

PRESS RELEASE

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Person Nights in Tourist Hotels, 2009 and the Last Decade (2000-2009)

Decade in Review: 2000-2009

The first decade of the 21st century was marked by upheavals in the security and economic situation both in Israel and worldwide. In Israel's tourism sector, this was reflected in the fluctuating levels of **inbound tourism** throughout the period. At the start of the decade, with the flourishing of the local economy and the signing of peace accords a few years earlier with the Palestinians and with Jordan, there were high hopes of a major boom in tourism, and even fears that available accommodations would not meet the anticipated demand, leading to the development of ambitious plans in the industry. The visit to Israel by the popular Pope John Paul II in March 2000 also fueled expectations for a surge in tourism. Indeed, in the first nine months of 2000 tourism levels increased significantly compared to 1999, registering a 25% rise in the number of inbound tourists, a 32% rise in tourist person-nights in tourist hotels and a growth of 24% in revenue from tourism. However, the outbreak of the second Intifada in September 2000 sent tourism into an immediate slump that lasted nearly three years, with the lowest point reached in mid-2002. Apart from the Intifada (2003-2001), other contributing factors that worsened the situation were the worldwide slump in tourism following the September 11 attacks in the US, the global economic recession of 2001-2003, and the US entry into the Iraq war. The rebound in tourism was aided by the IDF's success in dealing with the West Bank terror infrastructures (Defensive Shield Operation in mid-2002) and by the emerging economic turnaround in Israel and the world which started in 2004. Steadily rising inbound tourism indexes showed large numbers of businessmen arriving in Israel's central cities as well as a renewal of the flow of pilgrims and recreational tourists to the country.

The decade's second half saw two major security events that dealt a blow to the recovery in inbound tourism: the Second Lebanon War (July-August 2006), and the Cast Lead Operation in Gaza (January 2009). The global economic crisis that began in the final quarter of 2008 and continued into 2009 also played a role in damping the recovery that was enjoyed during 2007 and 2008.

Written by Tilda Khait

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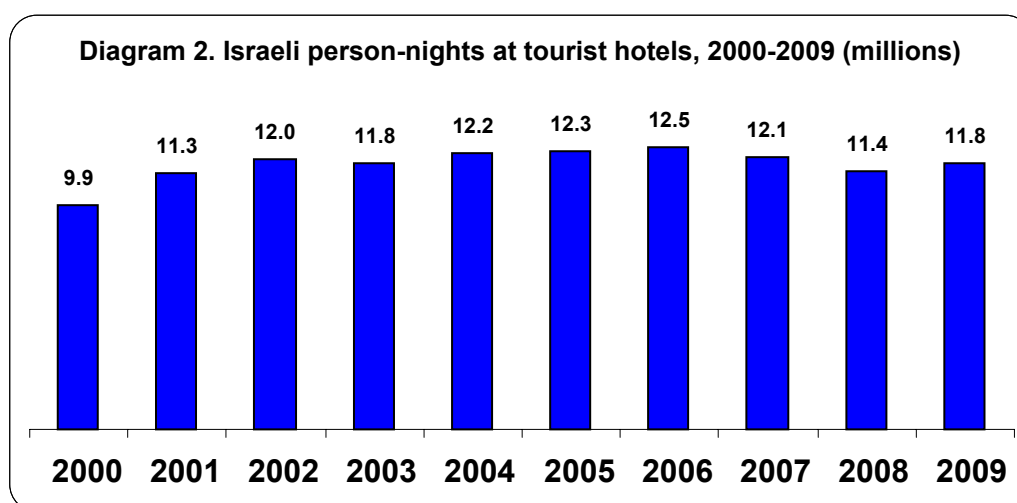
The aforementioned events are mirrored in the fluctuating number of **tourist person-nights** over the past decade:



The peak year in number of tourist person-nights was 2008, with more than 10 million such nights recorded. The trough year was 2002, which had around a quarter of that number.

In contrast to the fluctuating number of tourist person-nights, the number of **Israeli person-nights remained steadily high**. During the crisis periods in inbound tourism, the hotels came out with special offers for the Israeli public. Thus, the number of Israeli person-nights in 2002 reached a record 12 million, superseded in 2006 by a new record (as noted, the second half of 2006, in the wake of the Second Lebanon War, was marked by an especially low number of tourist person-nights). Many residents of the north of Israel, which was subjected to heavy Katyusha rocket fire, found shelter in the center and south of the country. Thousands stayed at hotels for a minimum price (and even for free). In January 2009, during Operation Cast Lead, the hotels similarly hosted residents from the south.

Respectively, in 2008, a record year for inbound tourism, the number of Israeli person-nights was relatively low.



The **number of tourist hotel rooms** in the past decade increased from 45,000 to 47,000 (in the preceding decade the growth was more impressive – from 31,000 to 42,000). **Room occupancy** stood at 60% at the onset of the decade, declining to an average of 45% in the low years of 2001-2003, rising gradually during 2004-2008 to reach 60% in the record year of 2008, and falling again to 60% as at the start of the decade.

The Year 2009 (Original Data)

The **number of person-nights** in tourist hotels in 2009 amounted to 20 million – down 8% from 2008. Of this number, Israelis accounted for 11.8 million nights (+3%) and tourists accounted for 8.1 million nights (-20%), equivalent to 41% of total person-nights.

The sharp drop of 20% in the number of tourist person-nights in 2009 compared to 2008 can be attributed to the cancellation of reservations due to heightened security tensions in the region¹ and the ongoing world economic recession. A more modest decline (7%) was recorded in the final quarter of 2009 versus the same period in 2008. Likewise, a more moderate drop of 11% was recorded in the number of tourist entries to Israel compared to 2008.

Room occupancy in 2009 stood at 60% versus 67% in 2008.

Room occupancy by district (Table A) – Occupancy fell in 2009 compared to 2008 across all the districts, with 53% occupancy recorded in the Northern and Jerusalem Districts, 56% in the Haifa and Central Districts, and upwards of 63% in the Southern and Tel Aviv Districts. The greatest drop was registered in the Jerusalem District (20%) and the Tel Aviv District (15%). The Southern District had the highest occupancy rate – 66%.

Table A. Room Occupancy by District (%)

	Room Occupancy Percentage		
	2009	2008	% change
Jerusalem District	53.7	67.2	-20.1
Northern District	52.7	58.8	-10.4
Haifa District	56.4	61.7	-8.6
Central District	56.0	62.6	-10.5
Tel Aviv District	63.3	74.3	-14.8
Southern District	66.1	67.4	-1.9

¹ Operation Cast Lead took place in the first half of January 2009.

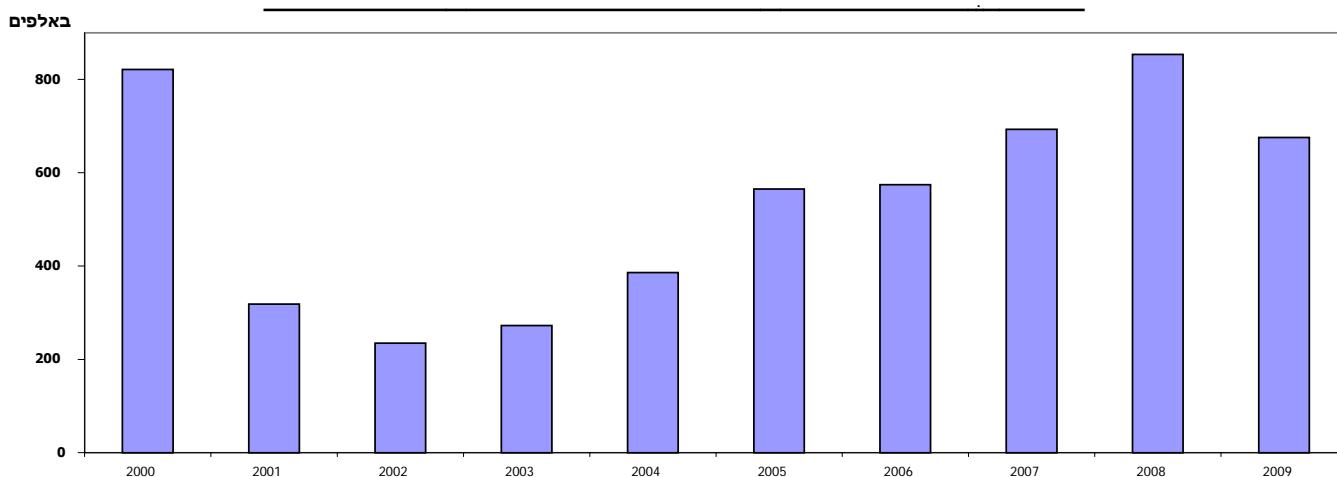
Seasonally adjusted figures are obtained after eliminating the seasonal effect and the festival and trading-day effect from the original data. Trend figures are estimated after eliminating the irregularity (noise) effect from the seasonally adjusted data. Seasonally adjusted figures and trend figures are subject to change, since they are recalculated each month when an additional original figure is received.

A detailed and updated explanation of the seasonal adjustment and trend estimation process is provided in "[Seasonal Factors and Readjustment Factors for 2009, Trends for 2005-2009](#)" (available solely on the CBS website: Definitions, Classification and Methods, Statistical Methods, Periodical Series).

Tourist Person-Nights (Seasonally Adjusted Figures)

An analysis of the updated deseasonalized figures shows that the monthly average of tourist person-nights decreased in 2009 by 20% – 676,000 person-nights in 2009 compared to 854,000 person-nights in 2008 (or in annualized terms: 8.1 million person-nights in 2009 compared to 10.2 million person-nights in 2008).

Diagram 3. Tourist person-nights – seasonally adjusted figures – monthly average



A comparison between the last three months of the year (October-December 2009) and the three preceding months shows an increase of 9% in the seasonally adjusted figures.

In addition to seasonal changes, tourist person-nights are affected by unexpected events that cause irregularity in the data.

In the wake of the Second Lebanon War, which began in mid-July, there was a significant decline in tourist person-nights. This change in the data caused a "break" in the trend of the series in July 2006. Therefore, the series was reestimated, adjusting the data that had been received before July 2006 to the "break." In December 2008 there was another sharp drop in the number of tourist person-nights, and a new "break" was estimated in the trend.

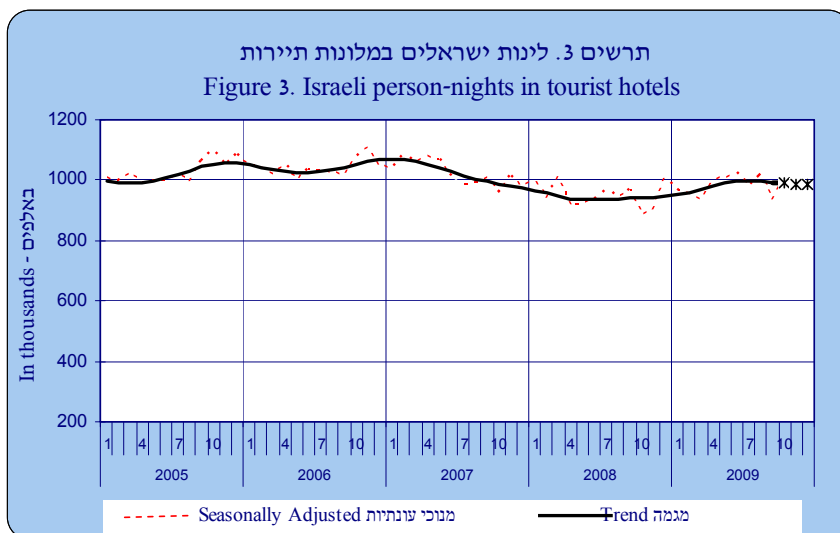
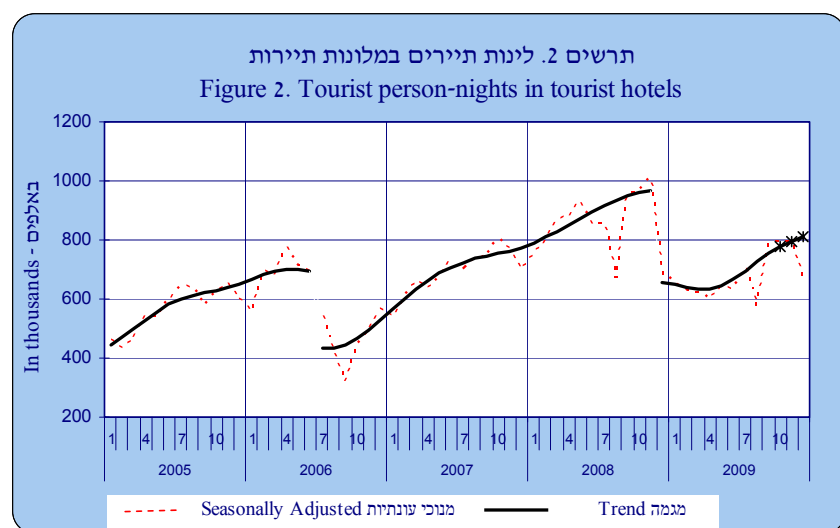
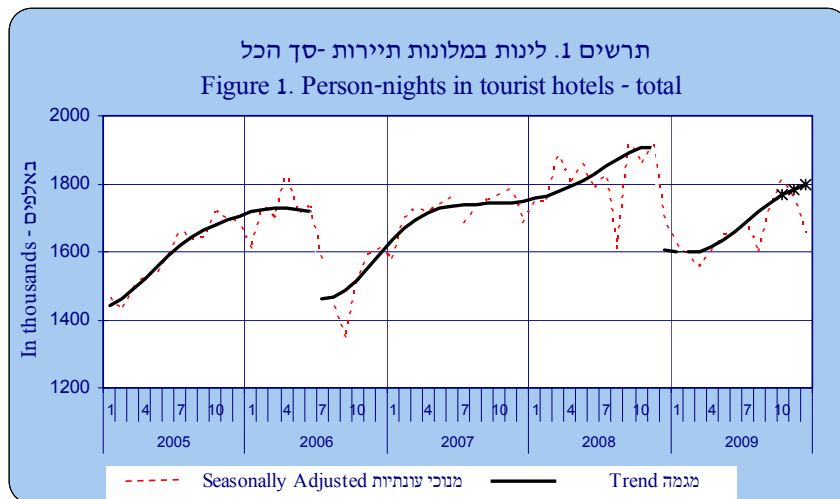
Based on an analysis of the latest trend figures, there was an increase of 2.4% (annualized 33%) in each of the last three months (October-December 2009), compared to a sharper increase of 4.1% (annualized 63%) in the preceding three months (July-September 2009).

Israeli Person-Nights

In the last three months of the year (October-December 2009) the annualized number of Israeli person-nights adjusted for seasonal factors stood at 11.9 million, a decrease of 1% compared to the annualized figure calculated on basis of the three preceding months (July-September 2009).

Based on the **trend** figures, there was a 1% annualized decrease in the last three months (October-December 2009), similar to the calculation for the three preceding months.

The next press release on "Person-Nights in Tourist Hotels in January 2010" will be published on January 23, 2010.



*The last three trend estimates are subject to substantial revisions.

*שלושת האומדנים האחרונים של המגמה עשויים להשתנות במידה ניכרת.

Table 1. Person-nights in tourist hotels

לוח 1. לינות במלונות תיירות

Original data			נתונים מקוריים			אלפים		
% change on the same period a year earlier			אחוז השינוי לעומת התקופה המקבילה אשתקד					Thousands
ישראלים Israelis	תיירים Tourists	סך הכל Total	ישראלים Israelis	תיירים Tourists	סך הכל Total			
12.4	12.9	12.7	6,522.3	9,496.1	16,018.4			1995
11.0	-6.2	0.8	7,238.1	8,907.6	16,145.7			1996
10.2	-8.6	-0.1	7,977.9	8,145.1	16,123.0			1997
12.5	-5.4	3.5	8,978.4	7,709.2	16,687.6			1998
7.3	17.4	11.9	9,634.8	9,046.8	18,681.6			1999
2.4	7.0	4.6	9,870.2	9,676.4	19,546.5			2000
14.4	-60.5	-22.7	11,287.5	3,825.8	15,113.3			2001
6.1	-31.3	-3.3	11,978.4	2,628.2	14,606.6			2002
-1.4	25.0	3.3	11,810.2	3,285.0	15,095.2			2003
3.3	45.2	12.4	12,202.2	4,771.3	16,973.5			2004
0.8	42.2	12.5	12,303.9	6,783.1	19,087.0			2005
1.2	1.0	1.2	12,453.6	6,854.1	19,307.7			2006
-3.1	22.6	6.1	12,072.7	8,405.9	20,478.6			2007
-5.5	21.2	5.5	11,408.0	10,187.5	21,595.5			2008
3.4	-20.4	-7.9	11,793.9	8,111.8	19,895.6			2009*

Trend			מגמה			Seasonally adjusted			מנוכי עונתיות			Original data			נתונים מקוריים				
% change - on previous month			אחוז שינוי - חודש לעומת קודמו			Thousands			אלפים			Thousands			אלפים				
ישראלים Israelis	תיירים Tourists	סך הכל Total	ישראלים Israelis	תיירים Tourists	סך הכל Total	ישראלים Israelis	תיירים Tourists	סך הכל Total	ישראלים Israelis	תיירים Tourists	סך הכל Total	ישראלים Israelis	תיירים Tourists	סך הכל Total	ישראלים Israelis	תיירים Tourists	סך הכל Total		
..	..	..	1,014.6	723.2	1,737.7	987.9	697.8	1,685.7	1,401.1	738.0	2,139.1	VII	2007				
-1.1	1.8	0.1	1,003.4	736.2	1,739.6	989.4	741.3	1,730.7	1,590.5	979.6	2,570.1	VIII							
-0.9	1.4	0.1	994.9	746.2	1,741.1	1,006.3	745.0	1,751.3	1,014.9	513.7	1,528.6	IX							
-0.7	1.1	0.1	988.2	754.6	1,742.8	960.6	806.0	1,766.6	1,091.7	894.6	1,986.3	X							
-0.6	1.2	0.2	982.0	763.5	1,745.5	1,011.2	770.2	1,781.4	886.1	779.3	1,665.4	XI							
-0.7	1.5	0.2	974.7	774.9	1,749.6	981.8	700.6	1,682.4	860.1	614.9	1,475.0	XII							
-0.9	1.9	0.4	965.8	790.0	1,755.8	995.4	756.7	1,752.1	637.5	661.2	1,298.7	I	2008						
-1.0	2.4	0.5	955.8	808.9	1,764.6	939.9	801.1	1,741.0	628.6	659.3	1,287.9	II							
-1.0	2.6	0.7	946.1	830.1	1,776.2	1,013.1	874.2	1,887.3	731.7	954.9	1,686.6	III							
-0.8	2.6	0.8	938.7	852.0	1,790.6	916.3	879.7	1,796.0	937.8	974.9	1,912.7	IV							
-0.4	2.6	1.0	934.6	873.7	1,808.3	927.0	932.6	1,859.6	873.7	1,088.6	1,962.4	V							
-0.1	2.4	1.1	934.0	895.0	1,829.0	932.3	852.8	1,785.1	1,062.0	788.7	1,850.7	VI							
0.2	2.3	1.2	935.7	915.2	1,851.0	971.2	857.9	1,829.1	1,394.6	821.4	2,215.9	VII							
0.3	2.1	1.2	938.3	934.4	1,872.7	939.2	670.2	1,609.4	1,467.5	936.4	2,403.8	VIII							
0.2	1.8	1.0	940.5	950.8	1,891.3	966.8	954.8	1,921.6	1,061.1	759.3	1,820.4	IX							
0.2	1.2	0.7	941.9	961.8	1,903.7	885.7	968.8	1,854.5	959.6	927.7	1,887.3	X							
0.2	0.3	0.2	943.4	964.2	1,907.6	905.1	1,012.1	1,917.2	744.3	992.1	1,736.4	XI							
0.3	..	..	946.2	657.8	1,604.0	1,008.8	681.6	1,690.4	909.6	623.0	1,532.6	XII					
0.6	-1.4	-0.2	951.5	648.6	1,600.2	965.7	656.9	1,622.7	619.8	540.6	1,160.5	I	2009						
0.9	-1.5	-0.1	959.7	638.6	1,598.3	954.1	629.7	1,583.8	583.7	500.8	1,084.4	II							
1.1	-1.0	0.2	969.9	632.4	1,602.3	935.6	620.4	1,556.1	727.2	650.9	1,378.1	III							
1.1	0.3	0.8	980.3	634.2	1,614.5	999.5	600.1	1,599.6	975.6	709.9	1,685.5	IV							
0.9	1.9	1.3	988.8	646.1	1,634.9	1,006.4	642.3	1,648.8	938.0	748.9	1,686.9	V							
0.5	3.3	1.6	994.0	667.4	1,661.4	1,022.5	630.6	1,653.1	1,149.0	578.3	1,727.4	VI							
0.1	4.2	1.8	995.4	695.1	1,690.5	981.7	704.0	1,685.7	1,418.6	682.9	2,101.5	VII							
-0.1	4.3	1.7	994.0	725.2	1,719.2	1,017.9	576.7	1,594.6	1,629.2	768.5	2,397.8	VIII							
-0.3	3.9	1.5	991.3	753.5	1,744.9	938.6	791.5	1,730.1	978.6	548.1	1,526.7	IX							
-0.2	3.2	1.2	989.0	777.6	1,766.6	1,017.6	796.5	1,814.1	1,074.9	947.2	2,022.1	X							
-0.1	2.4	1.0	987.8	796.2	1,784.0	965.6	792.9	1,758.5	818.4	832.4	1,650.9	XI							
0.0	1.7	0.8	988.1	809.6	1,797.8	988.1	665.9	1,654.1	880.8	593.2	1,473.9	XII*							

Provisional Data

* - נתונים ארעיים