlines Carrying
The Israeli Flag.

%Change	Passengers				Company
2001 – 00	% of Total	1 - 12 / 2001	% of Total	1 - 12 / 2000	
-14.83	37.84	2,981,497	37.64	3,500,699	LY
-39.35	4.05	319,221	5.66	526,357	IZ
4.83	3.05	240,112	2.46	229,055	ISR
	0.40	31,826	0.00	0	7L
-16.06	44.94	3,572,656	45.76	4,256,111	Total

Source: Israel Civil Aviation

Table no. 8: Departures by Mode of Travel (Source Israel CBS)

ISRAELIS (1), BY MODE OF TRAVEL **העיסנה ךרד יפל**

Returns תורזח				Departures תואיצי				
השבי)2(Land (2)	םי Sea	ריווא Air	לכה ךס Total	השבי)2(Land (2)	םי Sea	ריווא Air	לכה ךס Total	
Absolute numbers							םיטלחומ םירפסמ	
78,707	17,909	545,062	641,678	82,690	17,820	549,815	650,325	1982
71,639	25,464	671,912	769,015	73,551	26,538	671,557	771,646	1983
67,802	20,686	623,472	711,960	70,059	21,582	638,201	729,842	1984
69,212	12,071	540,070	531,353	71,041	13,143	469,046	553,230	1985
70,314	17,964	585,841	674,119	79,455	19,279	601,526	700,260	1986
117,684	22,283	661,918	801,885	116,299	21,729	676,429	814,457	1987
94,635	25,335	700,686	820,858	100,271	26,121	713,374	839,776	1988
147,766	31,090	760,033	938,889	152,531	32,570	773,981	959,082	1989
109,196	26,061	785,824	921,081	111,589	27,989	792,117	931,695	1990
132,912	32,248	825,445	990,605	142,146	35,024	848,988	1,026,158	1991
154,676	24,542	884,639	1,063,857	143,520	27,166	909,572	1,080,258	1992
157,472	39,224	1,078,215	1,274,911	164,004	44,513	1,117,531	1,326,048	1993
..	..	..	1,819,000	300,000	49,000	1,513,000	1,862,000	(3)1994
477,000	29,000	1,718,000	2,224,000	482,000	30,000	1,747,000	2,259,000	1995
529,000	32,000	1,930,000	2,491,000	526,000	33,000	1,945,000	2,502,000	1996
517,000	30,000	2,175,000	2,722,000	510,000	31,000	2,214,000	2,756,000	1997
602,000	39,000	2,339,000	2,981,000	601,000	39,000	2,343,000	2,983,000	1998
625,000	49,000	2,506,000	3,179,000	632,000	49,000	2,522,000	3,203,000	1999
579,000	80,000	2,854,000	3,513,000	578,000	80,000	2,872,000	3,530,000	2000*
Percentages							םיזוחא	
12.3	2.8	85.0	100.0	12.7	2.7	84.5	100.0	1982
9.3	3.3	87.4	100.0	9.5	3.5	87.0	100.0	1983
9.5	2.9	87.6	100.0	9.6	3.0	87.0	100.0	1984
13.0	2.3	84.7	100.0	12.8	2.4	84.8	100.0	1985
10.4	2.7	86.9	100.0	11.3	2.8	85.9	100.0	1986
14.7	2.8	82.5	100.0	14.3	2.7	83.0	100.0	1987
11.5	3.1	85.4	100.0	12.0	3.1	84.9	100.0	1988
15.7	3.3	81.0	100.0	15.9	3.4	80.7	100.0	1989
11.9	2.8	85.3	100.0	12.0	3.0	85.0	100.0	1990
13.4	3.3	83.3	100.0	13.9	3.4	82.7	100.0	1991
14.5	2.3	83.2	100.0	13.3	2.5	84.2	100.0	1992
12.4	3.1	84.6	100.0	12.4	3.4	84.3	100.0	1993
..	..	..		16.1	2.6	81.3	100.0	(3)1994
21.4	1.3	77.2	100.0	21.3	1.3	77.3	100.0	1995
21.2	1.3	77.5	100.0	21.0	1.3	77.7	100.0	1996
19.0	1.1	79.9	100.0	18.5	1.1	80.3	100.0	1997
20.2	1.3	78.5	100.0	20.1	1.3	78.5	100.0	1998
19.7	1.5	78.8	100.0	19.7	1.5	78.7	100.0	1999
16.5	2.3	81.2	100.0	16.4	2.3	81.4	100.0	*2000
Percent change on previous year							תמדוקה הנשה תמועל יונישה זוחא	
-5.4	-18.8	-7.2	-7.4	-4.7	-18.7	-5.0	-5.4	1984
2.1	-41.6	-27.8	-25.4	1.4	-39.1	-26.5	-24.2	1985
1.7	48.8	30.2	26.9	11.4	46.7	28.2	26.5	1986
67.4	24.0	13.0	19.0	46.4	12.7	12.5	16.3	1987
-19.6	13.7	5.9	2.4	-13.8	20.2	5.5	3.1	1988
0.5	22.7	8.5	14.4	52.1	24.7	8.5	14.2	1989
-29.0	-16.2	3.4	-1.9	-26.8	-14.1	2.3	-2.9	1990
21.7	23.7	5.0	7.5	27.4	25.1	7.2	10.1	1991
16.4	-23.9	7.2	7.4	1.0	-22.4	7.1	5.3	1992
1.8	59.8	21.9	19.8	14.3	63.9	22.9	22.8	1993
..	..	..	42.7	82.9	10.1	35.4	40.4	(3)1994
..	..	..	22.3	60.7	-38.8	15.5	21.3	1995
10.9	10.3	12.3	12.0	9.1	10.0	11.3	10.8	1996
-2.3	-6.3	12.7	9.3	-3.0	-6.1	13.8	10.2	1997
16.4	30.0	7.5	9.5	17.8	25.8	5.8	8.2	1998
3.8	25.6	7.1	6.6	5.2	25.6	7.6	7.4	1999
-7.4	63.3	13.9	10.5	-8.5	63.3	13.9	10.2	*2000

(1) Incl. visits of Israelis living abroad registered as a "departing/entering resident". Excl. temporary residents and potential immigrants.
(2) As of 1970, incl. movements of East Jerusalem residents via the Jordan bridges.
(3) The data are based on an estimate.

ל"וחב םירגה םילארשי לש םירוקיב ללוכ)1(
ללוכ אל ."סנכנ/אצוי בשות"כ ומשרנו
.חוכב םילועו םייערא םיבשות
-ב לחה 1970 חרזמ יבשות תעונת ללוכ ,)2(
.ןדריה ירשג ךרד םילשורי
.ןדמוא לע םיססובמ םינותנה)3(

Table No 9: RT Levels for Airtour Fares from TLV to Europe during 28Mar01-27Oct01

K Class				Q Class				S Class			
J	K	H	P	J	K	H	P	J	K	H	P
18APR-22MAY	28MAR-07APR	08APR-09APR	30JUL-12AUG	18APR-22MAY	28MAR-07APR	08APR-09APR	30JUL-12AUG	18APR-22MAY	28MAR-07APR	08APR-09APR	30JUL-12AUG
07OCT-27OCT	10APR-17APR	20JUN-29JUL		07OCT-27OCT	10APR-17APR	20JUN-29JUL		07OCT-27OCT	10APR-17APR	20JUN-29JUL	
	23MAY-19JUN	13AUG-26AUG			23MAY-19JUN	13AUG-26AUG			23MAY-19JUN	13AUG-26AUG	
	27AUG-26SEP	27SEP-06OCT			27AUG-26SEP	27SEP-06OCT			27AUG-26SEP	27SEP-06OCT	
KATRJ21	KATRK21	KATRH21	KATRP21	QATRJ1M	QATRK1M	QATRH1M	QATRP1M	SATRJ1M	SATRK1M	SATRH1M	SATRP1M
509	549	599	639	579	619	669	669	609	649	699	699
329	339	349	349	359	369	379	379	419	429	439	439
539	579	629	629	609	649	699	699	649	689	739	739
579	609	649	679	639	659	709	709	709	729	779	779
579	599	629	659	649	669	699	699	719	739	789	789
449	469	489	509	499	519	539	539	539	559	579	579
329	339	349	349	359	369	379	379	419	429	439	439
579	619	649	669	639	679	709	709	699	739	769	769
529	549	589	619	619	639	679	679	689	729	769	769
579	609	649	679	639	659	709	709	709	729	779	779
549	569	609	639	619	639	679	679	699	729	769	769
429	449	469	499	499	519	539	539	559	579	599	599
509	549	599	639	579	619	669	669	609	649	699	699
539	579	629	629	609	649	699	699	649	689	739	739
579	619	649	669	639	679	709	709	699	739	769	769
449	469	489	509	499	519	539	539	539	559	579	579
549	569	589	619	619	639	659	659	689	709	729	729
539	579	629	629	609	649	699	699	649	689	739	739
469	489	509	529	539	559	579	579	609	629	649	649
519	529	549	579	559	569	599	599	629	639	669	669
399	419	439	459	469	489	509	509	539	559	579	579
509	549	599	639	579	619	669	669	609	649	699	699
449	469	489	509	499	519	539	539	539	559	579	579
449	469	489	509	499	519	539	539	539	559	579	579
489	509	549	579	539	559	599	599	609	629	669	669
479	499	499	499	529	549	549	549	579	629	669	579
579	599	629	659	649	669	699	699	719	749	789	699

Source: Airtour

Table No 10: RT Levels (In USD) for Airtour Fares from TLV to Europe during 28OCT01-12MAR02

Fare Basis	K Class	Q Class
	KATRL21	QATRL1M
AMS	429	529
ATH	299	349
BCN	429	499
BER	429	499
BRU	429	499
BUD	399	469
BUH	299	369
DUS	429	499
FRA	429	499
GVA	429	499
IST	-	230
LON	429	499
MAD	429	499
MIL	399	469
MOW/LED	429	539
MRS	444	529
MSQ	444	489
MUC	429	499
PAR	429	499
PRG	399	469
ROM	379	469
SOF	299	369
VIE	429	529
WAW/KRK	439	499
ZRH	429	499
AGP/ALC/BIO/PMI/SCQ/IBZ	509	579
ACE/ TCI/ LPA	539	609
LIS/ OPO/ SVQ	519	589
IEV/ ODS/ DNK/ SIP	429	479

Source: Airtour