

## A Study on Tourism Capability in Kurdistan Region of Iraq: A Descriptive Analysis

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### Abstract

*This study examines the potential of investments in the tourism sector and their impact on local economic development in the Kurdistan Region of Iraq. In this study, a descriptive-analytical approach was used to check how tourism investment contributes to economic growth in the Kurdistan Region of Iraq. This study finds that the Kurdistan Region keeps natural and human components like attractive landscapes, skilled human resources, and cultural heritage making KRG a more attractive destination for tourism and increase in tourism investments. That is why tourism demand is continuously increasing due to political stability in this region. This study also finds that the volume of tourism investments increases due to the security, political, and economic stability in this region. Despite these opportunities, challenges remain such as infrastructural limitations, regulatory barriers, and investment inefficiencies and the study highlights why the strategic investment plan should maximize potential and ensure long-term economic growth in KRG and KRG further strengthen and develop the economy while making the key tourism destinations. Furthermore, the study concludes that it is necessary to develop a strategic plan for investments in the tourism sector which can contribute to achieving sustainable tourism development goals in the Kurdistan region which can also contribute of total investments to the growth of gross domestic products at the current price in Kurdistan Region for long term prosperity and economic resilience in the Kurdistan region of Iraq.*

**Keywords:** *Tourism Potential, Tourism Investment, Tourism Demand, Local Economy, Kurdistan Region*



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## 1. Introduction

Tourism has gained a prominent place in formulating strategies to achieve economic growth in developing countries ([Farooq et al., 2023](#)) by focusing on the components of tourism activity and areas of investment in it due to the contribution of tourism investments. In terms of gross domestic product and job opportunities, the Kurdistan Region of Iraq has many diverse tourism possibilities. There have been economic crises due to unstable security conditions and the spread of the coronavirus (COVID-19) in the Kurdistan Region and Iraq in general.

[Kumar & Nadda, \(2010\)](#) stated that the Kurdistan Regional Government has taken a few measures, including issuing laws and special legislation for investments, removing obstacles to provide an attractive climate for investors, and making way for the investment of local and foreign funds in various sectors, including the tourism sector as per ([Barros & Machado, 2010](#)).

## 2. Literature Review

### 2.1. *Tourism Investment:*

[Ülker, Ülker, & Karamustafa, \(2023\)](#) explore that most frequently, bibliometric research is conducted in the fields of hospitality, tourism, and management. Although evaluative methods are common in these studies, relational methods such as bibliographic coupling, co-authoring, co-wording, and co-citation analysis are less common. "Bibliometric analysis" and "tourism" are often studied together, according to relational research, with the most authorship collaboration between China and the US.

[Torres & Godinho \(2022\)](#) stated that despite its long history of contributing to innovation, tourism is usually overlooked in national innovation programs on tourism which can drive technical innovation by connecting with a variety of industries and proposes incorporating tourism into innovation efforts to optimize synergistic effects, influence politicians' attitudes, and shape future policy designs.

[Ismail and Abdul \(2021\)](#) stated the importance of diversification in the fields of tourism investment for economic development since it would avert the imbalance that would have occurred when focusing on one single area in the tourism sector. By being an analytic approach, this study underlined that the absence of a sharp vision from 2007 to 2012, inclusive of tourism management and its investment areas, has played a limited role in supporting the local economy. They also recommended that the focus of an investment strategy should be on basic infrastructure and enabling laws and regulations that will have tourism investment contribute to the GDP and GNP. [Hassan and Sali, \(2021\)](#) targeted ascertaining the effect of tourism investment on the economic development of Egypt, selecting data from 1980 to 2016 using induction and statistical methods. Indeed, their

research gave the premise that tourism investments contribute to increasing the country's GDP and are very contributive to both direct and indirect job opportunities. They recommended leaving the issue of trusting tourism investment to a single body to harmonize the procedures and the licensing for the convenience of the investors in that sector. The type of approach employed during the research by [\(Ismail and Abdul, 2021\)](#) was descriptive, with a standard analysis to ascertain how tourism investment has affected the GDP of the Kurdistan Region.

The data used in this analysis was between 2003 and 2008. Their results showed that there was a positive impact of tourism revenues on the improvement of the GDP in this region. Recommendations go toward raising investment financing with which they can coordinate, along with specialized financial institutions, to further support the tourism sector. A study [\(by Ali and Abdullah, 2020\)](#) presented the effects of tourism on the long-run economic growth of Chile. The data from 1988 to 2008 inclusive of the GDP of Chile, tourism expenditure, and real exchange rates were analyzed by using the descriptive analysis method. The result reflected that expenditure on tourists has a positive effect on economic growth and it was recommended that exemptions and incentives provided for various tourism activities may lead to further development in the tourism sector.

[Kheder and Ahmed \(2018\)](#) assessed one hypothesis tourism leads to economic growth in Malaysia. By using data from 1995 to 2016, this study applied the ARDL model and found that revenues from tourism and capital investments in the tourism industry contribute to positive Malaysian economic growth. Given the reasons for emphasizing the importance of factors of influence on tourism sector development for undesirable effects from the attention of decision-makers.

[Aziz and Rahman \(2019\)](#) investigated how tourism affects GDP growth in the Kurdistan Region and explored the variables of the tourism industry and it was proposed that prosperity engendered by tourism might alleviate economic stagnation and unemployment by encouraging the building up of tourism projects.

### **3. Research Problem**

Despite the great tourism potential of the Kurdistan Region, this natural and cultural resource is not being exploited properly. The region has beautiful natural landscapes such as mountains, rivers, and ancient monuments, but also a rich cultural heritage and human resources. Unfortunately, these resources have not been fully exploited to attract investment in tourism, which is crucial for economic development and economic diversification. Another problem is the uneven development of tourism in the central Kurdistan Region. Some areas have made moderate progress, while others have not, despite similar potential, leading to regional disparities. This reflects shortcomings in infrastructure, management, and planning that have decreased the

growth of the tourism sector and reduced its economic impact. The Kurdistan Region would not be able to maintain its position as a strong Iraqi and international tourist destination by exploiting these resources. Tourism can play an important role in creating jobs, supporting local businesses, and preserving cultural and natural heritage.

To address this issue, it is necessary to improve infrastructure, develop tourist destinations, and ensure fair investment. Through these initiatives, the Kurdistan Region can unlock its tourism potential and create a sustainable and successful industry that benefits society.

### ***3.1. Research Questions***

1. Does the Kurdistan Region of Iraq have diverse tourism potential that can attract investment in the tourism sector?
2. Does tourism investment contribute to the growth of the local economy?
3. Is there a difference in the volume of tourism investment between the governorates of the Kurdistan Region?

### ***3.2. Research Objectives***

1. To explore the tourism potential in the Kurdistan Region and its role in attracting tourists.
2. To study the volume of tourism investment in the Kurdistan Region and its role in the local economy.
3. To analyze the variation in tourism investment in the KRG.

### ***3.3. Significance of the Research***

The significance of the research lies in the following:

1. Tourism has a significant role in eliminating the unemployment that the Kurdistan Region suffers from.
2. Tourism has a role in attracting local and foreign investment, which has reflected positively in the growth of the local economy of the region.

### ***2.1. Research Method***

The descriptive analytical approach is a method of data analysis directed toward the summarization or description of the major features of a dataset stated ([Kothari, 2004](#))

In this study descriptive analytical approach was used to provide insight and give a clear understanding of characteristics, trends, and patterns of the changes relevant to

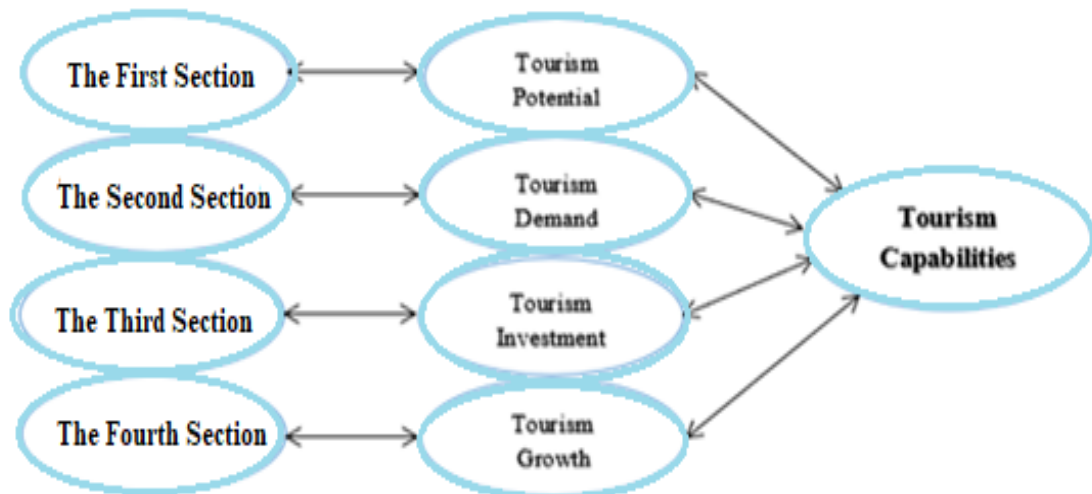
the available data on tourism potential, tourism investment, and its contribution to the local economy.

**2.2. Research Framework and Structure**

The method was useful in that it highlighted the present status of the tourism sector and showed those places that need improvement. In this study, secondary sources such as government publications and statistics on tourism were used to estimate the current state to obtain the views of key stakeholders: tourists, businesses, officials, etc. This approach gives an appropriate understanding of this region. Further, the research methodology here is inflicted by previous research which states that in studying tourism.

Descriptive analysis is very effective in producing extremely useful recommendations and for the research objectives, we used the descriptive analytical approach, by studying the available data for the period (2007-2022).

The research is divided into four main sections. The first section focused on showing the tourism potential in the Kurdistan Region, and the second section focused on tourism demand and tourism movement in the Kurdistan Region. The third section focused on the volume of tourism investment in the Kurdistan Region, while the fourth section focused on the role of tourism investment in the local economy. The data and graph and presented in a tabular format for more clarity.



**Figure 1: Conceptual Framework**

**Source:** Author owns rendition

3. The First Section:

Table (1) Tourism potential in the Kurdistan region of Iraq

Features	
<b>Natural Capabilities</b>	<p>The Kurdistan Region in Iraq has a diverse range of natural and human tourism potentials, resulting in high tourist demand during the four seasons, making it an attractive destination for tourism investment. Therefore, the Kurdistan Region of Iraq is eligible for tourism investment (<a href="#">Rasheed &amp; Ali, 2018</a>). The Kurdistan Region of Iraq, renowned for its natural features like climate, location, water resources, and diverse terrain, is a significant tourist destination. This makes it an important tourist destination (<a href="#">Ismail &amp; Abdul, 2021</a>). The importance of tourism is influenced by geographic location, which is a key determinant of an area's appeal since it affects both tourism demand and attraction. It calculates the distances between tourist departure locations and receiving sites and investigates potential locations close to regional and international tourist routes. Due to its accessibility and affordable travel and time costs, it is regarded as one of the more attractive destinations for tourists (<a href="#">UNWTO, 2019</a>).</p>
<b>Climate</b>	<p>The climate is a natural resource that determines the number of tourists. It is among the key elements influencing the beginnings and growth of tourism. The northern outskirts of the region are in locations that are distant from the latitude lines, which results in cold winter days. These areas are compared to the southern regions. According to <a href="#">Othman &amp; Zaki (2012)</a>, the Kurdistan Region's mountainous regions are regarded as the only place in Iraq where snow falls, which attracts tourists, particularly from the country's central and southern regions. The practice of various tourism activities in the various seasons is characterized by cold winters and snowfall.</p>
<b>Topography</b>	<p><a href="#">Hosseini, Amini, &amp; Nabavi, (2011)</a> stated that the Kurdistan Region, characterized by its diverse terrain, is a tourist destination due to its geological development. The region's highlands and mountains, such as Halkurd Peak in the Hasarost mountain range, set it apart from other regions in Iraq, allowing for various tourist activities. The highest mountain peaks in Kurdistan and Iraq, Qandil and Kara, reach heights of 3607 and 3448 m respectively. These peaks are characterized by beautiful natural landscapes, a quiet atmosphere, and numerous caves with geomorphological phenomena, making them attractive.</p>
<b>Water Resources</b>	<p>According to <a href="#">Khan &amp; Chelliah, (2008)</a>, tourist attractions rely heavily on fresh and saline water resources, including groundwater resources such as springs and surface water found in all seas and rivers. According to <a href="#">Sulaiman &amp; Mahmood, (2016)</a>, the Kurdistan Region boasts diverse forests, with 27.89% natural and 0.19% artificial, contributing to a softening atmosphere. It is a habitat for wild animals, birds, and various wild fruits, making it an ideal place for wildlife and fruit production.</p>

<p><b>Attractive Natural Areas</b></p>	<p>According to <a href="#">Henderson, (2017)</a> the Bara region, known for its attractive natural areas, is a popular destination for tourism, recreation, and entertainment. Its hot temperatures have attracted tourists from other Iraqi governorates, including Sulaymaniyah Governorate, Dohuk Governorate, and Erbil Governorate. Key resorts include Dokan Resort, Zuwa Resort, Sarchanar, Quwaib Qardagh Resort, Sawalif Resort, Kil Zinta, and others in Dohuk and Erbil Governorates. These resorts offer a variety of activities and attractions for visitors to enjoy during their stay.</p>
<p><b>Human Capabilities</b></p>	<p>According to <a href="#">Rasheed &amp; Ali, (2018)</a>, the Ancient Civilizations Group and American specialists have evaluated the economic development of the Kurdistan Region, revealing that there are approximately 1,300 archaeological sites and historical sites in the region. These sites reflect human developments throughout different eras and can be exploited to build the tourism industry. The Kurdistan Region is rich in archaeological sites that confirm the presence of ancient civilizations, including the oldest, making it an attractive destination for tourists.</p> <p><a href="#">Mazumdar &amp; Mazumdar, (2004)</a> stated that the Shandar Cave, one of the oldest human settlements, dates to 45,000 BC and is located on Mount Bradost in the northeast of Erbil Governorate. Erbil Citadel, built 6000 years ago, is in the city center. F Hazar Marad Cave, 50000 BC, is one of the oldest archaeological sites in Iraq. Jar, dating to Roman times, is in Dohuk Governorate. Religious tourism, one of the oldest types of tourism, is crucial for fulfilling spiritual needs, fulfilling religious duties, and learning about the state's religious heritage.</p>
<p><b>Complementary and Auxiliary Capability</b></p>	<p>According to <a href="#">Insch &amp; Stewart, (2011)</a>, the tourism sector's value is significantly influenced by its complementary and auxiliary capabilities, which include infrastructure projects, superstructure services like hotels, restaurants, and amusement parks, as well as essential services like water, electricity, transportation methods, and banks, which are crucial for both residents and tourists.</p>

#### 4. The Second Section:

##### 4.1. Tourism Demand:

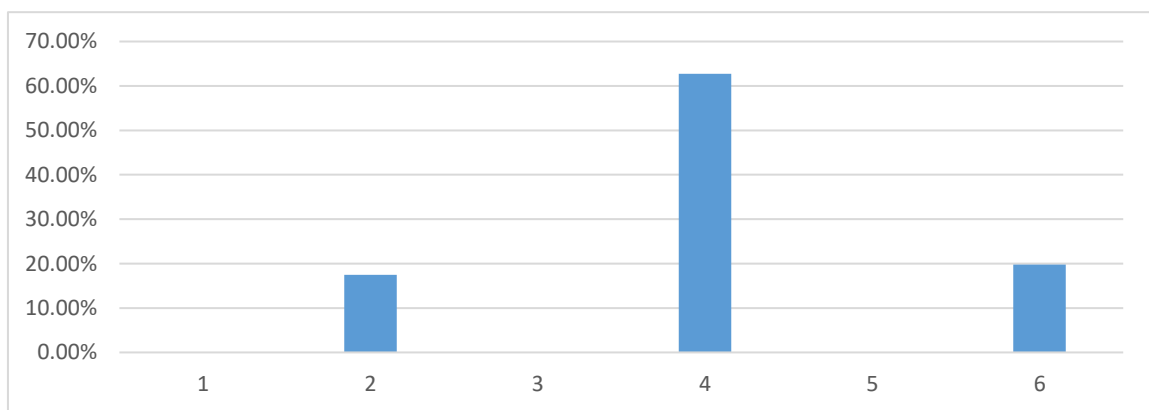
According to [Insch & Stewart, \(2011\)](#), tourist demand is considered part of general demand, but it is more complex. Tourist demand arises because of a person's psychological and spiritual motivation towards a specific place and is affected by many factors. The tourist must have time for sufficient income, physical ability, ease of movement, and safety for the individual to decide to travel. To a specific place and enjoy it, as tourism demand is specific and is directed towards a specific type of goods and services called the tourism product.

Among the definitions given regarding tourism demand is the total amount of tourism or acting and potential people have desire and ability to view the tourism goods and services offered to satisfy their needs, desires, ambitions, and inclinations during a

certain period (Henderson, 2017) as defined by (Song, Dwyer, Li, & Cao, 2012). It is the total number of people who want to travel to use tourist facilities and services in places far from their places of work and residence (Henderson, 2017). According to Henderson, (2017) stated that tourism is linked to the presence of tourist services available in countries and regions, these services represent a response to the desires and requirements of tourists. After the political changes in 2003, the Kurdistan Regional Government could attract the largest number of local and foreign investments, as the process of lending and building tourism projects and complementary services began, as well as a group of hotels that are classified as international hotels, and this was an important year to attract several more tourists from inside and outside the region.

**5.2. Tourism demand in the Kurdistan region is divided into two types.**

- a) **Internal tourism demand:** It represents the demand for tourism from residents of the region’s governorates and the rest of Iraq’s governorates. The volume of domestic tourism demand has increased in the Kurdistan Region because of the security stability that the region enjoys and the high standard of living of the population, in addition to the cultural, social, and the population’s need for entertainment and comfort, as tourism demand in the Kurdistan Region represents primarily the style of leisure and entertainment tourism.
- b) **External tourism demand:** External demand is represented by foreign tourists coming from outside the region and Iraq, and their visits are often primarily for commercial purposes or work. To know the reality of tourism demand in the Kurdistan Region. The following table shows the number of local tourists inside and outside the region and foreigners in the Kurdistan Region during the period 2007-2021.



**Figure 1: Local and Foreign Tourists Visit the Kurdistan Region from 2009-2021**  
**Source:** General Tourism Authority in the Kurdistan Region

**Table (2)** Local and Foreign Tourists visit the Kurdistan Region from 2009 to 2021

Year	Percentage change in foreign tourists	Number of foreign tourists	Percentage change of local/outside the region	Number of local/outside the region	Percentage change of local/intra-regional tourists in the territory	Number of local/intra-regional tourists in the territory
2009	59.9	132541	57.2	449193	10.19	209611
2010	46.78	194545	75.82	789760	57.21	329536
2011	22.08	237491	45.58	1149738	-4.36	315161
2012	82.62	433711	27.87	1470138	-0.64	313144
2013	28.8	558636	31.52	1933544	46.85	459847
2014	-54.29	255346	-48.24	1000762	-40.56	273326
2015	-67.16	83844	-47.34	526962	-37.27	171445
2016	348.58	376111	60.15	843949	123.59	383340
2017	0.51	378037	54.29	1302131	9.57	420042
2018	45.59	550376	45.59	1895738	45.59	611528
2019	23.95	682196	23.95	2349789	23.95	757998
2020	-87.94	82260	-71.45	670873	-87.78	92614
2021	816.76	754123	287.19	2597532	804.74	837914
<b>Compound Growth Rate</b>		<b>17.46%</b>		<b>62.75%</b>		<b>19.79%</b>

Source: General Tourism Authority in the Kurdistan Region

As the above table indicates the number of local tourists increased at varying rates from the year 2007 to 2009, but it decreased significantly in subsequent years due to the security and political unrest in the region, as in the year 2011. A series of protest demonstrations took place in the streets of the region, which led to a decrease in the number of local tourists to (-4.36%), and in the year in 2012, the Kurdistan Region's oil exports stopped amid a conflict with the central government as well as the Turkish Air Force's bombing of the Kurdistan Region's borders. This led to a decrease in the number of tourists (0.64%).

In the years (2014-2015) the number of tourists in the Kurdistan Region decreased significantly, as in the year (2014) the percentage change in the number of local tourists/within the region decreased to (40.56%) and local tourists/Increased in the region to (48.24%) and foreign tourists to (-54.29%). This is a result of the weak security stability in the region due to the war against ISIS and the occurrence of an internal financial crisis. In the year (2016), the relative security and political stability in the

Kurdistan Region allowed an increase in the number of tourists to the Kurdistan Region, as the percentage change in the number of local tourists/within the region reached (123.59%) and local tourists/outside the region (60.15%) and foreign tourists (348.58%).

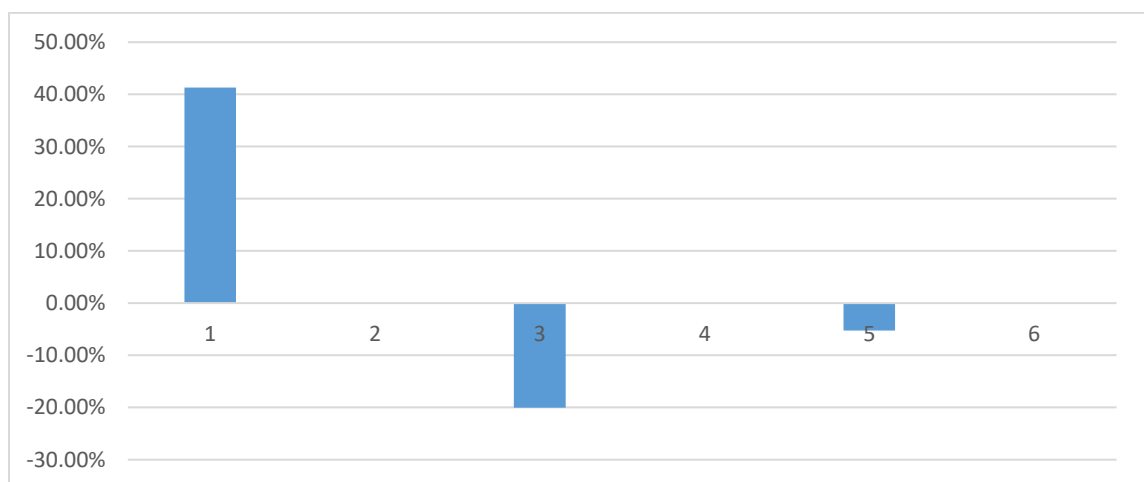
In the year (2020) the spread of the Corona pandemic (COVID-19) led to a sharp decline in the number of tourists in the Kurdistan Region, as the percentage of change among local tourists/within the region reached (87.78%) and local/external tourists. The region was reduced to (-71.44%) and foreign tourists (-87.94%). The number of tourists to the Kurdistan Region increased significantly in the year (2021) because of the waning of the coronavirus pandemic (COVID-19), in addition to security and political stability and the rise in standards, as the percentage of change increased.

The number of local tourists/within the region increased to (804.73%) local tourists/outside the region to (287.18%) and foreign tourists to 816.75%.

**5. The Third Section:**

**5.1. Tourism Investment:**

The Kurdistan Region has many potentials, including diverse tourism potentials supported by relative security and political stability. Therefore, the Kurdistan Regional Government has moved towards investing in its tourism potential through a series of measures to encourage investment and implement policies and laws that encourage local investors to invest their money in tourism projects and attract foreign investors. The regional government focused on creating a promising investment environment by removing obstacles and making room for investors to invest their money in tourism investment projects.



**Figure 2: Tourism Investment in The Kurdistan Region**

**Source:** General Tourism Authority in the Kurdistan Region

**Table (3)** Volume of Tourism Investment yearly

Years	Percentage of change in Erbil		Percentage of Change in Sulaymaniyah		Percentage of Change in Dohuk	
2007	39	-	402	-	65	-
2008	185	374.36	10	-97.51	318	389.23
2009	95	-48.65	200	1900	10	-96.86
2010	151	58.95	-	-	17	70
2011	618	309.27	4	-	11	-35.29
2012	126	-79.61	9	125	182	1554.55
2013	3009	2288.1	177	1866.67	130	-28.57
2014	107	-96.44	590	233.33	86	-33.85
2015	55	-48.6	-	-	1	-98.84
2016	5	-90.91	-	-	9	800
2017	14	180	-	-	24	166.67
2018	95	578.57	3	-	3	-87.5
2019	1018	971.58	3	0	7	133.33
2020	23	-97.74	88	2833.33	12	71.43
2021	6951	30121.74	14	-84.09	29	141.67
<b>Total</b>	<b>12491</b>		<b>1500</b>		<b>904</b>	
<b>Compound Annual Growth Rate</b>	<b>41.28%</b>		<b>-20.05%</b>		<b>-5.24%</b>	

Source: The Investment Commission in the Kurdistan Region, Annual Reports for Investment in the Kurdistan

As the above table indicates the volume of tourism investments in the governorates of the Kurdistan Region varies from year to year, as in the year (2007) the volume of tourism investment in Erbil Governorate reached (39) million dollars, and in Dohuk Governorate (65) one million dollars in Sulaymaniyah Governorate (402) million dollars and this may be the result of the nature and mountainous terrain that characterizes the Sulaymaniyah Governorate, which made it an attractive tourist destination for investment.

The volume of tourism investment in the governorates of the region increased significantly in the years (2012-2013) and the year (2012). The volume of tourism investment in Dohuk Governorate reached (182) million dollars, with a percentage change of (1554.55%), while in the year (2013) the volume of tourism investment in Erbil Governorate reached (3009) million dollars, with a percentage change (2288.10%),

and in Sulaymaniyah Governorate one million dollars, with a change rate of (1866.67%), as a result of security, political and economic stability which characterized the region of Governorate decreased. The volume of tourism investment in the Kurdistan Region decreased in the years (2014-2016), as the volume of tourism investment in Erbil to 107 million dollars, a change of (96.44%) in the year (2014) and 5 million dollars percent A change of (-90.91%) in the year (2016), and in Dohuk Governorate, the volume of tourism investment decreased to one million dollars, with a change of (98.84%) in the year (2015), while in the Sulaymaniyah Governorate, no political project was implemented alive in years) (2015-2016), as a result of the lack of security stability due to the war against ISIS in Iraq, including the Kurdistan Region, as well as the internal financial crisis.

The volume of tourism investment in the region increased significantly in the year (2019), as the volume of tourism investment in the Erbil Governorate reached (1018) million dollars, with a change of (971.58%), and in the Dohuk Governorate 7 million dollars. EUR/USD with a change rate of (133.33%).

## **6. The Fourth Section:**

### ***6.1. Tourism Investment and Economic Growth of the Local Economy:***

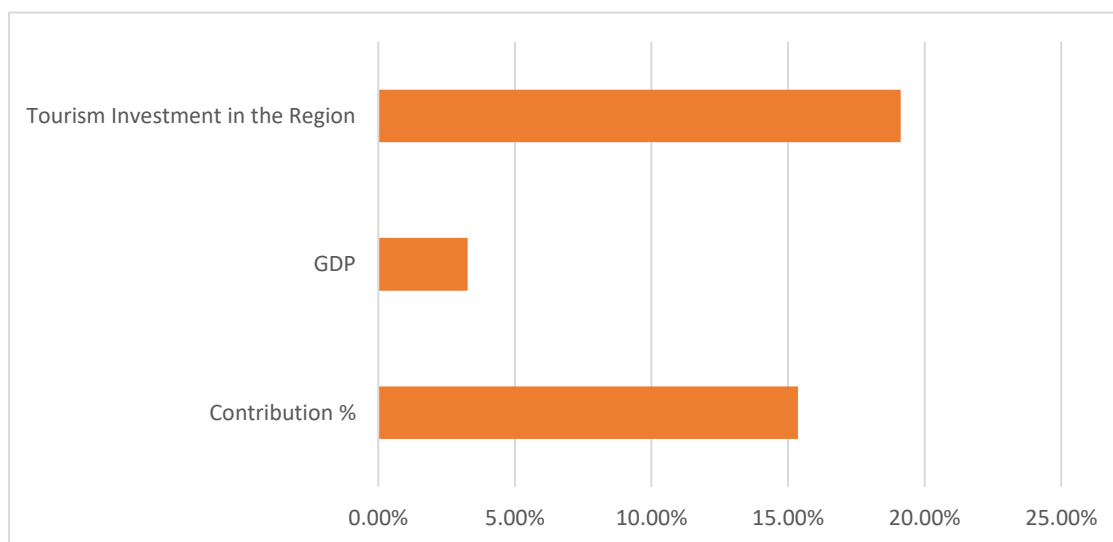
Tourism investment is having great importance in advancing the economy in the Kurdistan Region of Iraq, as it is considered one of the important economic activities in achieving growth and development, increasing capital formation, and an important means of reducing the level of unemployment and intending to with sources of income, to demonstrate the contribution of tourism investment to some local economic indicators in the region Kurdistan. We use some indicators, including:

### ***6.2. Economic Growth Index:***

Economic growth aims to develop production, achieve optimal use of available economic resources, and improve living standards. Economic growth is one of the most important goals of the country's development.

1. The economic development that countries seek to develop their economies and achieve prosperity for their societies because it reflects the reality of the country's economic performance.
2. Economic growth is the appearance of an increase in the gross domestic product or the growth of the gross national income, which leads to an increase in the average per capita share of income. Growth must occur without the occurrence of problems such as inflation and usually not in the balance of payments ([Ismail & Abdul, 2021](#)).

3. Economic growth is measured using the gross domestic product, which is defined as “the market value of the final goods and services produced by society or the local economy during a specific period” (Hassan & Salih, 2021).



**Figure 3: The contribution of tourism investment to the growth of gross domestic product (GDP) at current prices in the Kurdistan Region during the period (2007-2021)**

**Source:** General Tourism Authority in the Kurdistan Region

**Table (4)** The contribution of tourism investment to the growth of gross domestic product (GDP) at current prices in the Kurdistan Region during the period (2007-2021)

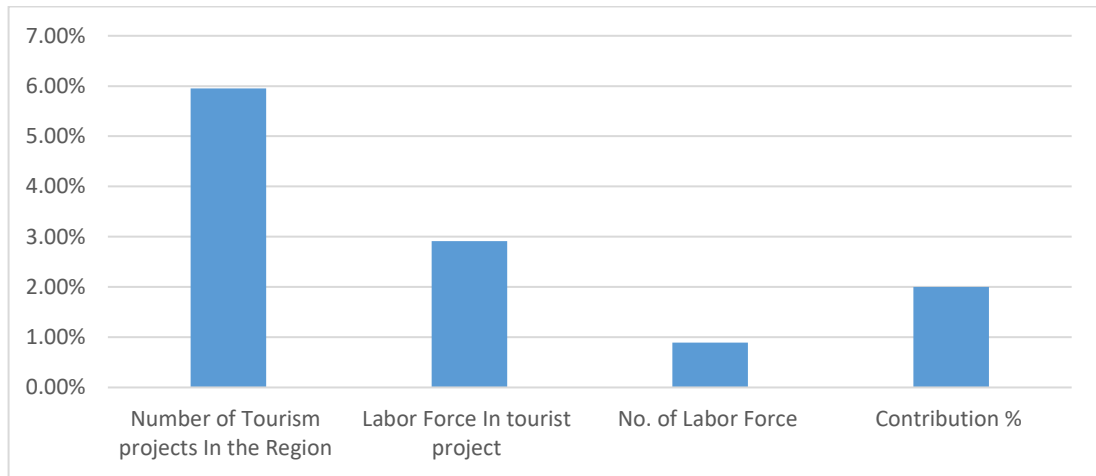
Years	Contribution %	GDP	Tourism Investment in the Region
2007	4.13	12273	507
2008	2.48	20724	514
2009	1.55	19645	305
2010	0.85	19866	168
2011	3.09	20513	633
2012	1.34	23667	318
2013	11.44	29000	3317
2014	2.9	26951	784
2015	0.21	26165	56

2016	0.06	24149	15
2017	0.15	26022	38
2018	0.36	27896	101
2019	3.46	29769	1029
2020	0.4	30651	123
2021	35.2	19874*	6995
<b>Compound Annual Growth rate</b>	<b>15.36%</b>	<b>3.27%</b>	<b>19.12%</b>

Source: General Tourism Authority in the Kurdistan Region

In the above table indicated in the year 2007, the contribution of the region's tourism investment to the gross domestic product of the Kurdistan Region was (4.13%). This percentage varied in the following years, but now it reached (11.44%) in the year (2013) and that is due to the high volume of tourism investment in the region because of the security, political and economic stability in the region at that time. The contribution of tourism investment in the region to the region's gross domestic product in the year (2014) decreased to (2.90%) due to the security unrest in Iraq, including the Kurdistan Region, because of the war against ISIS. The outbreak of ISIS and the occurrence of the internal financial crisis, it continued to decline until it reached (0.06%) in the year (2016), and this continued to decline until the year (2017) when the contribution of regional tourism investment to the region's gross domestic product reached (0.15%) due to the turmoil in the situation. Political conflicts between the regional government and the central government because of holding a regional independence referendum in Kurdistan.

In the year (2020), the contribution of the region's tourism investment to the region's gross domestic product decreased to (0.40%) as a result of the spread of the Corona pandemic (Covid-19) and the imposition of quarantine in the regional and worker, but in the year (2021) the investment was achieved tourism in the region had the highest contribution rate to the region's gross domestic product during the study period, as its contribution rate reached (35.20%), and that was after a relative decrease in the Corona pandemic (Covid-19), in addition to the facilities and The incentives provided by the regional government to encourage investors. The tourism sector is considered one of the most important sectors that provide job opportunities because it depends on other sectors. This means the possibility of investing primarily in human resources, as it is characterized by interconnection with tourists on generating job opportunities goes beyond the borders of the tourism sector and extends to other sectors that Provide it with production requirements, statistics and studies indicate that the tourism sector absorbs (11%) of the total workforce in the world.



**Figure 4: Percentage of labor contribution in tourism projects in the Kurdistan Region in the general labor force.**

**Source:** General Tourism Authority in the Kurdistan Region

**Table (5)** Percentage of labor contribution in tourism projects in the Kurdistan Region

Years	Number of Tourism Projects in the Region	Labor Force In tourist project	No. of Labor Force	Contribution %
2007	8	21493	1033978	2.08
2008	15	22624	1066523	2.12
2009	8	23815	1099067	2.17
2010	11	25068	1131612	2.22
2011	9	26387	1164156	2.27
2012	23	27776	1196701	2.32
2013	23	29238	1339687	2.18
2014	16	15777	1075656	1.47
2015	3	12397	1382285	0.9
2016	5	23413	1146918	2.04
2017	7	29281	1259200	2.33
2018	13	30173	1120848	2.69

2019	13	31448	1220073	2.58
2020	9	32245	1094098	2.95
2021	19	33041	1181591	2.8
<b>Compound annual growth Rate</b>	<b>5.95%</b>	<b>2.91%</b>	<b>0.89%</b>	<b>2%</b>

Source: General Tourism Authority in the Kurdistan Region

The above table indicates that the year (2007) the percentage of labor contribution in the tourism sector in the region to the labor force in general region reached (2.08%) and continued to grow at varying rates until the year (2012) when the number of laborers in the region reached tourism sector in the region (27776) with a contribution rate (2.32%) of the general workforce in the region, as a result of the increase in the number of projects in the field of tourism in the Kurdistan Region as a result of the availability of security, political and economic stability. In the year (2013) the contribution decreased the number of workers in the tourism sector region in the general workforce in the region, this is due to the increase in the number of general laborers in the region. In the years (2014-2016) the contribution of the labor force in the tourism sector decreased in the region in the number of general laborers. Tourism revenues were affected at that time because of the security unrest in Iraq, including the Kurdistan Region. As a result of the war against the ISIS organization, in addition to the financial crisis within Iraq and the region, the percentage of labor contribution in the tourism sector in the region to the general labor force in the region reached (0.90%) in 2017 (0.90%) in 2015 respectively and which is the lowest percentage of contribution achieved by the workforce in the tourism sector during the period of the study.

In the years (2018-2019) the contribution of the number of workers employed in the tourism sector in the region to the general labor force in the region increased, reaching (2.69%) in the year (2018) and (2.58%) in the year (2019). As a result of the stability of the political situation and the security and economic situation in the region at that time. In the year (2021) the contribution of the number of workers in the tourism sector in the region to the general labor force in the region decreased to (2.80) despite the relative decrease due to the Corona pandemic (Covid-19), and this may be a result of an increase in the number of general laborers in the region.

## 7. Discussion and Conclusions

The Kurdistan Region has enormous tourism potential that varies between natural and human resources and is characterized by its unique geographical distribution, which makes the Kurdistan Region an attractive tourist destination for tourists. Tourism demand

is considered a demand for security, and political and economic conditions. Therefore, the security, political, and economic stability in the Kurdistan Region leads to an increase in the number of tourists in the region, and if any disturbance occurs any security political or economic that affects the tourism sector negatively.

The volume of tourism investment in the Kurdistan Region is linked to the general conditions in the region, as the volume of tourism investment increases in years characterized by security, political and economic stability, such as security disturbances and Political and economic factors lead to a decrease in the volume of tourism investments in the Kurdistan Region of Iraq. The spread of the Coronavirus (COVID-19) has hurt tourism activity in the Kurdistan Region of Iraq, as it led to a decrease in tourism investment and tourism demand in the Kurdistan Region, due to the imposition of travel restrictions and quarantine.

The volume of tourism investment varies between the governorates of the Kurdistan Region from year to year. In the year (2021) with the security and political stability in Iraq and the region, Erbil Governorate received the largest share of tourism investment. In terms of the size and number of projects, (9) tourism projects were conducted with a size of (6) billion dollars, due to it being the capital of the Kurdistan Region as well as the availability of many infrastructural services necessary for tourism investments. Investment in the tourism sector is one of the important investments that affect the local economy, and its activation leads to an increase in the regional gross domestic product, which is reflected in the development of other economic sectors.

## **8. Recommendations**

Working to make effective use of the tourism potential available in the region by investing all natural and human resources to maximize the contribution of the tourism sector to achieving economic growth. The necessity of working to provide and maintain economic, security, and political stability in the region is to attract the largest number of local and foreign investors. The necessity of working on foreign demand (foreign tourists) by working to activate all types of tourism in the region and working to improve tourism services. It is necessary to work to encourage investors to invest in all the governorates of the region to achieve a kind of balance in tourism projects between the governorates to exploit all the tourism potential in the Kurdistan Region. Work to develop strategic plans for tourism investment so that the tourism sector contributes to achieving sustainable development.

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