

The Role of Investment in Tourism Growth of Iran

Iraj Azizzadeh¹, Raveyeh Azizzadeh²

^{1,2}Department of Geography, Ardabil Branch, Islamic Azad University, Ardabil, Iran.

ABSTRACT

Today the importance of tourism industry in growth and development of economies of countries is not hidden for anybody and all believe that, this industry in the case of investment and protection of investors can be the source of good in come even better than oil selling. It is in this case that the countries which even have not more ability in other economic aspect, they have been able to get more income for themselves based on paying attention and giving more importance for this industry which may be equal with oil income of other countries such as Iran.

Therefore, investment for tourism industry in countries which have tourist attractions such as Iran can be changed into the most important source of getting income provided that management in attraction of investors and correct and suitable and comprehensive programming along with thinking about future for it set and done.

Keywords: Investment, Tourism industry, Growth and development, Correct management and programming, Foreign income.

1 INTRODUCTION

Tourism has an important role in economical growth and development of a country as a part of economical activities, is related to wide investment flow which spent on investment in this section.

According to increase of amount which used for development of tourism, this industry accepted by the public's in a wide variety day by day (Kargar, 2007 p 141).

Investment in tourism industry increases in all countries which have tourist attractions. Today attraction of foreign tourism has been changed into increasing competition between involving organization in tourism industry, because investment in industry has a role in industry not only in progression of national economics and foreign incomes but also it is clean and free of pollution industry and makes new jobs (Rogerdas, 1999 p 36).

Thus the importance of this case for Iran which has the ability of growth of this industry in different sections such as religious industry, health, ecotourism and commercial sections with many of historical attractions and beauty of nature is very great. Without doubt protection from investors in tourism industry can be a secure outgoing from mono production economy and dependent on selling raw oil for Iran (cultural heritage news agency).

2 Relation of investment with tourism

Today tourism is called the cleanest, income making and occupation or job making industry in the world.

Governments try to make use of this industry instead of paying attention to pollutant industries and exploitation of resources and mines of country for getting income (www.CHN.ir)

Investment areas in tourism, the sections such as health care centers (health tourism), commercial tourism, adventure tours, sport tours, museums and parks, progressing service and quality in hotels, educating or learning personnel working in tourism, camps and camps and caravans, buying centers, renewing airports and air navy, promotion and development of railroads and roads, generally includes provision, support and communication (Ashe, 2005).

Investment in tourism industry can have a profit twice time of oil reserves of country, such that after required investment and providing required infrastructures in addition to foreign incomes among all levels and different occupations or jobs, create 4-10 jobs per entered tourist which in economist computations, developing this trend by considering occupations or jobs in production and service sections for every investor, 15-18 people work directly or indirectly. Investment in tourism section is a continuous cycle and chain which different governmental and nongovernmental sections must make it reach final result with

*Correspondence Author: Iraj Azizzadeh, Raveyeh Azizzadeh Department of Geography, Ardabil Branch, Islamic Azad University, Ardabil, Iran. Email: irajkhan_56@yahoo.com

common cooperation and coordination. Specialist studies of economists and tourist specialist of Iran show that for each tourist direct investment between 12-25 dollars are required which application of effective financial ability or capacity of nongovernmental or private section is considered as the most important means of this investment. Also specialists believe that each dollar of investment in tourism industry, 4000 dollars income will be invested in 20 years.

Unfortunately Iran in spite of many tourist attractions is in grade 75th among 150 members of world tourism organizations which it indicates the lack of enough attention to four essential principles of tourism industry, structure, learning, culture and hygiene (www.CHN.Ir).

The effect of investment in successful countries Tourism has become a main international industry and an important resource for income. According to statistics which has been done by world tourism organization in 2010, 1018 millions people have travelled (Masoomi 2005 p 10) and also it is foreseen that the number of tourists will be increased to 1.6 Milliards people and 2 Trillions dollars will be spent (International tourism meeting lectures 2001 p 51), so the policy of successful countries in tourism industry is that the government spends all capacities or abilities for making infrastructures and investing for providing possibilities and lets investments of other sections during tourism exchanges and for making new tourism services and products be spent, it is for this reason that the level of exploitation of investment increases in these countries rapidly (www.CHN.Ir).

No country is found that lacks required first capabilities for developing tourism, so every country can attract tourists by suitable investment in tourism field and increase the rate of economical growth and foreign income (Kargar, 2007, p 142).

Governments need to strengthen capacities in making suitable policies and strategies of tourism development and progression including participation and encouragement of local people (Movahhedi, 2007, p 58).

Tourist can make direct and indirect economical, social, cultural, environmental, and political profits and play a considerable role in national development. It is for those matters that different countries make effort for competition and trying for tourism development and attraction of more international tourists (Masoomi 2005, p 10).

Among Islamic countries, Egypt, Turkey, Malaysia, Emirates have more share in world tourism income.

From 1018 million tourists in 2010, share of Iran in attraction of tourists, even of Islamic countries is very low. Therefore we study tourism industry of Turkey for an example.

Tourism is one of the activist sections of Turkey which develops very rapidly.

Based on TUI institution of Germany 11 hotels of 100 better hotels of the world are located in Turkey. Turkey has obtained 23 milliard dollars in come in 2011 with 10.6 percent growth compared by 2010. This country tries to obtain the fifth order of Tourist country of the world based on its increasing growth trend during 10 past years.

According to report of culture and tourism minister of Turkey, the statistics show that 4.8 million German tourists more than every other country have travelled to Turkey, Russians with 3.4 million tourist and Britain with 2.5 million Tourists and Iranians with 2 million tourists have travelled to Turkey.

Bolgharestan, Holland, Georgia, France, Syria and American countries are located in next orders of interested people to travel to Turkey in 2011. Based on increasing growth of foreign tourists in Turkey which increases year by year, Turkey wants to be in first five countries, in tourism industry. This point is very important that this country located in seventh order of countries which attracted the most tourists in 2011 according by world tourism organization. According to same report, the number of tourists in Turkey was 10.4 millions in 2001 which increased to more than 31 million tourists in 2011. This means that the s of Turkey have been able to increase the number of foreign tourist there times during the last decade (www.CHN.Ir).

Principle tourism policies of Turkey are based on three principles:

1. Developing competitive and effective structure in industry.
 2. Creating the best social environment according to international measures and values for foreign and native tourists.
 3. Retaining and increasing natural resources and cultural heritages of country (Movahhedi 2006, p 220)
- So, finally it must be said that now countries of the world are going to remove many of barriers by increasing investment in tourism industry. Today, Turkey is being changed into tourism pole in regional level. This country has less tourist attractions such as historical monuments and historical or archeological culture and civilization than Iran. Therefore it is worth asking question from tourism authorities of Iran that why Islamic republic of Iran which is of 10 better countries of the world from tourist attraction point of view

according to statistics have not of tourists visiting Turkey (Resalat news paper, 2010).

Investment process in tourism industry of Iran Tourism industry is considered as the third income making industry after oil and automobile industries of new millennium and it is foreseen that it can be changed into the first income making order in the world level by paying specific attention to services in this millennium. It is for that reason that economic theorists of the world have had specific attention to investment in this industry and different countries try to have suitable investment in new opportunity.

Islamic Republic of Iran is going to develop tourism industry in order to replace purposes of oil incomes and has taken effective actions. Without doubt, Iran will be proposed as one of pioneer destinations not only in the region, but also in the entire world (world tourism meeting lectures, 2001, p 25). Iran has a frequent capacity in exact programming, specialist work, and secure investment to compensate previous failure or unsuccessfulness. Historical and archeological attractions, ecotourism and natural manifestations and valuable capacity which we can mention as an industrial tourist, in a country which there are native technologies and new era industries and oil industry of Iran has created a golden and specific opportunity as a cradle of this industry in middle – east which we can be hopeful for development of tourism industry by suitable investment (Kargar 2006, p 161).

Therefore Iran must provide suitable condition for, investors by suitable infrastructure from cultural and social point of view and encouraging policies from economical point of view and creating international exhibition in all fields, and as a result can develop tourism and increase the rate of domestic and foreign investments in Iran.

3 Required conditions for attraction of investment in tourism

In development theories, investment is considered as main factors of economical development. In this view, investment increases base activities and as a result increases the economical growth and by increasing of economical growth, the level of wages increases and the state of living improves. It is clear that investment increases occupation or job and decreases unemployment.

4 According to capabilities and capacities of tourism in Iran

Tourism section is of basic sections of economy in Iran which its development provides the development of many other economical activities, therefore the attraction of investment toward this section has effects beyond direct results of development of this section on economy of Iran. Therefore we must pay attention that activity in the field of attraction of native and foreign investors toward tourism section has obligations that we can mention movement in regular framework from one hand and maximum using of capacities and lawful encouragement from the other hand (Amirian 2008, p 3). Development of tourism industry in Iran which will have main share on economical development of Iran which is based on development in the present time in order to increase more income in the future and the best effort of every country and nation for economical development the amount of its investments. So it must be said that educational, research and official expenses for development of tourism industry has consumption expense aspect and production investment aspect which its yield will be clear in the future (www.Aryanews.com)

Thus, according to conditions, purposes and possibilities of each of interested people suitable strategy must be designed for the way of entering and kind of activity in short and long time for them. In this case, the role of government in way of entering and successful activity of private section is very determinant.

Because if suitable and realistic conditions are not governing, the possibility of failure of investments and making disappointment will be among other investors. Therefore it seems that following cases will be considered by the government:

1. Continuous monitoring of governing conditions on tourism section and effort for making consistency in tourism section.
2. Doing exact studied and recognizing investment opportunities in different places of country.
3. Presenting clear and exact information about general governing conditions on tourism section of country.
4. Producing investment packages containing required information of certain projects for investment including geographical specifications, the state of infrastructures, market condition and economical evaluation.
5. Using governmental credits as a complementary private investment for making required infrastructures.
6. Trying for facilitating of getting required permission from authorities.
7. Facilitating giving bank loans with low interest rate.

8. Cooperating with investors in execution of investment and effort for decreasing marginal matters and official or formal involvements (Amirian, 2008, pp 16-17).

Conclusion

For making a comprehensive and sustainable development and replacing of new resources of obtaining income instead of oil resources, we need to use all capabilities and possibilities. In this direction, development and investment in tourism industry which economists consider that the third progressive economical phenomenon after oil and automobile industries is considered as essential need of Iran. Attraction of investment is a way for speeding and moving of economy toward development and making jobs and can be used as a lever for accelerating development and economical growth. In addition, investment can result in improving management system and exchanging economical experiences and using new technologies in tourism industry. So, time will become that we can rarely find somewhere that is free from investment and this is a phenomenon that it cannot be denied.

Acknowledgments

The authors would like to thank for supporting by a grant from Department of Geography, Ardabil Branch, Islamic Azad University, Ardabil, Iran.

REFERENCES

1. Amirian, Saeed, 2008, facilitating rules and regulations of investment in tourism section of Iran, Hamadan, Nour-e-Elm publication.
2. Tootoonchi, Jalil and Reza zadeh, Hamid. Development of programs and studying of policies, occupation and tourism seminar, 2003.
3. Tourism International meeting lecture, peace and civilization dialogue, Tehran 2001.
4. Ragerdas, Vil (1999), tourism management, Translated by: Mohammad Erabi and Davood Yazdi, First edition, Tehran cultural research office.
5. Resalat Newspaper, 24th of October 2010.
6. Ziaie, Mahmood. Tourism geograhy, 2009, Tehran, Payam-e-Nour University publication.
7. Masoomi, Masoud, Nature of tourism, 2005, Tehran, Peyk-e-kosar publication.
8. Kargar, Bahman: Urban development and tourism industry in Iran, Tehran, 2007.
9. Islam, N, 2009, Tourism marketing in developing countries: A study of Bangladesh, PG researcher University of Srathclyde, Glasgow.
10. Ashe, John w, (2005) Tourism investment as a tool for development and poverty reduction. The experience in Small Island developing states (SIDS).