INTERNATIONAL TOURISM IN D-8 MEMBER STATES:

STATUS AND PROSPECTS

ORGANISATION OF ISLAMIC COOPERATION

STATISTICAL, ECONOMIC AND SOCIAL RESEARCH
AND TRAINING CENTRE FOR ISLAMIC COUNTRIES

SESRIC

INTERNATIONAL TOURISM IN D-8 MEMBER STATES:

STATUS AND PROSPECTS

ORGANIZATION OF ISLAMIC COOPERATION

THE STATISTICAL, ECONOMIC AND SOCIAL RESEARCH AND TRAINING CENTRE FOR ISLAMIC COUNTRIES (SESRIC)

Kudüs Cad. No: 9, Diplomatik Site, 06450 Oran, Ankara –Turkey
Telephone : +90–312–468 6172
Internet : www.sesric.org
E-mail : pubs@sesric.org

 Cover design by Savas Pehlivan, Publication Department, SESRIC.

ISBN: 978-975-6427-51-4

For additional information, contact Research Department, SESRIC through: research@sesric.org

Contents

Foreword

Over the past few decades, international tourism activity has shown substantial and sustained growth in terms of both the number of tourists and tourism receipts. Like many other groups of developing countries, D-8 countries benefited from such a positive change. D-8 countries attracted around 97 million tourists in 2015, compared with 85 million in 2011. International tourism receipts in D-8 countries also increased by about $4.5 billion during the period 2011-2015 and reached $77.2 billion in 2015. Similar trends are present in intra-D-8 tourism, where intra-D-8 tourist arrivals increased from 6.6 million in 2011 to 7.6 million in 2015. Intra-D-8 tourism receipts also went up from $5.8 billion in 2011 to $6.4 billion in 2015.

Despite these positive trends, tourism activities are still concentrated in a few countries within the group of D-8 countries. With a view to collectively developing a sustainable tourism sector in all D-8 countries, there is a need for developing a comprehensive, evidence based and long-term strategies at both the national and inter-group levels. In this connection, through its technical collaboration with the D-8 General Secretariat, SESRIC endeavours to contribute to these efforts of the D-8 countries, which are also members of the OIC, in achieving a sustainable tourism industry.

Given its accumulated knowledge and experience over the last 40 years in supporting the socioeconomic development of OIC countries, SESRIC started to transfer these knowledge and experience to its partners. Within this framework, SESRIC has technically supported the D-8 General Secretariat in developing a statistical database and prepared research studies on the member countries of the D-8 Organisation on different socioeconomic areas, including overall economic outlook, agriculture, transport and energy. Following this cooperation trend, SESRIC prepared this report on international tourism in D-8 countries with a view to examining the performance of individual D-8 countries and evaluating economic role of international tourism sector in these countries. The report also elaborates on the challenges ahead of the tourism industry in D-8 countries and proposes some recommendations to serve as broad policy guidelines to overcome these challenges.

Amb. Musa Kulaklıkaya
Director General
S E S R I C

1 Introduction

Defined by the United Nations World Tourism Organisation (UNWTO), international tourism comprises the activities of individuals travelling to and staying at places outside their usual permanent places of residence for a period not exceeding 12 months for leisure, business and other purposes. Based on this broad definition, the tourism industry includes all socio-economic activities that are directly and-or indirectly related to the provision of goods and services to tourists. The UNWTO identifies 185 supply-side activities that have significant connections to the tourism sector (UNWTO, 2003). These activities include the services of various sectors, such as transportation and communication, hotels and lodging, food and beverages, cultural and entertainment services, banking and finance, and promotion and publicity services. Defined by this impressive network of socio-economic activities and the infrastructure needed to support it, tourism is one of the largest sectors in the world as well as an important category of international trade.

Over the past few decades, international tourism activity has shown substantial and sustained growth in terms of both tourism revenues and number of tourists, and has left broad economic, social, cultural and environmental footprints reaching almost every part of the globe. International tourism activity generates significant economic benefits to tourists' host and home countries alike. According to the UNWTO, the number of international tourist arrivals increased from 998 million in 2011 to 1,235 million in 2016, corresponding to an average annual growth rate of 4.4 per cent. The revenues generated by those tourists, i.e. international tourism receipts, in terms of current US dollar prices, increased from $1,073 billion to $1,220 billion in the same period, corresponding to an average annual growth rate of 2.6 per cent. In 2016, the world tourism revenues amounted to $3.34 billion per day or $988 per tourist arrival.

International tourism activity is also characterized by a continued increase in geographical spread and diversification of tourist destinations and products. Although the bulk of international tourism activity is still concentrated in the developed regions of Europe and the Americas, a substantial proliferation of new tourist-receiving markets is also observed in the developing regions. According to the UNWTO data, the two traditionally high tourist-receiving regions, Europe and the Americas attracted, together, 70.7 per cent of the world's total tourist arrivals in 2011. Yet, by 2016, this share declined to 66.9 per cent in favour of the developing regions such as the Asia & Pacific. Between 2011 and 2016, the recorded decrease in the share of Europe in the world tourism receipts was the most substantial among other regions that went down from 44.8 per cent to 36.7 per cent in favour of the developing regions in the world. International tourism has turned into one of the main economic activities and an important source of foreign exchange earnings and employment in many developing countries. Therefore, in recent years, tourism development has been given much attention in the national development strategies of many developing countries, and placed on the agenda of many recent international conferences on sustainable development.

With their rich and diverse set of natural, geographic, historical and cultural attractions, D-8 countries, as a group, possess a significant potential for the development of a sustainable international tourism sector. Yet, the share of D-8 region in the world tourism market is still modest where in 2015, D-8 countries, as a group, accounted for only 8,3 per cent of the global international tourist arrivals and 5.6 per cent of their tourism receipts. International tourism activity is also still concentrated in only a few D-8 countries, where only Turkey and Malaysia accounted for 67.2 per cent of total D-8 tourist arrivals and 68.6 per cent of D-8 tourism receipts. This state of affairs, apparently, indicates that a significant part of the tourism potential in these countries remains underutilised. The problems facing tourism and the development of a sustainable international tourism sector in D-8 countries are diverse as each country has its own tourism-related characteristics, level of development and national development priorities and policies. Nonetheless, it is a fact that tourism can play a significant role in the socio-economic development of many D-8 countries, if it could be properly planned and managed. This is true not only due to their existing and potential rich tourism resources, but also because their citizens travel in large numbers around the world for business, leisure and other purposes.

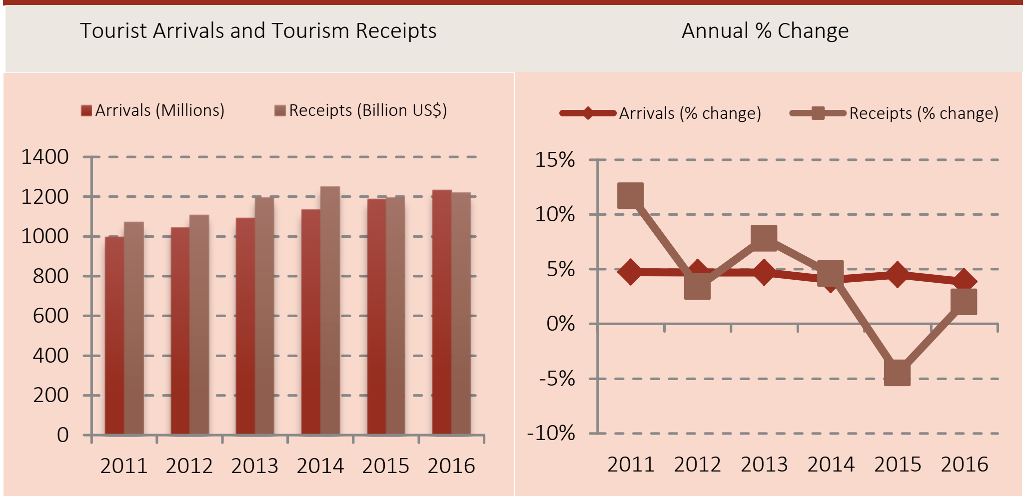
Another promising factor for D-8 countries in the domain of tourism is the emergence of Islamic (Halal) tourism. An increasing number of people living in D-8 countries prefer using tourism facilities and services designed in line with the Islamic principles. According to the latest estimates, the demand for Islamic (Halal) tourism will continue to grow and is expected to reach $200 billion by 2020. The positive trend seen in Islamic tourism not only boosts the overall tourism sector in D-8 countries but also helps to increase intra-D-8 tourism activities.

Given this state of affairs, this report attempts to assess the performance and economic role of the international tourism sector in D-8 countries in the latest five-year period for which the data are available. It analyses the two traditionally used indicators in measuring international tourism, i.e. international tourist arrivals and international tourism receipts. The analysis is made at both the individual country and D-8 regional levels. The Report dedicates a section to the Islamic tourism topic, which constitutes a great potential for the development of the tourism sector in D-8 countries. In the final chapter, the Report sheds light on the challenges of tourism development in D-8 countries and the issue of tourism cooperation among them and proposes some recommendations to serve as broad policy guidelines to which the attention of these countries needs to be drawn.

2 International Tourism Worldwide: Overview

The number of international tourist arrivals worldwide increased from 998 million in 2011 to 1,235 million in 2016, corresponding to an average annual growth rate of 4.4 per cent. In the same period, international tourism receipts, in current US dollar prices, increased from $1,073 billion to $1,220 billion, corresponding to an average annual growth rate of 2.6 per cent (Figure 2.1). In terms of worldwide regional distribution, Europe, the Asia & Pacific and the Americas were the top three main tourist-receiving regions in 2011. They attracted, respectively, 519.9, 221.6 and 155.7 million tourists, corresponding to 54.4, 23.2 and 16.3 per cent of the world tourism market in 2011 (Figure 2.2). Over the period 2011-2016, the world international tourist arrivals followed a positive and stable annual growth pattern. In the same period, growth in international tourism receipts stayed well above 2 per cent except in 2015, which was mainly due to the exchange rate fluctuations in developing countries.

Figure 2.1: Worldwide International Tourism

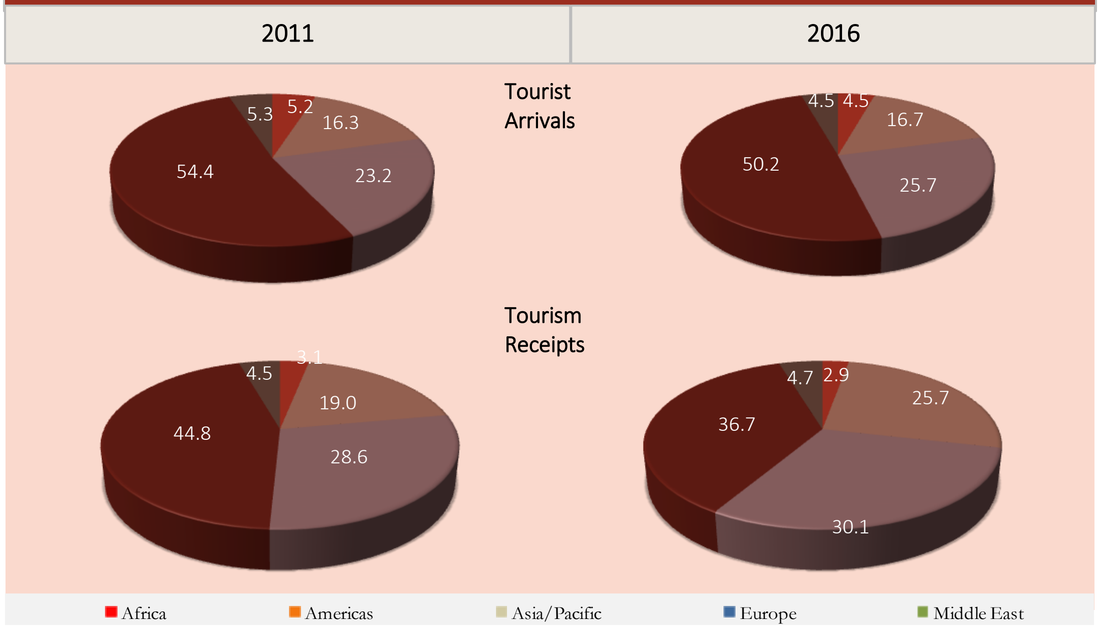


Source: UNDATA Online Database and UNWTO World Tourism Barometer (various issues)

Since international tourism is characterised by a growing tendency for tourists to visit new destinations, coupled with the diversification of tourism products as well as increasing competition in international tourism markets, new destinations are steadily growing at a faster pace in many developing countries, particularly located in the Asia & Pacific region.

Therefore, these regions experience a remarkable increase in their share in the world tourism market. For example, the Asia & Pacific region, mostly consisting of developing countries, experienced the highest annual growth rate of tourist arrivals measured at 6.9 per cent over the period 2011-2016. It was followed by Americas and Europe with annual average growth rates of 5.1 per cent and 3.4 per cent, respectively. Africa, as a developing region, achieved a remarkable increase in international tourist arrivals with an average annual growth rate of 2.9 per cent during the period under consideration. In contrast, Middle East could not improve its overall performance significantly due to the on-going conflicts and political instability in the region. Nevertheless, the number of international tourist arrivals in this region went up from 50.3 million in 2011 to 53.6 million in 2016, corresponding to a 1.3 per cent average annual growth rate (Figure 2.3).

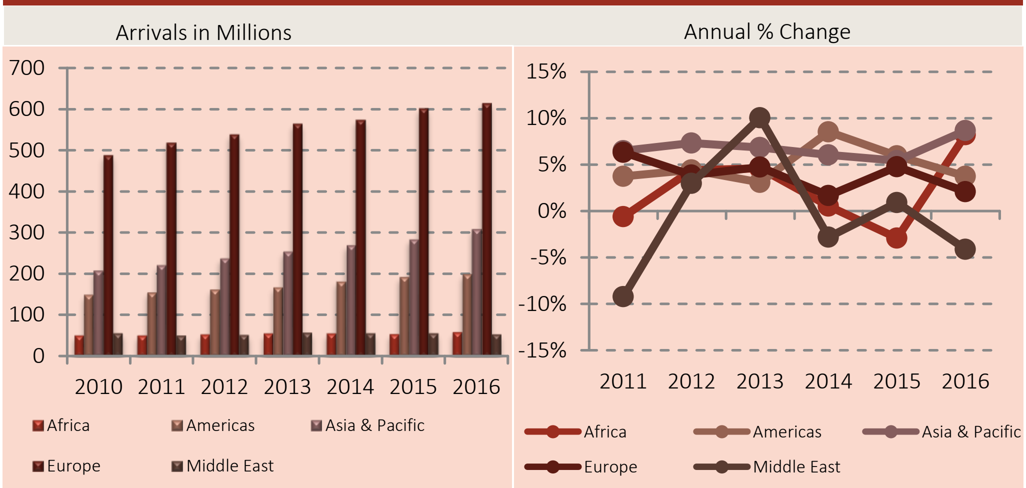
Figure 2.2: International Tourism by Region (% of World Total)



Source: UNDATA Online Database and UNWTO World Tourism Barometer (various issues)

During the period 2011-2016, the Asia & Pacific and the Americas were the only two regions that achieved to increase their share in the world tourism market in terms of the number of tourist arrivals. The share of the Asia & Pacific region went up from 23.2 per cent in 2011 to 25.7 per cent in 2016 (Figure 2.2). The share of the Americas region in world also increased slightly from 16.3 per cent in 2011 to 16.7 per cent in 2016. Despite seeing growth in terms of world tourist arrivals, a substantial decrease was observed in the share of Europe in world tourist arrivals that went down from 54.4 per cent in 2011 to 50.2 per cent in 2016. The international tourism receipts in Europe also decreased from $466.7 billion to $447.4 billion in the same period (Figure 2.4). A major reason behind this picture is the on-going economic uncertainty in several European countries that affected expenditures of European tourists negatively. The Africa region received a smaller share in world tourist arrivals and tourism receipts in 2016 when compared to 2011. In this period, its share in arrivals decreased from 5.2 per cent to 4.5 per cent and its share in receipts went down from 3.1 per cent to 2.9 per cent (Figure 2.2). African countries not only need to focus on increasing international tourist arrivals but also try to find ways to boost receipts from tourism through diversifying tourism activities (e.g. beach vs. mountain) and developing alternative tourism types (e.g. balloon safari tours) as well as implementing market-targeting strategies (trying to attract more tourists from countries with a higher consumption tendency).

Figure 2.3: International Tourist Arrivals by Region

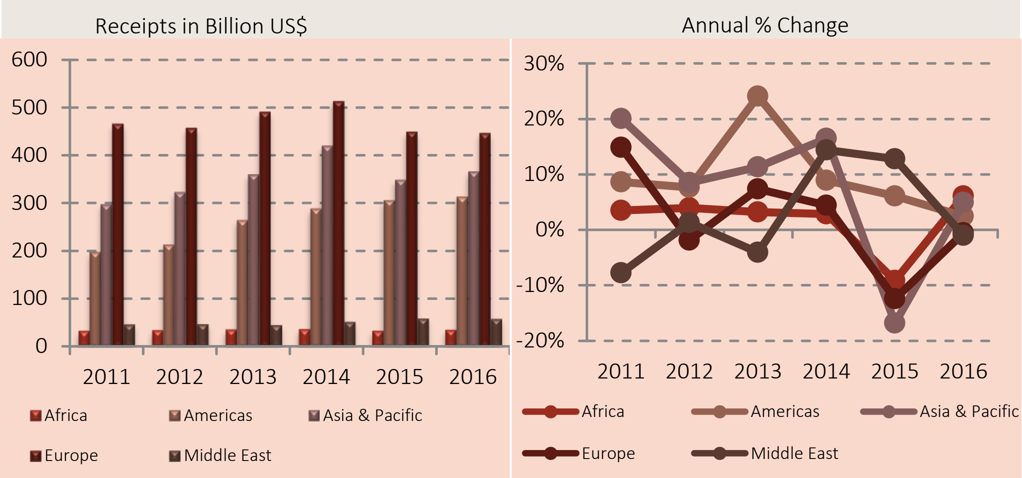


Source: UNDATA Online Database and UNWTO World Tourism Barometer (various issues)

Figure 2.2 also shows that Europe and Asia/Pacific regions were continuing as strong performer regions in the world tourism market in both 2011 and 2016. In 2016, these two regions accounted for 67 per cent of all international tourism receipts and 76 per cent of all international tourist arrivals.

As countries tend to reach their normal economic growth rates after the global economic recovery, the number of tourist arrivals started to follow a more stable trend between 2011 and 2016. Given the exchange rate fluctuations mostly seen in developing economies, the worldwide tourism receipts showed some booms and boosts between 2011 and 2016 (Figure 2.1, right and Figure 2.4, right). This bears an important uncertainty item for many developing countries that are relatively more dependent on tourism activities, which are generating substantial amount of foreign currency income and fuelling economic growth.

Figure 2.4: International Tourism Receipts by Region



Source: UNDATA Online Database, UNWTO World Tourism Barometer (various issues)

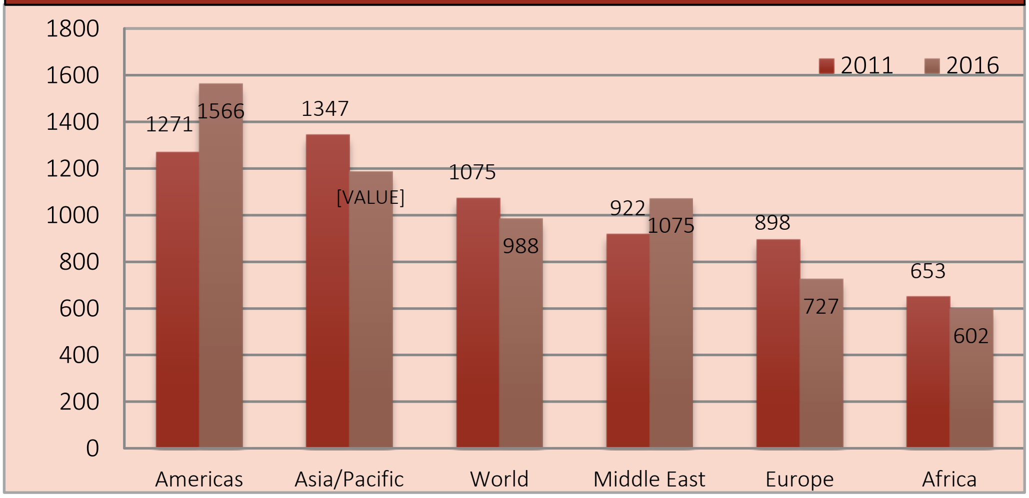
In 2011, international tourism activity continued to grow and reached 998 million international tourist arrivals and $1,073 billion international tourism receipts. It is observed that as a reflection of the economic conditions, economic recovery was particularly strong in emerging economies. Between 2011 and 2012, the Asia & Pacific region recorded the highest annual growth in terms of international tourist arrivals (13.5 per cent). In both 2012 and 2013, all five regions saw increases in terms of international tourist arrivals. As a result, international tourist arrivals went up from 1,045 in 2012 million to 1,093 million in 2013 where the receipts increased by $87 billion (Figure 2.3, left and Figure 2.4, left).

In 2014, worldwide tourist arrivals reached 1,137 million and tourism receipts went up to $1,252 billion. America and Asia & Pacific recorded the highest growth rates in terms of international tourist arrivals, 8.5 per cent and 6.1 per cent, respectively. In the same year, Europe recorded a growth rate in international tourist arrivals (1.7 per cent). The Middle East and Africa experienced difficult times due to social movements and increased safety & security concerns that resulted in the diversion of travelling demand away from the Middle East and Africa, explaining why a significant portion of the international tourism activity was concentrated within the other regions.

In 2015, international tourist arrivals continued to recover where international tourist arrivals grew by 4.5 per cent and reached 1,189 million. However, it is observed safety and security concerns in some countries in the Middle East and Africa regions affected the overall tourism performance of these two regions. As a result, international tourist arrivals continued to display a negative trend or a growth rate less than 1 per cent in these regions.

As of 2016, international tourist arrivals hit 1,235 million and tourism receipts reached $1,220 billion, corresponding to 3.9 per cent and 2 per cent increase over the previous year, respectively. In particular, a strong growth was recorded in Asia & Pacific and Africa regions in terms of international tourist arrivals, that increased by 8.7 per cent and 8.2 per cent, respectively. As a reflection of the positive trends seen in tourist arrivals, tourism receipts also grew by 6.1 per cent in Africa and 4.9 per cent in the Asia & Pacific region (Figure 2.3 and Figure 2.4). On the contrary, international tourist arrivals and tourism receipts in Middle East contracted by 4.1 per and 1.0 per cent, respectively. In the same year, the highest growth rate in terms of international tourism receipts was observed in the Africa region (6.1 per cent) followed by Asia & Pacific (4.9 per cent) and Americas (2.5 per cent). International tourism receipts recorded negative growth rates in Europe (-0.5 per cent) and Middle East (-1.0 per cent) in 2016 (Figure 2.4).

Figure 2.5: International Tourism Receipts per Arrival 2011 vs. 2016 (US$)



Source: UNDATA Online Database and UNWTO World Tourism Barometer (various issues)

Overall, while the trends in tourism receipts followed, in general, similar patterns to those in tourist arrivals, the average growth rates of tourism receipts and the regional shares in world total were somewhat different. The existing differences seen between the change in the international tourist arrivals and the change in the international tourism receipts can be attributed to the exchange rate differences and tourism strategies implemented (e.g. higher value added generating tourism). In economic austerity, international tourists typically do not react so much by refraining from travel, but by trading down; i.e. choosing, for instance, shorter stays in less expensive destinations closer to home, with travel and accommodation in lower categories As economic recovery takes place they tend to spend more during their holidays and stay longer at their destinations. In this context, the growth rates of tourism receipts and tourist arrivals may differ remarkably stemming from the above-mentioned factors.

Two specific examples from the Americas and Asia & Pacific regions can be illuminating. Americas recorded an annual average growth rate of 5.1 per cent over the period 2011-2016 in tourist arrivals. In the same period, tourism receipts in Americas grew, on average, annually by 9.6 per cent, which was significantly higher than the growth rate observed in tourist arrivals. On the other hand, in the same period, in Asia & Pacific, the average annual growth rate calculated for tourist arrivals and tourism receipts were equal to 6.9 per cent and 4.2 per cent, respectively.

The existence of these differences in growth of tourist arrivals and receipts is mainly because the international tourism receipts per arrival vary as each region has its own touristic characteristics in terms of the length of stay of tourists, purpose of visit, geographical distance, etc. Moreover, the variations in exchange rates affect the value of tourism receipts that is measured in US$ terms. In this context, the world tourism receipts per arrival in 2016 amounted to $988 that was $87 less than its value measured in 2011. The highest average tourism receipts per arrival was recorded in Americas ($1,566), followed by the Asia & Pacific ($1,188). In 2016, international tourism receipts per arrival in the Europe and Africa remained below the world average ranging from $727 in Europe to $602 in Africa (Figure 2.5). Compared with 2011, the Americas and the Middle East are the regions that increased the international tourism receipts per arrival the most in nominal terms. In other words, countries in Americas and Middle East, on average, were successfully generated more revenue per international tourist over the period 2011-2016. On the other hand, international tourism receipts per arrival went down in three regions namely Europe, Asia & Pacific and Africa in the same period. These results indicate that all across the globe countries should not only focus on increasing the number of tourist arrivals but also need to devise effective policies to serve more value-added tourism products and services for international visitors.

3 International Tourism in D-8 Countries

This section assesses the performance and economic role of the international tourism sector in D-8 countries. The first sub-section examines the trends in the two traditionally used indicators in measuring international tourism, i.e. international tourist arrivals and international tourism receipts. The analysis is conducted at both the individual country and D-8 regional levels. The second sub-section assesses the economic role of the international tourism sector in D-8 countries. The third sub-section attempts, as much as the available relevant data allows, shedding light on the state of intra-D-8 tourism. Finally, the fourth sub-section provides some concluding remarks and policy recommendations.

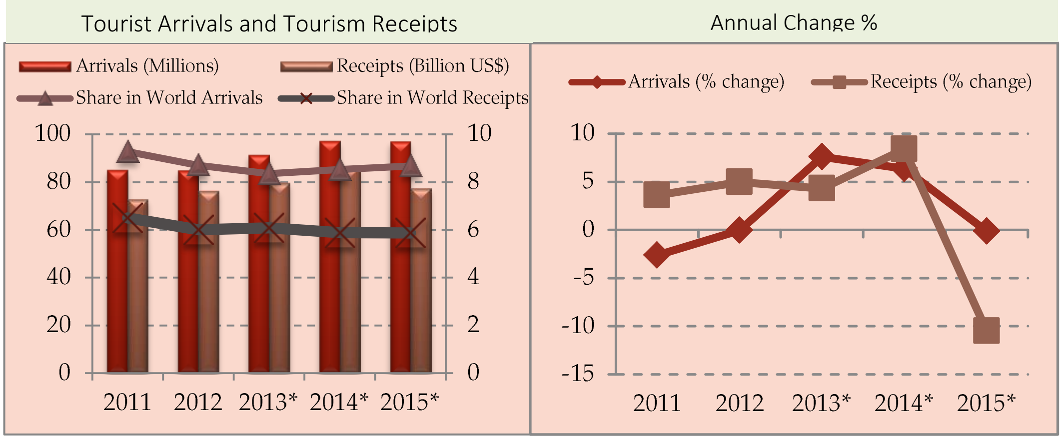
3.1 Tourist Arrivals and Tourism Receipts

As shown in Figure 3.1, the number of international tourist arrivals in D-8 countries recorded at 85 million in 2011, corresponding to an 8.7 per cent share in the total international tourist arrivals worldwide. These tourists generated $72.7 billion as international tourism receipts in D-8 countries, corresponding to a 6 per cent share in the world's total tourism receipts. When compared to 2010, international tourism receipts declined by 4 per cent in D-8 countries in 2011. In 2012, the number of international tourist arrivals in D-8 region witnessed a slight decrease (0.1%) and recorded at 84.9 million. The share of D-8 group in the world tourist arrivals also decreased in 2012 and recorded at 8.4 per cent. However, international tourism receipts reached to $76.3 billion in the same year, corresponding to an increase by 5 per cent when compared to 2011. With this, D-8 group represented a 6.1 per cent share in the world's total tourism receipts in 2012.

In 2013, the number of international tourist arrivals in D-8 region increased substantially and amounted to 91.3 million. International tourism receipts on the other hand, reached to $79.6 billion, corresponding to a 5.9 per cent share in the world's total tourism receipts when compared to 8.5 per cent share in the world's total tourism arrivals.

The number of international tourist arrivals in D-8 region recorded at 97.1 million in 2014, corresponding to an increase by an annual growth rate of 6.3 per cent. International tourism receipts also increased by 8.4 per cent and reached $86.3 billion.

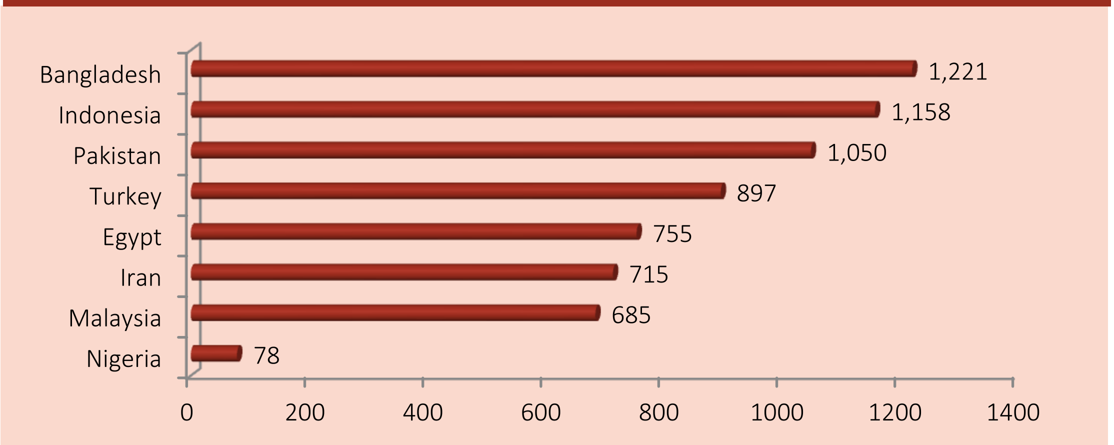
Figure 3.1: International Tourism in D8 Countries



Source: OIC Stat, UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017
** For missing values (Bangladesh: 2014, 2015; Pakistan 2013, 2014, 2015), data are calculated by SESRIC staff through extrapolation.*

In 2015, however, the number of tourist arrivals, tourism receipts as well as the share of D-8 countries in both worldwide total international tourist arrivals declined. Particularly, international tourism receipts declined by 10.5 per cent and amounted to $77.2 billion. Different countries were affected in different patterns and intensities. Some were hit by sudden and dramatic and others were marked by modest yet continuous trends. On the other hand, the on-going recovery in the world economy, especially in the economies of the major tourist-generating regions of the Americas and Europe led to improved tourism figures in some D-8 countries in 2015.

Figure 3.2: International Tourism Receipts per Arrival in D8 Countries (US$ in 2015)

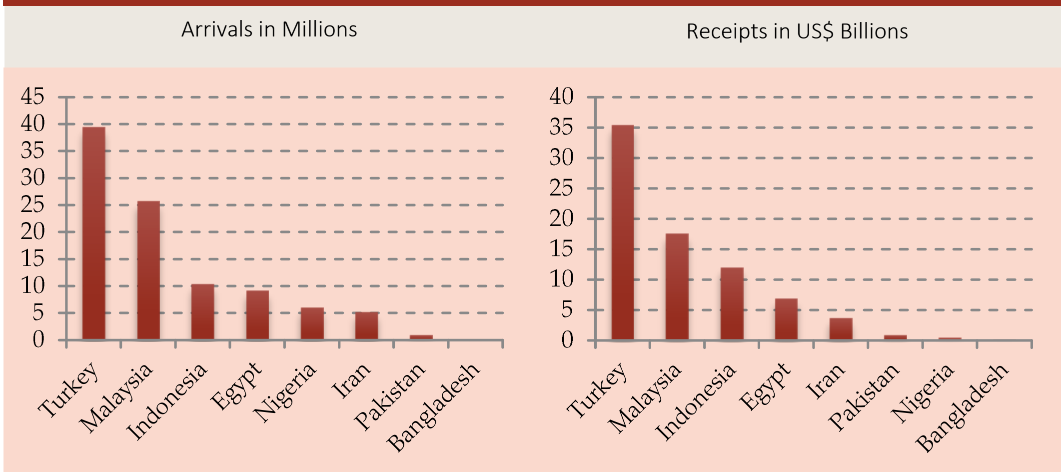


Source: OIC Stat, UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017

While, in absolute terms, the trends in international tourism receipts were generally similar to those in international tourist arrivals, the shares of the individual countries in the total D-8 international tourism receipts as well as the average growth rates of those receipts were somewhat different. This is because; receipts per arrival vary as each country has its own tourism characteristics in terms of length of stay of tourists, purpose of their visit, geographical distance, types of shopping, etc. According to latest available data, the highest receipts per tourist arrival were recorded in Bangladesh ($1,221), followed by Indonesia ($1,158), Pakistan ($1,050), Turkey ($897), Egypt ($755), Iran ($715), Malaysia ($685) and Nigeria ($78).

At the individual country level, it is also observed that international tourism activity, in terms of both tourist arrivals and tourism receipts, is still concentrated in a few countries in the D-8 group. According to most recent data, Turkey and Malaysia were leading countries in terms of international tourist arrivals and together hosted 67.2 million international tourists (see Figure 3.3).

Figure 3.3: D8 Tourist Destinations and Tourism Earners (2012-2015)



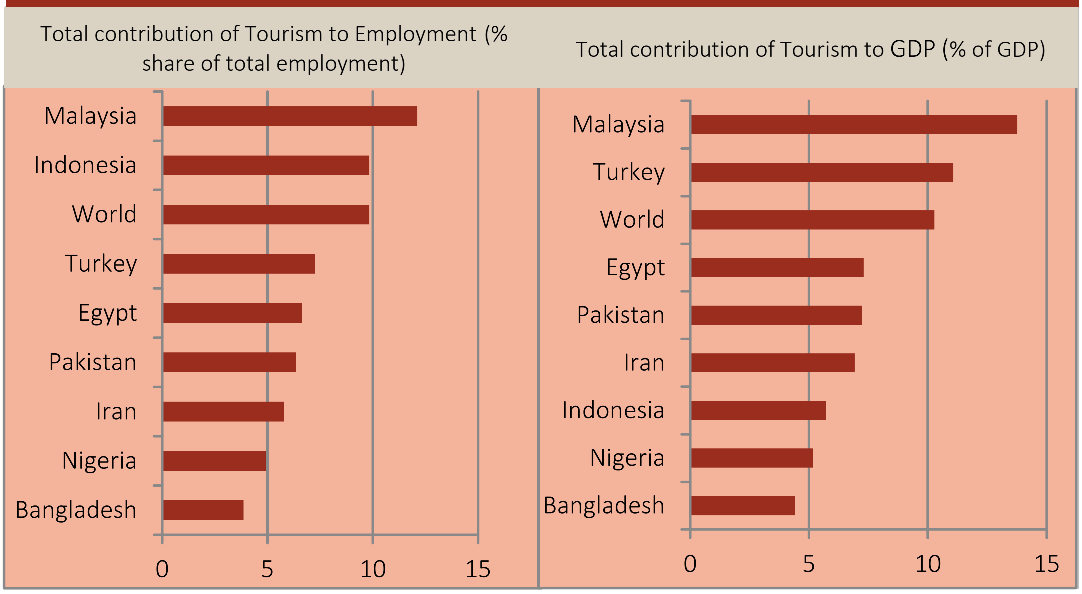
Source: OIC Stat, UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017

3.2 The Economic Role of International Tourism in D-8 Countries

In this sub-section, an attempt is made to assess the economic role of the international tourism sector in the economies of D-8 countries. The figures on the contribution of tourism to employment, GDP, and exports are analysed. Moreover, the balance of international tourism data are calculated and reported by deducting the international tourism expenditures from the international tourism receipts, for each individual D8 country for which the relevant data are available. The net contribution of the international tourism sector to the economies of D-8 countries is then examined by relating the balance of international tourism as a percentage of the GDP of each country. The sector is also evaluated as a source of foreign exchange earnings by relating the international tourism receipts in each country, as a percentage, to its total merchandise exports in the same period in addition to the share of travel exports in all service exports in the D-8 group.

Figure 3.4 demonstrates the contribution of international tourism in the economies of the D-8 countries along with the world average based on a dataset obtained from the World Travel & Tourism Council (WTTC). The total contribution of international tourism to employment varies by D-8 countries. In 2016, the contribution of tourism to employment was 12.1 per cent in Malaysia, followed by Indonesia (9.8%), Turkey (7.3%), Egypt (6.6%), Pakistan (6.3%), Iran (5.8%), Nigeria (4.9%), and Bangladesh (3.9%). On the other hand, the contribution of tourism sector to employment is still under its potential in the most of the D-8 countries when compared with the world average (9.8%).

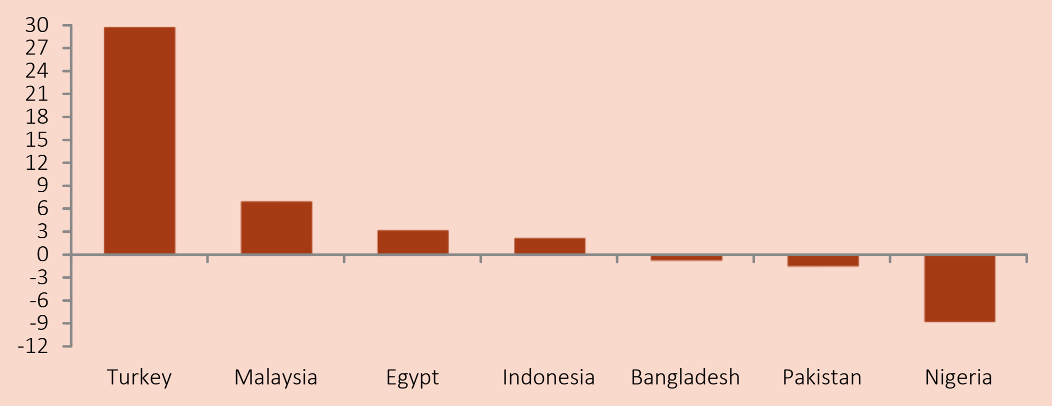
Figure 3.4: Contribution of International Tourism in the Economy 2016



Source: WTTC

The total contribution of tourism to GDP (including both its direct and indirect contributions) was significant for few countries in the D-8 group. For instance, in 2016, Malaysia generated 13.8 per cent and Turkey generated 11.1 per cent of their GDP via tourism where the world average was 10.3 per cent. However, the contribution of tourism to GDP is still lower in D-8 group.

Figure 3.5: D8 Countries in terms of Balance of International Tourism* (Billion US$ in 2015)



*Source: OIC Stat, UNDATA Online Database, UNWTO Compenidium of Tourism Statistics CD-ROM 2017 * No data available for Iran*

Figure 3.5 displays the balance of international tourism in the D-8 countries in 2015. Among seven D-8 countries which data are available, four countries had a surplus in which their tourism receipts exceeded tourism expenditures. Turkey has the highest amount of surplus, amounted to $29.7 billion. On the other hand, the balance of international tourism in 3 countries was found to be negative. Nigeria has the highest amount of deficit with $8.7 billion.

The role of the international tourism sector in the economies of D-8 countries, in terms of its net contribution to the GDP of each country, is shown in Figure 3.6 (left). It reflects that the role of the international tourism sector in the economies of D-8 countries is neither a function of the size nor the level of affluence of the economy. International tourism activity is found to have a negligible role in the economies of Turkey (4.1%), Malaysia (2.4%), Egypt (1%) and Indonesia (0.3%), while it has negative role in the economies of Bangladesh (-0.4%), Pakistan (-0.5%), Iran (-1.3%), and Nigeria (-1.8%) in 2016.

However, when the international tourism sector is evaluated as a source of foreign exchange earnings by relating the international tourism receipts in each country, as a percentage, to its total merchandise exports, Figure 3.6 (right) indicates that international tourism activity plays a more significant role in the economies of D-8 countries as a source of foreign exchange earnings. In 2016, international tourism receipts accounted, on average, for 32.7 per cent of the total merchandise exports of Egypt, 24.6 per cent in Turkey (Figure 3.6). Yet, in six D-8 countries (Malaysia, Indonesia, Iran, Pakistan, Nigeria and Bangladesh), international tourism receipts were still accounted for less than 10 per cent of their total merchandise exports (Table A.8 in the Appendix).

Figure 3.6: Role of International Tourism in the Economy

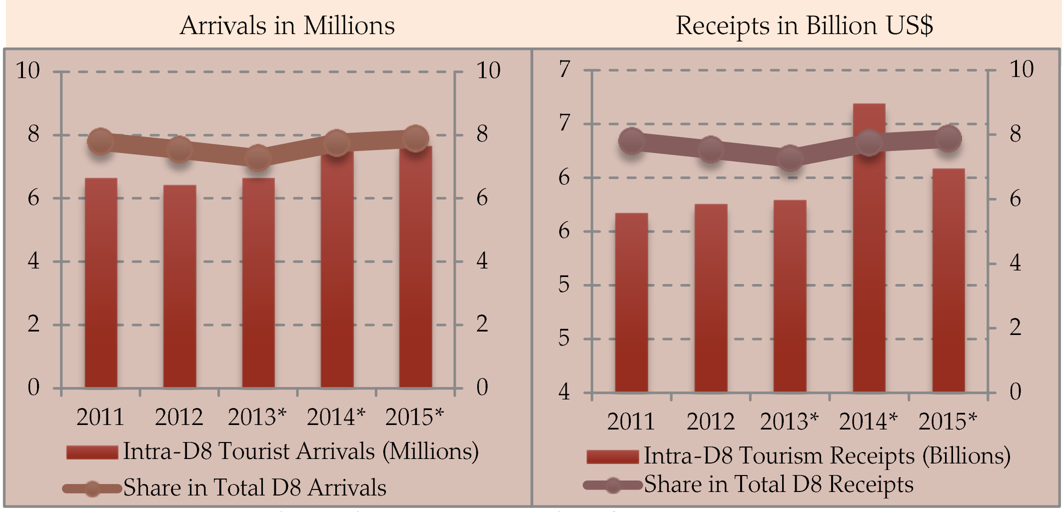
Source: SESRIC staff calculation based on OIC Stat, UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017, GDP figures from World Bank WDI Database and the Export figures in the IMF DOTS

3.3 Intra-D-8 Tourism

As in other dimensions of the economic integration (e.g. trade and investment), intra-D-8 tourism trends can be a good indicator to assess the level of economic integration among D-8 countries. Higher levels of intra-D-8 tourism in terms of both intra-D-8 tourist arrivals and intra-D-8 tourism receipts indicate an improvement in intra-D-8 economic cooperation.

Figure 3.7 presents the trends on the intra-D-8 tourist arrivals and tourism receipts between 2011 and 2015. In 2011, intra-D-8 tourist arrivals measured as 6.6 million, corresponding to 7.8 per cent of the total international tourist arrivals in D-8 countries. In 2012, the number of intra-D-8 tourist arrivals slightly decreased and recorded at 6.4 million and similarly, the share of intra-D-8 tourist arrivals in total D-8 international tourist arrivals decreased to 7.5 per cent. Although the intra-D-8 tourist arrivals increased and reached 6.6 million in 2013, the share of intra-D-8 tourist arrivals in total D-8 international tourist arrivals decreased to 7.3 per cent in the same year. The growth trend in intra-D8 tourism arrivals went on in 2014 and 2015. Intra-D8 tourist arrivals climbed from 7.5 million in 2014 to 7.6 million in 2015 and in a parallel vein, the share of intra-D8 tourist arrivals in total arrivals increased from 7.7

Figure 3.7: Intra-D8 Tourism



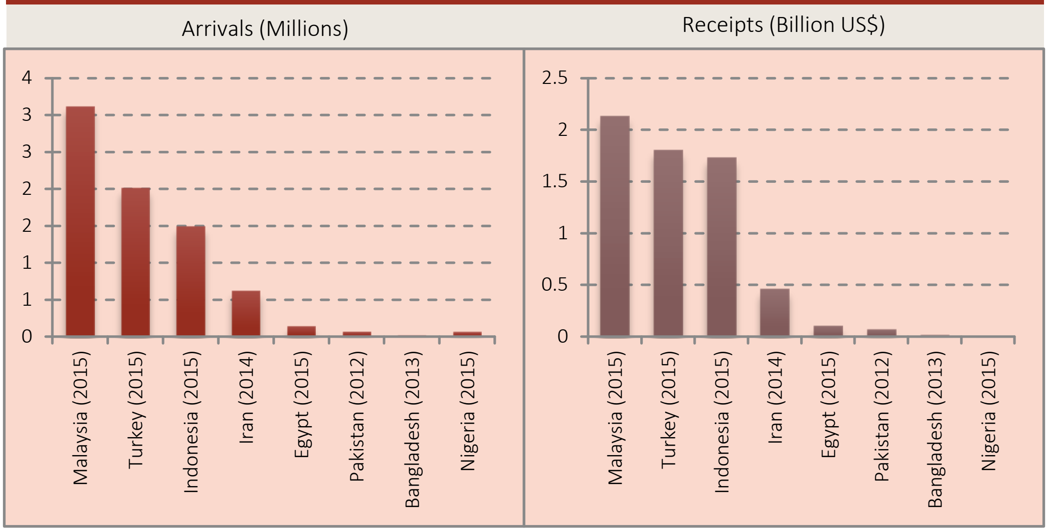
Source: OIC Stat, UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017
** For missing values (Bangladesh: 2014, 2015; Pakistan 2013, 2014, 2015), data are calculated by SESRIC staff through extrapolation.*

per cent to 7.9 per cent in this period.

On the other hand, a different trend was observed in the case of the intra-D-8 tourism receipts during the period under consideration (Figure 3.7). A growth took place between 2011 and 2012 in intra-D-8 tourism receipts that climbed from $5.7 billion in 2011 to $5.8 billion in 2012. However, the share of intra-D-8 recipients decreased from 7.8 per cent to 7.5 per cent in the same period. Although there was a slight increase in intra-D-8 tourist arrivals in 2013, the intra-D-8 tourism receipts did not increase and consequently, the share of intra-D-8 tourism receipts decreased to 7.3 per cent. In 2014, there was observed a drastic increase in intra-D-8 tourism receipts, which reached $6.7 billion. The year 2015 witnessed a sharp decline of the intra-D-8 receipts, which amounted to $6.1 billion, but the share of the intra-D-8 receipts increased to 7.9 per cent.

At the individual country level, it is observed that the intra-D-8 tourist arrivals are concentrated in a few countries. Figure 3.8 presents D-8 countries in terms of intra-D-8 tourist arrivals and tourism receipts based on the most recent data since 2012. In descending order, Malaysia (3.1 million), Turkey (2 million) and Indonesia (1.5 million) were the top 3 intra-D-8 tourism destinations (Figure 3.8). These countries were also the top 3 intra-D-8 tourism earners in that period with $2.1 billion, $1.8 billion and $1.7 billion, respectively.

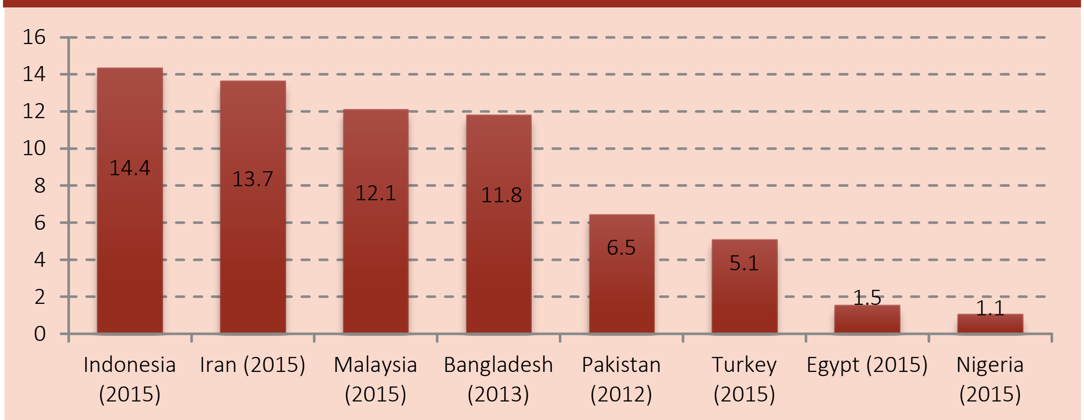
Figure 3.8: Intra-D8 Tourist Destinations and Tourism Earners



Source: SESRIC staff calculation based on OIC Stat, UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017

Moreover, Figure 3.9 presents D-8 countries in terms of the share of Intra-D-8 Tourist arrivals as a percentage of total tourist arrivals according to most recent data since 2012. It is observed that tourist arrivals from other D-8 countries accounted below the level of 20 per cent. The highest percentage was recorded in Indonesia (14.4%) followed by Iran (13.7%), Malaysia (12.1%), Bangladesh (11.8%), Pakistan (6.5%), Turkey (5.1%), Egypt (1.5%) and Nigeria (1.1%). It becomes evident that in D-8 countries, intra-D-8 tourist arrivals do not represent a higher share in total tourist arrivals. In this context, it is important to consider for D-8 countries that to follow new strategies in order to enhance intra-D-8 tourism.

Figure 3.9: D8 Countries in terms of the Share of Intra-D8 Tourist Arrivals as a Percentage of Total Tourist Arrivals



Source: OIC Stat, UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017

4 New Directions in the Tourism Sector: Islamic Tourism in the D8 Countries

Over the last two decades, Islamic life style market has been growing as sharia'h complaint products and services (e.g. halal food, Islamic tourism and Islamic finance) have become an important component of the global economy. With an increasing awareness and expanding numbers of Muslim tourists, many tourism industry players have started to offer special products and services, developed and designed in accordance with the Islamic principles, to cater the needs and demands of these tourists. Nevertheless, despite attracting significant interest across the globe, Islamic tourism is relatively a new concept in both tourism theory and practice. Not surprisingly, Islamic tourism activity remained highly concentrated in Muslim majority countries of D-8, which are currently both the major source markets for the Islamic tourism expenditures and popular destinations. Islamic tourism is a natural-fit for these countries as the majority of them already have basic infrastructure and environment in place to cater for the specific needs of Muslim tourists, and thus, have a comparative advantage over the others. Therefore, it is true to believe that, if planned and managed properly, Islamic tourism could play a vital role in revitalising the economic development and growth and hence, spread the prosperity across D-8 countries.

Against this backdrop, this section aims to provide a theoretical discussion on the definitions and dimensions of Islamic tourism by sifting through the tourism literature and reviews the emergence and status of Islamic tourism industry in the world in general and in D-8 countries in particular by analysing the latest available information and statistics. A sub-section also provides a brief discussion on major challenges and opportunities for the development of Islamic tourism in D-8 countries. At the end, some specific policy recommendations have been listed for the consideration of D-8 countries both at national and D-8 cooperation level and for the major stakeholders of tourism industry.

4.1 Islamic Tourism and its Components

Islam and Tourism

Travelling and journey are highly recommended by the Qur'an. Allah asked us to travel through the earth to take the lessons from His creation that He offers to us in His mercy (*Al-Quran 29:20*). It is a well-established fact that religion has influence on the day-to-day activities of Muslims, whether at home or travelling. Islam recognizes people's right to move from one place to other and encourages travelling for beneficial purposes including Hajj and Umrah (literally the higher and lesser pilgrimages, respectively), health and medication, education, business, trade, entertainment, and fun. However, words like “fun” and “entertainment” should be interpreted with caution as Muslims are allowed to seek fun and entertainment only in a way that does not go beyond the rules and obligations of Islamic Sharia’h (Saad et al, 2010). Therefore, in this context, tourism policy, development objectives and the management and operation of the industry will be greatly influenced by the Islamic principles (Scott and Jafari, 2010).

Islamic Tourism: Definitions and Dimensions

As it is evident from the name, Islamic tourism is mainly targeting people with Islamic beliefs in particular, though it could also have a universal appeal even for the non-Muslims due to a multitude of reasons like fair pricing, peace and security, family-friendly environment and hygiene etc. Islamic tourism as a concept has been used with different names and connotations in the tourism theory and practice. Halal tourism, Sharia’h Tourism and Muslim-friendly tourism are the most common terms, which are used alternatively. However, none of these terminologies has a universally understood definitions (Crescent Rating, 2015). Moreover, there are some related terms such as ‘Halal hospitality’, ‘Sharia’h compliant hotels’, and ‘Halal friendly travel’ concerning the services in this sector.

Box 1: Major Components of Islamic Tourism

Halal Hotels: Some of the main indicators of an Islamic hotel include: No alcohol, gambling etc.; Halal food only; Quran, prayer mats and arrows indicating the direction of Mecca in every room; Beds and toilets positioned so as not to face the direction of Mecca; Prayer rooms; Conservative staff dress; Islamic funding; Separate recreational facilities for men and women.

Halal Transport (Airlines): Major indicators for halal transport include cleanliness; non-alcoholic drinks; and publications, which are coherent with Islam.

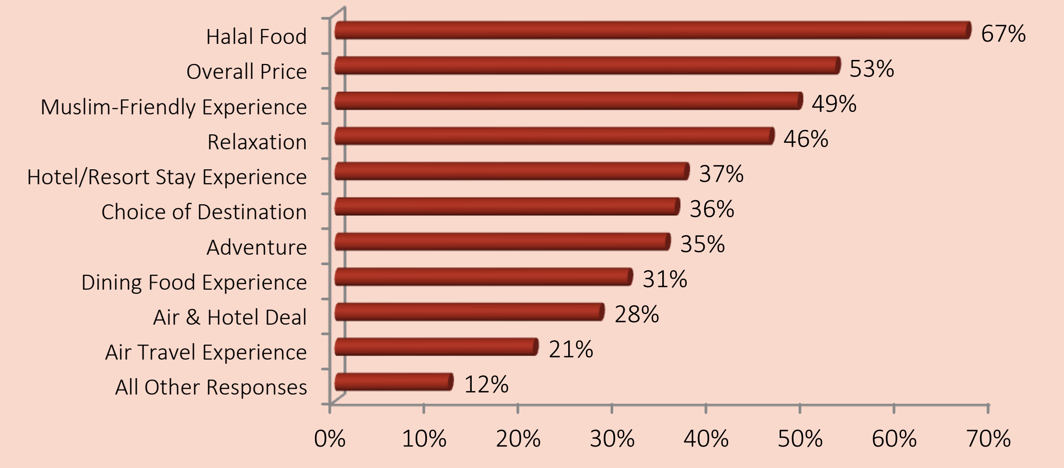
Halal Food Premises: Foods that served in a restaurant have to be halal. All animals must be slaughtered according to Islamic principles. No alcoholic drinks should be served in the premise.

Halal Tour Packages: The content of the tour packages must be based on an Islamic themed. The Islamic tour packages include visits to the mosques, Islamic monuments and promote and event during the Ramadan.

Halal Finance: The financial resources of the hotel, restaurant, travel agency and the airlines have to be fit with Islamic principles. In general, Islamic finance requires participation in sharing the profit and loss among of all parties who involved in this finance enterprise. Islamic finance also prohibits interest.

Source: Adapted from Akyol and Kilinc, (2014) The major components of Islamic tourism are similar to those of conventional tourism like hotels, restaurants, logistics, finance, and travel packages. Evaluation of the value of tourism products in case of Islamic tourism, however, entails a completely different process due to the requirements of the Islam. These requirements are called Sharia'h-principles and at the simplest level, these principles "prohibit adultery, gambling, consumption of pork and other Haram (forbidden) foods, selling or drinking liquor and dressing inappropriately." In addition, a typical Muslim is expected to do regular prayers in clean environments and fast in Ramadan. In Islamic teachings, Muslims are also expected to abstain from unnecessary consumption and indulgence. In principle, Islamic tourism is about satisfying tourists looking for a destination that can fulfil their needs without being offensive in any way. It covers all tourism related goods and services that are designed, produced and presented to the market according to the Islamic rules (Hamza et al., 2012). Muslim tourists usually travel with family members and therefore, this concept is tailored around the travel needs of Muslim tourists who predominately seek a family friendly environment (Dinar Standard, 2015). All destinations that provide services and facilities that cater to at least some of the faith-based needs of Muslim visitors are categorised as 'Muslim Friendly Destinations' (Crescent Rating, 2015). At these destinations, tourists can count on feeling safe and secure, and can enjoy family-centred halal activities and have good time without worry.

Figure 4.1: Main Factors that Affect the Decision of Muslim Tourists When Travelling For Leisure



Source: DinarStandard, 2015

The motivation for the Muslims to participate in tourism activity can be general (e.g., conducting business, visiting friends or relatives), pursuing other personal goals and activities (e.g., education, shopping) and pleasure, and/or specific Islamic motivations (e.g., spreading the message of Islam, Islamic values and culture, worshiping Allah (through Hajj and Umrah), strengthening the bond of silat al-rahim (fraternity) etc. Most of the general motivations are common for Muslims and non-Muslims. However, certain motivations for tourism which provoke pure hedonism and lavishness are not acceptable according to Islamic doctrine and these motivations can be considered non-Islamic or haram (Duman, 2011).

There is also a wide diversity in awareness and adoption of various Islamic practices by Muslim travellers. A significant number of Muslim tourists travel to global non-Muslim destinations such as Europe and adjust to any limitations by seeking alternatives to Halal Food, as well as other religious considerations such as prayer spaces, etc. Meanwhile, a big segment travelling globally is also seeking options that address their religious considerations (Thomson Reuters and Dinar Standard, 2015). In a global survey jointly conducted by Dinar Standard and Crescent Rating, halal food, overall price and Muslim-friendly experience were ranked among the top-3 Muslim tourist market needs (Figure 4.1). A survey reported in COMCEC (2016) looks at the factors that influence the choice of Muslim tourists regarding destinations. According to the survey, the existence of Muslim-Friendly Tourism (MFT) Services (65 per cent of the respondents), total cost of these services (48 per cent of the respondents) and the friendliness of locals (31 per cent of the respondents) were listed as the top-3 extremely important factors. On the other hand, geographical proximity and availability of sports activities were identified as the factors that influence the decision of Muslim tourists the least among nine factors asked in the survey (Table 4.1).

Table 4.1: Relative Importance of Factors that Influence Choice of Muslim Tourists

	Extremely Important	Very Important	Important	Neutral	Not Important
Muslim Friendly Tourism Services	65.1	21.3	8.8	3.7	1.2
Total Cost	47.9	32.6	16.4	2.8	0.4
Friendliness of Locals	31.5	37.6	22.6	7.2	1.1
Islamic Heritages Sites	27.1	28.5	23.8	16.6	4.1
Children Attractions/Activities	22.2	25.8	20.3	19	12.7
Cultural Attractions	15.2	29	29.9	20.5	5.4
Beach/Water Activities	12	24.6	25.8	26.4	11.2
Geographical Proximity	10.3	20.6	21.6	28.1	19.4
Sports Activities	5.2	18.2	19.1	35.4	22.1

Source: COMCEC (2016)

Of course, while developing a strategy to address the Islamic tourism market, all major stakeholders like destinations, hotels and resorts, airlines and travel agencies need to consider the size of the flow of Muslim visitors to their destination. They also need to consider which faith related needs they will cater to. Basic needs such as Halal food, absence of alcohol, prayer spaces and Ramadan accommodation are necessary for Muslim majority countries. Additional options include providing “women only” facilities, and incorporating Islamic heritage tours, among other options (Dinar Standard, 2015).

Box 4.2: Broad Concepts of Islamic Tourism

Economic concept: The economic concept for the Islamic tourism focuses on inclusion of new tourist markets and tourist destinations. This concept is the most widely discussed and understood in both Islamic and non-Islamic countries. Major tourism players, consider Muslim countries as one of the emerging tourist markets with huge economic, demographic and destination potentials. There are many regional and international forums like Islamic Conference of Tourism Ministers (ICTM) and the Arab Counsel of Ministers of Tourism (ACMT) to discuss and elaborate on economic dimensions of the Islamic tourism market. The third meeting of ICTM presented a new vision in this regard by adopting the “Riyadh Declaration”, which aims to ease the visa, enhance the intra-D8 tourism investment, organize joint marketing events and facilitate the revival of Islamic cultural heritage.

Cultural concept: The cultural concept for Islamic tourism includes visions and ideas that outline the inclusion of Islamic religious cultural sites in tourism programs with “pedagogical” and self-confidence building elements. It tries to encourage a reorientation inside the tourist destinations towards less consumption and “western culture” loaded sites towards more Islamic historical, religious and cultural sites.

Religious conservative concept: The religious conservative concept for Islamic tourism is based on the conservative interpretation and understanding of Islam. Merging elements of the extremely conservative Islamic lifestyle with the modern tourism industry could indeed present new tourism options, spaces, and spheres. For a growing conservative intra Arab and intra Muslim tourism market, the implementation of a religious conservative concept in tourism planning as an extra option and as an insertion into the existing mainstream tourism could indeed have a positive economic and social effect.

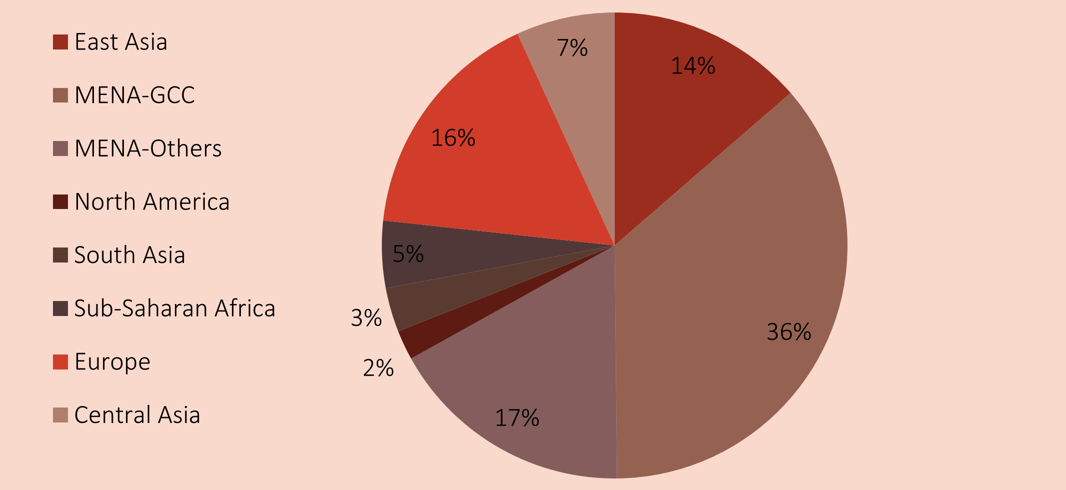
Source: Adapted from Al-Hamarneh and Steiner (2004)

4.2 State of Islamic Tourism in D-8 Countries

Islamic tourism is a recent phenomenon in the theory and practice of global tourism industry. Traditionally Islamic tourism was often associated with Hajj and Umrah. However, recently there has been an influx of products and services designed specifically to cater the business and leisure related segments of Muslim tourists across the globe. The Muslim tourism market has witnessed rapid growth over the years and emerged as one of the fastest growing segments of the global tourism market. According to the latest estimates, Muslim tourism market (excluding the Hajj and Umrah expenditures of $20 to $25 billion) has increased from around $80 billion in 2006 to $145 billion in 2014, corresponding to an impressive increase of 81 per cent. The size of the global Islamic tourism market reached $151 billion in 2015 (11 percent of global expenditure). In other words, with an annual growth rate of 4.9 per cent, Muslim tourism market is growing faster than the global tourism market, which recorded a growth rate of 3 per cent in 2015. Provided the estimated exponential growth in Muslim population and positive economic prospects for many Muslim majority countries, Islamic tourism market is forecasted to grow to $243 billion by the end of 2021 (Thomson Reuters and Dinar Standard, 2016).

The regional breakdown of the global Islamic tourism market reveals that it is highly concentrated in the Middle East and North Africa (MENA) region (Figure 4.2). In 2015, the MENA region accounted for 53 per cent of the total out bound tourism expenditures made by the Muslim tourists. It was followed by Europe and East Asia (EA) with shares of 16 and 14 per cent, respectively. On the other hand, the shares of the four geographical regions stayed well below 10 per cent. The shares of these regions were identified as follows: Central Asia (7 per cent) and Sub-Saharan Africa (5 per cent), South Asia (3 per cent), and North America (2 per cent).

Figure 4.2: Regional Breakdown of Muslim Tourism Market, 2015



Source: Thomson Reuters and Dinar Standard , 2016

Major Source Markets for Islamic Tourism

Some Member Countries of D-8 (i.e. Malaysia, Turkey and Indonesia) are the major source market for the global Islamic tourism industry. Nevertheless, Muslim tourists and tourism expenditures remained distributed unevenly across D-8 countries. In 2015, the top-10 global Islamic tourism markets located in two continents: Asia and Africa. As shown in Table 4.2, five out of ten top source markets for Islamic tourism are D-8 countries. Indonesia was ranked fifth globally and first among D-8 countries with Muslim tourism expenditures of $9 billion. In the D-8 group, Indonesia was followed by Iran ($7.2 billion), Malaysia ($6.7 billion), Turkey ($5.3 billion), and Nigeria ($4.8 billion).

Table 4.2: Top-10 Islamic Tourism Markets, 2015 (based on expenditures)		
Rank	**Country**	**Size (US $ Billion)**
1	Saudi Arabia	19.2
2	United Arab Emirates	15.1
3	Qatar	11.7
4	Kuwait	9
5	**Indonesia**	**9**
6	**Iran**	**7.2**
7	**Malaysia**	**6.7**
8	Russia	6.6
9	**Turkey**	**5.3**
10	**Nigeria**	**4.8**

Source: Thomson Reuters and Dinar Standard, 2016

Major Islamic Tourism Destinations

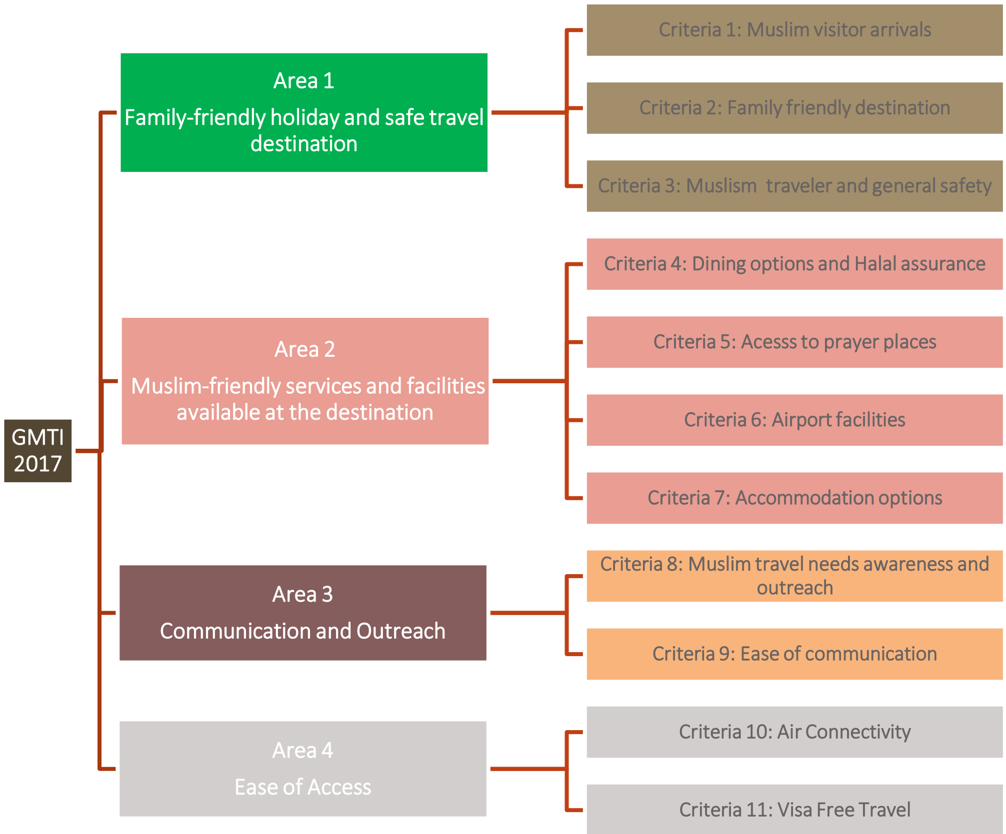
In the global tourism market, Europe is the most popular region in terms of number of arrivals. At the country level, France tops the list of the most popular destinations, followed by USA, Spain and China. Among the D8 countries, Turkey and Malaysia are the destinations that attract the highest number of tourists.

The above-mentioned rankings of the top tourist destinations are largely based on the conventional tourism criteria without giving due consideration to the fundamental requirements of the Islamic tourism. Over the years, several institutions have embarked on initiatives to develop special criteria to evaluate the performance of tourism destinations with respect to the compliance with the requirements of the Islamic tourism and rank them accordingly. One of the most well-known initiatives is the *Master Card-Crescent Rating Global Muslim Travel Index (GMTI).*

GMTI is made of several factors that constitute the Muslim tourists experience at a destination. As shown in Figure 4.3, this index looks at eleven criteria in four areas for a destination. Overall, 130 countries were studied and ranked for the GMTI 2017. The 130 destinations ranked in the GMTI 2017 cover all D-8 countries.

According to the results of the GMTI 2017, Malaysia topped the index ranking with a cumulative score of 82.5. At the D-8 level, it was followed by Indonesia (72.6), Turkey (72.4), Iran (66.8), Egypt (64.1), Bangladesh (59.8), Pakistan (57.6) and Nigeria with a score of 41.2 (Table 4.3, left). In fact, three D-8 Countries are ranked among the top 10 Islamic tourist destination in the world. Additionally, five out of the global top-20 Islamic tourist destinations are D-8 members. Given the fact that the D-8 countries have a comparative advantage mainly due to existing Halal ecosystem including Muslim friendly facilities and services. Nevertheless, there is a strong need for proactive policies and measures in the D-8 countries to capitalise on existing pro-Islamic tourism environment and converting their comparative advantage into competitive advantage. In fact, most of the D-8 countries are lacking basic requirements and coherent strategies to maximise their attractiveness to Muslim tourists (Master Card and Crescent Rating, 2017).

Figure 4.3: Composition of the Global Muslim Travel Index (GMTI)



Source: MasterCard and Crescent Rating, 2017

Similarly, non D-8 countries host millions of Muslim tourists and provide the needs mentioned in Figure 4.3. Among these countries United Arab Emirates is topped the ranking with a score of 76.9 and followed by Saudi Arabia (71.4), Qatar (70.5), Morocco (68.1), Oman (67.9), and Bahrain (67.9) (Table 4.2, right). In addition, many Muslim minority countries have made significant progress in catering for the needs and demands of Muslim tourists. Among these countries, Singapore, with a score of 67.3, ranked even above some D-8 countries such as Iran, Egypt, Bangladesh, Pakistan and Nigeria.

Table 4.3: Top 8 D-8 and Non-D-8 Islamic Tourism Destinations

GMTI 2017 Rank	D-8 Destination	Score	GMTI 2017 Rank	Non-D-8 Destination	Score
1	Malaysia	82.5	2	United Arab Emirates	76.9
3	Indonesia	72.6	5	Saudi Arabia	71.4
4	Turkey	72.4	6	Qatar	70.5
11	Iran	66.8	7	Morocco	68.1
14	Egypt	64.1	8	Oman	67.9
21	Bangladesh	59.8	9	Bahrain	67.9
23	Pakistan	57.6	10	Singapore	67.3
67	Nigeria	41.2	12	Jordan	66.3

Source: MasterCard and Crescent Rating, 2017

4.3 Challenges and Opportunities for Islamic Tourism

Islamic tourism is a very recent phenomenon. Despite all the positive developments, the Islamic tourism market is still fragmented by the diversity of the meaning of halal, income level, awareness level, and location. These are some of the main obstacles that need to be addressed. A survey conducted with the representatives of the accommodation sector (i.e. hotel establishments) in the Islamic countries is very illuminating. It was designed to identify the major challenges in having Islamic tourism standards in their accommodation sector in the Islamic countries (COMCEC, 2017). According to the results, the procedures to obtain certification topped the list of challenges (40%) followed closely by the risk of alienating non-Muslim guests (39%) (Figure 4.5). Costs associated with Halal certification, training employees and altering facilities to offer Islamic tourism products and services were cited by at least a third of the respondents. A quarter of the respondents (24 per cent) cited the loss of revenues from alcohol as one of the challenges in following an MFT standard. In fact, these results are useful and provide some hints on policy intervention areas to develop the Islamic tourism sector in the Islamic countries and D-8 group in particular.

Based on the existing literature and abovementioned COMCEC (2017) report, some of the specific challenges that limit the development of Islamic tourism in D-8 countries and available opportunities ahead of D-8 countries for the development of Islamic tourism market are listed below.

Figure 4.6: Challenges in Adopting Muslim-Friendly Tourism Standards (% of all respondents)

Source: COMCEC (2017)

Challenges

Lack of unified and global standards and certification: There are no unified international halal standards and certification arrangement for the tourism industry. In fact, in the majority of D-8 countries, there is no official body available at the national level to certify hotels and destinations according to the Islamic requirements. Meanwhile, a Singapore based private company named Crescentrating pioneered the halal friendly travel certification by rating hotels/resorts against a five-level Crescentrating Standards.

Financial Constraints: As a new emerging segment of global tourism industry, Islamic tourism has not received enough financial resources, perhaps, with growing number of success stories investors will give due attention to this niche segment by considering its potential and growing market size.

Gender: In many Muslim majority countries, female employment in the tourism sector is a problem due to various social and cultural reasons. Furthermore, women are also not allowed to travel alone in certain Muslim countries. Thus, a significant proportion of the global Muslim population is by-default eliminated from the Islamic tourism market.

Differences in the influence of Islamic values and beliefs: There is significant variation across D-8 countries regarding the understanding and influence of the Islamic values and beliefs. These existing differences are reflected in their tourism development policies. While some D-8 countries are more relaxed and welcoming towards the tourists, some others are more conservative and less interested.

Opportunities

Islamic tourism potential for economic growth: Provided the fact that many D-8 countries already have basic infrastructure and environment for catering to the requirements of the Muslim tourists, they can benefit more from the Islamic tourism market. Therefore, development of Islamic tourism could play a vital role in the economic growth and prosperity in these countries.

Innovative tourism products: There are opportunities for D-8 countries to bundle traditional pilgrimage and religious travel experiences with the activities related to culture and heritage to make unique and innovative tourism packages. For the destinations with Islamic and heritage sites, there is a growing opportunity to develop and market their potential by designing Muslim-friendly cultural tour packages.

Social Media: Internet and social media provide a significant communication platform for introducing, positioning and marketing of the Islamic tourism brands, products and services to a wider audience.

5 Policy Implications

As a group, D-8 member countries have a high potential for the development of a sustainable international tourism sector. This is true given their rich and diverse natural, geographical, historical, and cultural heritage assets. Therefore, international tourism is a very important sector that could, if properly planned and managed, play a significant role in the economic development of D-8 countries. This is due not only to their existing and potential tourism resources, but also to the fact that their citizens travel in large numbers around the world for business, leisure, and other purposes. However, considering their modest share in the world tourism market and the concentration of tourism activity in a few of them, it seems that the desirable levels of tourism development and cooperation in many D-8 countries have not yet been achieved.

In fact, the challenges facing tourism and the development of a sustainable international tourism sector in D-8 countries are diverse as each country has its own tourism features, level of development, and national development priorities and policies. In the case of many D-8 countries, these challenges still include the lack of technical knowledge and the weak promotional activity. Some D-8 countries also lack the relevant infrastructure necessary for the development of a sustainable tourism industry. Primary amongst these are hotels and lodging services, transportation and communication, and tourism information services. This makes it difficult to provide tourists with the international standards of tourism facilities and services.

While investment in services is a well-established economic activity in the developed countries, it is still lagging behind in many developing countries. Investment in service-oriented projects, particularly in tourism, is regarded in most developing countries as a risky decision. Accordingly, though they may have a high tourism potential, it is still very difficult for some D-8 countries to gain access to reasonable financing for their tourism projects even when they manage to tackle the problems of project identification and planning. The lack of tourism diversification also hinders the development of the tourism sector in D-8 countries. Modern international tourism activity has shown a growing tendency towards diversification and change. This makes it difficult for many D-8 countries, including those with a relatively developed tourism sector, to keep pace with the rapidly changing and complex requirements of international tourists. In a highly competitive international tourism market, and considering the emergence of new tourism destinations, improving the conditions that foster modern tourism development is not an easy process.

However, despite all these challenges and the modest share of D-8 countries in the world tourism market, there still is a wide scope for the development of a sustainable international tourism industry in those countries. Overall, this necessitates the adoption of long-term strategies as well as medium to short-term coherent plans and programmes at the national level, accompanied by a process of creating a supportive D-8 cooperation environment. In this context, the following set of recommendations can be proposed at both the national and D-8 cooperation level to serve as policy guidelines to which the attention of the member countries needs to be drawn.

At the national level, the promotion of sustainable tourism development should be an integral part of the national development plans and strategies. The objectives and programmes of action for tourism development should be focused on the promotion of the economic, social, cultural, and environmental incentives of tourism. Sustainable tourism development strategies should be outlined specifically, and formulated in consultation with the private sector and other relevant stakeholders in the tourism sector. Tourism development projects and strategies should consider and include issues of environmental sustainability and poverty alleviation. Governments and the private sector need to pay a special attention.

The quality and efficiency of the basic tourism-related infrastructures and services such as hotels, roads, public amenities, transportation and communication, tourism information, and visa regulations should be improved based on international standards to provide world-class services to tourists. In this context, efforts should be made to create an environment conducive to the safe travel of tourists by improving the border security measures, particularly at airports. Special programmes should, therefore, be developed for the national capacity building in the tourism sector, particularly in the domain of tourism administrations and regulations. On the other hand, as an activity that symbolises free movement, international tourism has everything to gain from the greatest possible liberalisation of trade in the services related to it. In this context, efforts should be made to promote synergies between transport and tourism policies to secure greater facilitation of border movements for visitors and to increase national capacities to use the relevant elements of the multilateral trade framework.

Tourism is a business and primarily an area for private sector activity. Thus, efforts should be made to encourage and promote extensive private sector involvement in tourism development through strengthening public-private sector cooperation with a view to establishing policies, strategies, and regulations relative to sustainable tourism development. In this context, planning, management, and marketing of new and diverse tourism products should be improved by the inclusion of socio-cultural programmes and traditional activities involving local communities. In particular, efforts should be made to improve the potential of ecotourism, not only as a sector with great potential for economic development, especially in remote areas where few other possibilities exist, but also as a significant tool for the conservation of the natural environment.

In order to help change people's perceptions regarding tourism and raise their awareness of the opportunities and challenges involved therein, tourism-oriented education should be promoted and developed. This should be accompanied by making efficient use of the mass media and other promotional facilities to publicise and promote existing attractions and available tourism resources. In this context, training programmes on different aspects of tourism should be provided by national tourism authorities, particularly to people and personnel directly engaged in tourism activities. These programmes should cover a broad range of subjects such as foreign languages, business and e-tourism techniques, the environmental and socio-cultural impacts of tourism, history, national flora and fauna, etc. To facilitate those programmes, actions must be taken to provide local communities with financial and technical support and develop entrepreneurial capacities and managerial skills, especially in small and medium-sized tourism enterprises (SMEs), in order to improve the competitiveness of tourism products and services.

At D-8 cooperation level, joint programmes and promotional materials on tourism in D-8 member countries, such as TV programmes, brochures, posters, and guidebooks should be developed; and made available to the member countries as well as to other countries around the world in order to promote the cultural heritage, diversity, and landmarks of D-8 countries at the regional and international levels. In this context, scientific methods of joint tourism marketing and advertisement should be developed and supported by tools that have a major impact on potential visitors such as the Internet. A proposed example on these tools could be a D-8 Internet Guide for Tourism with a view to providing all actors in the tourism sector with comprehensive and updated information on tourism opportunities in D-8 member countries to help increase intra-D-8 tourism activities. In so doing, the experience of the EU Internet Guide "EU Support for Tourism Enterprises and Tourist Destinations" could be a useful example.

The establishment of alliances between tourism stakeholders in D-8 countries, particularly between the official tourism promotion bodies, should be encouraged with a view to strengthening tourism marketing and promoting cooperation. Linkages in air, land, rail, and sea transportation should be facilitated and established in order to ease access from one destination to another within D-8 region. In this context, efforts should be made to establish a D-8 alliance among the airline companies of D-8 countries with the aim of having direct flights between their capitals and major cities. Meanwhile, tourism visa and other legal and administrative travel procedures should be simplified with a view to easing entry and movement of tourists among D-8 countries and thus enhancing intra-D-8 tourism.

Joint training/vocational programmes on various aspects of the tourism industry should also be developed and organised by the relevant training institutions in D-8 countries. Linkages or networks among tourism training institutions in the member countries may be established to facilitate the exchange of experts and research on tourism development.

Furthermore, in terms of Islamic Tourism, there is a convergence of common interest-religious, political, economic, social, and cultural-that is now clustering around the concept of Islamic/Halal tourism, and all that it implies. There is an increasing level of awareness about the social, economic and cultural potentials of the Islamic tourism at the top policy makers' level. Nonetheless, some policy recommendations could be made for the consideration of D-8 countries at both national and D-8 cooperation level, and the major stakeholders of Islamic tourism industry.

Harmonization of policies and guidelines: There is a need for working out modalities and findings ways and means to harmonize the Islamic Tourism policies and guidelines in order to promote development of Islamic tourism and better cooperation among D-8 countries.

Sharing of expertise and experiences for the development of Islamic tourism: Among D-8 countries, there are some examples of successful Islamic destinations like Malaysia, Turkey and Indonesia. Efforts should be made to facilitate the transfer of knowledge and exchange of expertise among the emerging Islamic tourism markets and the top performing countries.

Cooperation for making a positive image: the phenomenon of Islamophobia is on the rise across the globe. There is a need for joint action and cooperation at the D-8 level to counter the negative media publicity and address the growing Islamophobia by highlighting the cultural and religious values and contributions of the Muslims to the history, culture, architecture and art. This will help not only in positive image building and but also pave way for the development of Islamic tourism.

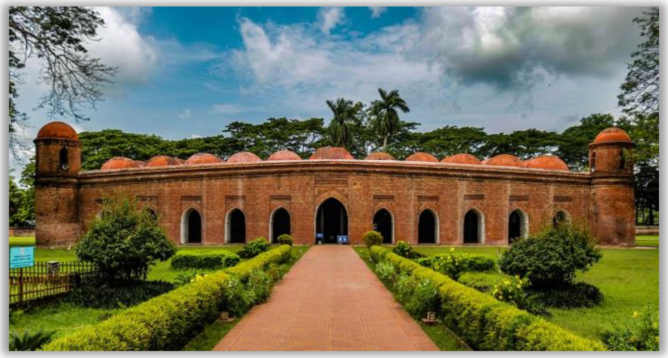
Organizing Islamic tourism events: There is a need for special conferences, workshops and forums at both D-8 and national levels to introduce and advertise the Islamic tourism related products and services. Furthermore, events should also be organized to gather the major stakeholders in Islamic tourism market to share their experiences and best practices and brainstorm the joint future policies and strategies.

Utilizing the media: Media can play an important role to foster and propagate Islamic tourism activities. To this end, D-8 countries can consider establishing a dedicated satellite TV channel (s); publish special editions of popular magazines on Islamic tourism and launch large-scale social media campaigns.

Designing long-term strategies and master plans for the development of Islamic tourism market: Being the major source markets and beneficiaries of Islamic tourism, D-8 countries should develop a comprehensive; evidence based and long-term strategies for the development of a sustainable Islamic tourism sector at both national and D-8 level.

Highlights from D-8 Tourism Markets

Bangladesh



Bangladesh is a low-lying, riverine country located in South Asia, with a largely marshy jungle coastline of 710 km on the northern littoral of the Bay of Bengal. Bangladesh, a land of fascinating history, vibrant cultures, panoramic beauties, flora and fauna, hills and forests, sandy beaches and wildlife, tribal life, archaeological remains, historical monuments, religious and cultural heritages, and handicrafts, is an attractive tourist destination.

Covered with diversified natural wonders and wildlife, this country sees a wide range of hills in the Chittagong Hill Tracts in the southeast and Sylhet division in the northeast. The Sundarbans - home of the majestic Royal Bengal Tiger- are the largest littoral mangrove forest in the world as well as the most important and the biggest forest of Bangladesh. Moreover, Cox's Bazar sea beach, the world's longest natural sandy sea beach with its incredible 120 km length, is the most visited tourist destination in Bangladesh. Every year millions of foreigner and local people come there to enjoy their holidays. Architectural heritage of Bangladesh is also outstanding. Ahsan Manzil and Lalbagh Fort in Dhaka are perfect examples of this great heritage.

In addition to natural beauties, Bangladesh has religious and cultural heritages. As the second largest Muslim country of the world, Bangladesh possess a strong Islamic heritage. Historic Mosque City of Bagerhat, one of the World Cultural Heritage Sites has various mosques, monuments and tombs. Shait Gambuj Mosque is the most remarkable structure among them. Star Mosque, Baitul Mukarram Mosque, Chhota Sona Mosque, Mosque of Baba Adam, The Shrine of Hazrat Shah Jalal, and Shrine of Sultan Bayazid Bostami are other tourist destinations for Muslims in Bangladesh. When combined with Muslim-friendly services and facilities, this Islamic heritage reinforces Islamic tourism in Bangladesh. According to GMTI index, Bangladesh is the twenty-first most popular tourist destination for Muslims in the world and the sixth one in D-8 group.

Source: http://visitbangladesh.gov.bd

Egypt

Egypt was known throughout its history as a destination for tourists and travellers. It was visited by "Herodotus" during the ancient time, when he got surprised because of the vast difference between Egypt and his homeland. Egypt maintained this image throughout the middle and modern history. On the other hand, Egypt enjoys a geographical location, and a moderate climate all the year-round, along with its smooth vast coastlines, and beaches with its unique treasures of coral reefs, providing Egypt with advantages of a competitive edge.

Egypt enjoys various fields of tourism attraction; the most important ones are archaeological or cultural tourism, which is one of the oldest types of tourism in Egypt, where the landmarks of the ancient civilizations are visible to the naked eye, an incarnation of the nations that constructed these civilizations since the dawn of history. Despite the multiple types of tourism, and Egypt's cultural tourism remains the unrepeated, unique and non-competitive component of tourism, as Egypt possesses one third of the world's known monuments (Cairo& Giza, Alexandria, Upper Egypt, Sinai, Fayoum city, oasis and museums).

Besides cultural and archaeological tourism, many tourism attraction types have come into existence and addressed broader segments of tourists across the world, including recreational tourism, beaches tourism, religious tourism, therapeutic tourism, eco-tourism, sports tourism, golf tourism, safari tourism, desert tourism, yacht tourism, and maritime tourism in addition to festivals tourism, and cultural events and finally conferences and exhibitions tourism.

The colourful history of Islam in Egypt shaped the culture, art and architecture of modern Egypt. Islamic Egypt has a tremendous wealth of Islamic art and architecture. Visit Al-Mu'izz al-Din Street, El Azhar Street, Darb al-Ahmar Street, El Saliba Street and Salah ad-Din Square in Cairo to see Egypt as it once was during the golden age of Islamic architecture. These restored areas are considered open museums and wonderful to visit at night. There are also dozens of historical mosques, citadels and souks to visit. Moreover, the great importance given to halal tourism in Egypt offers a decent destination for Muslim tourists. According to GMTI index, Egypt is the fourteenth most popular tourist destination for Muslims in the world and the fifth one in D-8 group.

Source: Egypt Tourism Authority; DIAS, M. C. ,2015.;El-Sergany, 2012; http://iccia.com/

Indonesia

Indonesia is the largest archipelago in the world comprising 13,466 large and small tropical islands fringed with white sandy beaches. Straddling the equator, Indonesia situated between the continents of Asia and Australia and between the Pacific and the Indian Oceans. Indonesia is a huge nation comprised of hundreds of cultures derived from local regions, making it one of the most diverse countries in the world.

Indonesia's moderate climate throughout the year, its fertile soil brought about by lava, and its minerals found on land and in the sea caused by volcanic eruptions, have made this the ideal habitat for a large number of unique and endemic flora. Indonesia has the most diverse variety of species of animals and plants on land and in the seas. To preserve these unique flora and fauna Indonesia has designated 44 national parks throughout the archipelago, covering both land and sea, a large number of protected reserves offering ecotourism opportunities, as well as botanic gardens and zoos.

In addition to ecotourism, Indonesia is well-known with cultural tourism, recreation tourism, sports tourism, adventure tourism, culinary tourism, religious tourism, and wellness tourism (spas and hot springs). With traditional ceremonies (Reog Tengger), museums (Kaliurang, The Oudstad Semarang), temples (Prambanan and Borobudur), and arts, Indonesia attracts people all around the world.

Islamic heritage of Indonesia is also precious. The symbol of the golden era of the Demak Sultanate and the early spread of Islam on Java still stands today, which is the Masjid Agung Demak or the Great Mosque of Demak built in 1478. Currently, Lombok is at the centre of an Islamic tourism drive in Indonesia. Islamic Centre NTB, Great Mosque Praya and Masjid Jami'ul Jama'ah are mosques in Lombok. The Grand Mosque of Baiturrahman and The Kasepuhan Palace are other Islamic places that attract Muslim tourists.

Indonesia is now intensively promoting the development of halal tourism in an effort to attract tourists from Muslim nations, particularly from the Middle East. The Tourism Ministry has designated at least 10 provinces as halal tourist destination regions. The tourism authorities have also produced tourist guides promoting Indonesia as a "Muslim friendly destination". It highlights the country's best "sharia" tourism destinations and notes there are more than 600,000 mosques in the archipelago. Indonesia is the third most popular tourist destination for Muslims in the world and the second one in D-8 group according to the GMTI index (2017).

Source: http://www.indonesia.travel/; http://iccia.com/; The Guardian, 2015

Iran

Iran is a county in southwest Asian, the country of mountains and deserts. With impressive archaeological sites, carefully planned museums, and ecological wonders, Iran is a country that attracts tourists from all over the world who are interested in the history, natural beauty, and business opportunities in Iran. Travelers seeking to delve deep into history and the origins of civilization need look no further than Iran, where a mosaic of cultures and natural landscapes transcends the perception of the country in the international arena.

Within a variety of attractions, Iran is a great destination of historical tourism, ecotourism, and religious tourism. Until now, UNESCO has designated 15 of Iran's various historical and natural sites as part of world heritage such as Persepolis, The Ancient Mesopotamian ziggurat and complex of Chogha Zanbil, and Soltaniyeh Dome. In addition, an array of museums such as Golestan Palace in Tehran and the Sheikh Safi Museum present Iran's historical and traditional past.

Iran's natural beauty should also be mentioned for giving rise to ecotourism. Stunning waterfalls, deserts, forests, lagoons, caves, swamps, and lakes represent a diverse array of climatic zones and landforms. In total, the country boasts 28 natural parks, 43 protected wildlife zones, and 166 protected areas, committing nearly 5% of its land-an area of 8 million hectares-to ecotourism and the preservation of natural resources.

The city of Mashhad, visited by the Muslims to pay homage to the Holy Shrine of Imam Reza, one of the largest mosque in the world, by area which accommodates 20 million pilgrims and tourists every year. Other notable holy sites include the Danial-e Nabi Mausoleum, one the messengers of God in shosa, Shrine of Hazrat-e Masumeh, the sister of and the Chak Chakoo Fire Temple, which is famous for the legendary dripping water that falls from surrounding rock formations.

In GMTI index 2017, Iran is ranked as the 11th (in the world) and 4th (in D-8 group) most popular Islamic tourism destination. There is a high potential for expansion of Islamic tourism in Iran. As cited from tourism authorities of Iran, many principles of Halal tourism, including serving halal meat in airplanes, hotels and restaurants, and prohibition of serving alcoholic beverages in such places, are already observed in Iran. If Iran provides more facilities for Muslims, then Iran would be an ideal touristic destination for Muslims from all over the world.

Source: IRNA, 2016; Halal Travel,n.d.; Halal Expo Europe, 2015

Malaysia

Malaysia is a bubbling, bustling melting pot of races and religions. This multiculturalism has made Malaysia a gastronomical paradise and home to hundreds of colourful festivals. One of Malaysia's key attractions is its extreme contrasts, which further add to this theme of 'diversity'. Towering skyscrapers look down upon wooden houses built on stilts while five-star hotels sit just metres away from ancient reefs. Rugged mountains reach dramatically for the sky while their rainforest-clad slopes sweep down to floodplains teeming with forest life. Cool highland hideaways roll down to warm, sandy beaches and rich, humid mangroves.

Cultural tourism, adventure tourism, sea tourism, and religious tourism are prominent in Malaysia. Mount Kinabalu, Wang Gunung, Wang Burma Cave and parks serve for tourists seeking adventure. Galleries, stores, cooking classes, food markets and more make Malaysia attractive to tourists. Pulau Rawa, Sipadan Island, Pulau Redang, and Pulau Payar Marine Park are just a few of beautiful beaches. Additionally, Malaysia becomes a top destination for medical tourism. Currently, most of the medical tourists come from Indonesia, and the Middle East and North Africa.

Malaysia has also well-known Islamic attractions. Dubbed as one of the most beautiful mosques in Malaysia, Masjid Al-Hussain is Kuala Perlis' well-known icon. Built next to the Kuala Perlis Jetty, the mosque's structure extends over the Straits of Malacca, earning it the nickname 'Floating Mosque'. A 50-metre bridge connects to the main prayer hall suspended above the water. When the tide is up, and at just the right light conditions, the mosque, with its reflection in the waters, appears to float upon itself, lending an almost magical feel to this place of worship. Taman Tamadun Islam or The Islamic Civilization Park is an outdoor edutainment park featuring the glory of the Islamic civilization as its theme. Located in Terengganu, it prides itself in giving visitors a chance to visit and learn about historic monuments from around the world. The main attractions are the scaled monuments like Malaysia's National Mosque, India's Taj Mahal, Saudi Arabia's Masjidil Haram and many more made with detail displayed around the park. Nearby is the beautiful Crystal Mosque, the famous landmark of Kuala Terengganu City. Built entirely out of steel and glass, it has earned its place as an icon in Kuala Terengganu. It rests comfortably atop the waters of the Terengganu River, leaving visitors mesmerized by the frosted glass windows and meticulous calligraphies adorning the mosque.

In GMTI index 2017, Malaysia leads the ranking by a big margin from the rest of the countries. Large inbound Muslim traveller base relative to its size, strong Halal-friendly ecosystem and high level of awareness and promotion of Islamic tourism drives the top ranking of Malaysia.

Source: http://www.malaysia.travel

Nigeria

Nigeria is situated in the West African region. The 800km of coastline confers on the country the potentials of a maritime power. Land is in abundance in Nigeria for agricultural, industrial and commercial activities. Nigeria is often referred to as the "Giant of Africa", owing to its large population and economy. The country is viewed as a multinational state, as it is inhabited by over 250 ethnic groups, of which the three largest are the Hausa, Igbo and Yoruba; these ethnic groups speak over 250 different languages and are identified with wide variety of cultures.

Tourism has recently become a priority industry for the Nigeria government as it seeks to diversify its economy. Nigeria has a potential for a wide variety of tourist attractions such as extended and roomy river and ocean beaches ideal for swimming and other water sports, unique wildlife, vast tracts of unspoiled nature ranging from tropical forest, magnificent waterfalls, some new rapidly growing cities and climatic conditions in some parts particularly conducive to holidaying. Other attractions include traditional ways of life preserved in local customs; rich and varied handicrafts and other colourful products depicting or illustrative of native arts and lifestyle, and the authentic unsophisticated but friendly attitude of many in the Nigerian population.

Cultural tourism, ecotourism, festival tourism, sports tourism and sea tourism are prominent in Nigeria. Several attractions in Nigeria are sorted as follows: Cross River National Park, Erin-Ijesha Waterfalls, Gashaka Gumti National Park, Idanre Hill, Kainji Dam, Kamuku National Park, Mambilla Plateau, Old Oyo National Park, Olumo Rock, Okomu National Park, Okomu Forest Reserve, Zuma Rock and Abuja National Mosque.

Nevertheless, in spite of its vast potential, Nigeria suffers from very low visibility in the international tourism arena and efforts to capture the mass tourism market. In terms of Islamic tourism, Nigeria is ranked with the lowest rate at D-8 level, and as the 67th most popular Islamic tourism destination globally according to GMTI index 2017.

It is fact that with the proper planning, Nigeria could offer a wide variety of opportunities for tourists. More specifically, with its great potential for niche ecotourism, Nigeria can be one of the important tourism centres in the world for visitors both from Muslim countries and around the world.

Source: http://www.nigeriahc.org.uk/, http://iccia.com/

Pakistan

Pakistan is bounded to the west by Iran, to the southeast by India, Afghanistan to the north-west, and China to the northeast and the Arabian Sea to the south. The great mountain ranges of the Himalayas, the Karakorams and the Hindukush form Pakistan's northern highlands of North West Frontier Province and the Gilgit-Baltistan. Historically, this is one of the most ancient lands. Its cities flourished before Babylon was built; its people practiced the art of good living and citizenship before the ancient Greeks. The region traces its history back to at least 2,500 years BC, when a highly developed civilization flourished in the Indus Valley.

Tourism in Pakistan is divided into five categories: adventure tourism, ecotourism, religious tourism, heritage tourism, and sports tourism. Nowhere in the world, there is such a great concentration of high mountains, peaks, glaciers and passes except Pakistan. Of the 14 over 8000 peaks on earth, four occupy an amphitheatre at the head of Baltoro glacier in the Karakoram Range. K-2 (8611 m, world second highest) is a great example. National parks, forests, tombs, and mosques contribute to tourism of Pakistan.

Pakistan is a treasure house of Muslim art and architecture. Lahore, the cultural capital of Pakistan, is situated along the bank of River Ravi. The city has witnessed the rise and fall of many dynasties like Ghaznavids (1021-1186 AD) before the arrival of the Mughals. Babur of Ferghana conquered the city. All the important monuments like the Royal Fort, Badshahi Mosque, Wazir Khan's Mosque and Tombs of Empror Jehangir, Asif Khan, Queen Noor Jehan and the Shalimar Gardens, Hiran Minar etc., were constructed during this period.

On the other hand, the shrines, mosques and forts located in and around Multan and Bahawalpur are the masterpieces of the early Muslim architecture. Some important buildings are; Forts at Multan and Derawar (Bahawalpur), shrines of Shaikh Bahauddin Zakaria, Shah Rukan-e-Alam, Hazrat Shams Tabrez at Multan and Tomb of Bibi Jiwandi at Uchh Sharif near Bahawalpur. The tombs at Chaukundi, the remains at Banbhore and the largest necropolis of the world with a million graves scattered over an area of 10 sq. km on Makli Hills near Thatta together with the Shahjehan Mosque of Thatta, are exquisite specimens of Muslim architecture, with stone carving and glazed tile decorations. According to GMTI 2017, Pakistan is the seventh most popular Islamic tourism destination among D-8 countries, also ranked as 23rd most popular in the world for Muslims.

Source: http://www.tourism.gov.pk/

Turkey

As a bridge between Europe and Asia, Turkey has so much to offer visitors: breath-taking natural beauty, unique historical and archaeological sites, steadily improving hotel and touristic infrastructure and a tradition of hospitality and competitive prices.

This rectangular-shaped country is bordered on three sides by three different seas. Its shores are laced with beaches, bays, coves, ports, islands and peninsulas. Turkey is also blessed with majestic mountains and valleys, lakes, rivers, waterfalls and caves perfect for winter and summer tourism as well as sports of all kinds. Fans of skiing, mountain climbers, trekkers, hikers and hunters can all enjoy new and unforgettable experiences in Turkey. The country is rich in hot springs, healing waters and mud baths, which are highly recommended by the medical authorities as a remedy for many diseases.

Besides its great sights and monuments, Turkey offers unlimited opportunities for leisure and pleasure. Majestic mountains are ideal for climbers, hikers, skiers and paragliders. There are over 8000km of coastline laced with picturesque bays and coves offering not only unique spots for summer holidays but also exciting opportunities for scuba diving, sailing, parasailing and cruising. Year-round sunshine destinations are accessible in Turkey, while there is plenty of snow in others. There is a solid and expanding tourism infrastructure, one of the world's healthiest cuisines and an extremely hospitable people. Seniors, history lovers, yachtsmen, and mountaineers, young parents with toddlers and business people who look for new adventures can all find something special in Turkey.

Turkey has an extremely rich cultural heritage. Perhaps no other land has witnessed so many diverse civilisations over the last 11,500 years. Occupying a strategic position on the world map, Turkey combines the wealth of the East and the West, offering a synthesis of the traditional and the modern, the old and the new.

Although the majority of Turkish people continue to be deeply attached to the Islamic faith and traditions, they live side by side in harmony with their fellow citizens of different faiths, mainly the Christians and Jews – the legacy of Turkey's centuries old diversity. Today, there are more than 5000 sacred Muslim, Christian and Jewish sites in Turkey.

Currently, Turkey is ranked as the third most popular Islamic tourism destination among D-8 countries (2017 GMTI index). Family-friendly Islamic tourism market is growing fast, and attract more Muslim tourist to various cities of Turkey such as Istanbul, Antalya, and Bursa.

Source: https://hometurkey.com/

References

Akyol, M. and Kilinc, O. (2014), “Internet and Halal Tourism Marketing”, *Electronic Turkish Studies*; Volume 9/8.

Al-Hamarneh, A. and Steiner, C. (2004), “Islamic Tourism: Rethinking the Strategies of Tourism Development in the Arab World”, *Comparative Studies of South Asia, Africa and the Middle East*, Vol. 24, No. 1.

Bangladesh Tourism Board. (n.d.). Retrieved April 02, 2018, from http://visitbangladesh.gov.bd/

Crescent Rating (2015), Muslim/Halal Travel Market: Basic Concepts, Terms and Definitions. Crescent Rating, Singapore .

DIAS, M. C. (2015). Iran turning into world's Halal tourism hub - Halal Expo Europe. Retrieved May 26, 2016, from http://www.halalexpoeurope.com/iran-turning-worlds-halal-tourism-hub/?lang=en

Dinar Standard (2015), Halal Tourism – An Overview, WHTS15: The World Halal Travel Summit and exhibition), Abu Dhabi, UAE.

Dinar Standard and Crescent Rating (2012), Executive Summary of Global Muslim Lifestyle Travel Market 2012: Landscape & Consumer, For Airlines, Destinations & Hotels/Resorts, Dinar Standard and Crescent Rating.

Duman, T. (2011), The Value of Islamic Tourism: Perspectives from the Turkish Experience, presented at the World Islamic Tourism Forum (WITF 2011), Kuala Lumpur.

Egypt Tourism Authority. (n.d.). Retrieved May 26, 2016, from http://www.egypt.travel/

El-Sergany, R. (n.d.). Egypt's Halal Tourism. Retrieved June 01, 2016, from http://islamstory.com/en/node/35927

Fahim, T., & Evana Nusrat Dooty, S. (2014). Islamic Tourism: In the Perspective of Bangladesh. Global Journal of Management And Business Research, 14(1).

H. (n.d.). Halal Travel guides for Indonesia. Retrieved May 24, 2016, from https:// www.halaltrip.com/ downloadable-halal-travel-guides/

Hamza, I., Chouhoud, R. and Tantaioi, P. (2012), “Islamic Tourism: Exploring Perceptions & Possibilities in Egypt” , *African Journal of Business and Economic Research* , Vol. 7, No 1 & 2 , pp. 86-99

Haq, F., & Medhekar, A. (2014). Islamic Tourism in India and Pakistan: Opportunities and Challenges. Emerging Research on Islamic Marketing and Tourism in the Global Economy, 190.

Indonesia promotes halal industry to attract tourists from Middle East - Saudi Gazette. (2016). Retrieved May 24, 2016, from http://saudigazette.com.sa/business/indonesia-promotes-halal-industry-attract-tourists-middle-east/

Indonesia's Lombok promotes itself as 'Muslim-friendly' tourism destination. (2015).

Iran turning into world's Halal tourism hub - Halal Expo Europe. (2015). Retrieved May 26, 2016, from http://www.halalexpoeurope.com/iran-turning-worlds-halal-tourism-hub/?lang=en

Islamic Iran enjoys potential to become Halal tourist hub. (2015). Retrieved June 01, 2016, from http://theiranproject.com/blog/2015/03/14/islamic-iran-enjoys-potential-to-become-halal-tourist-hub/

Jafari, J. and Scott, N. (2014), "Muslim World and its Tourisms" *Annals of Tourism Research*, Vol. 44, 1-19.

Master Card and Crescent Rating (2015), Global Muslim Travel Index 2015 (GMTI 2015), Master Card-Crescent Rating, Singapore.

Nigeria High Commission. (2018, April 02). Retrieved April 02, 2018, from http://www.nigeriahc.org.uk/

Official Travel Guide of Turkey. (n.d.). Retrieved April 02, 2018, from https://hometurkey.com/

Official Website of Tourism Malaysia. (n.d.). Retrieved April 02, 2018, from http://www.malaysia.travel/

Organization for Investment Economic and Technical Assistance of Iran. (n.d.). Retrieved April 02, 2018, from https://www.investiniran.ir/

Pakistan Halal Authority to start functioning within two months: Federal Minister said - NewsHalal. (n.d.). Retrieved June 01, 2016, from http://newshalal.com/article/271/trends/Pakistan-Halal-Authority-to-start-functioning-within-two-months:-Federal-Minister-said

Pakistan Tourism Development Corporation. (n.d.). Retrieved April 02, 2018, from http://www.tourism.gov.pk/

Saad Sanad, H. A., Kassem, M. and N. Scott (2010), Tourism and Islamic Law, in Noel Scott, Jafar Jafari (ed.) Tourism in the Muslim World (Bridging Tourism Theory and Practice, Volume 2, Emerald Group Publishing Limited, pp.17 – 30.

Saha, S. (2015). Bangladesh becoming a top spot for Muslim travellers. Retrieved June 01, 2016, from http://www.thedailystar.net/business/bangladesh-becoming-top-spot-muslim-travellers-5137

Scott, N. and Jafari, J. (2010), Introduction: Chapter 1, in Noel Scott, Jafar Jafari (ed.) Tourism in the Muslim World (Bridging Tourism Theory and Practice, Volume 2, Emerald Group Publishing Limited, pp.1-13.

The Report: Nigeria 2010. (2010). Oxford Business Group.

Thomson Reuters and Dinar Standard (2013), State of the Global Islamic Economy, 2013 Report, Thomson Reuters and Dinar Standard, New York City.

Thomson Reuters and Dinar Standard (2015), State of the Global Islamic Economy, 2014-2015 Report, Thomson Reuters and Dinar Standard, New York City.

Thomson Reuters and Dinar Standard (2015a), Islamic Growth Markets Investment Outlook, Official Report of Global Islamic Investment Gateway, Thomson Reuters and Dinar Standard, New York City.

Thomson Reuters and Dinar Standard (2016), State of the Global Islamic Economy, 2016-2017 Report, Thomson Reuters and Dinar Standard, New York City.

Tourism (n.d.). Retrieved April 02, 2018, from http://iccia.com/

Travel&Tourism. (2012). Nigerian hotels set to corner Muslim tourist boom.

UNDP (2011), Public-Private Partnership in Rural Tourism, United Nations Development Programme, Belgrade.

UNWTO (2000), Public-Private Sector Cooperation: Enhancing Tourism Competitiveness, UN World Tourism Organization, Madrid.

UNWTO (2003), Co-operation and Partnerships in Tourism - A Global Perspective, UN World Tourism Organization, Madrid.

UNWTO (2015), World Tourism Barometer, Volume 13, April.

UNWTO (2015), World Tourism Barometer, Volume 13, January.

UNWTO (2015), World Tourism Barometer, Volume 13, June.

UNWTO (2015), World Tourism Highlights.

UNWTO, The Standard International Classification of Tourism Activities (SICTA), Available at: http://www.unwto.org/statistics/basic_references/index-en.htm.

WEF (2009), Travel and Tourism Competitiveness Report 2009, World Economic Forum.

Wonderful Indonesia. (n.d.). Retrieved April 02, 2018, from http://www.indonesia.travel/

Zolfaghari, H. (N.D.). Potentials and Limitations in Iran for Developing Tourism Sector. Retrieved June 1, 2016, from http://web.deu.edu.tr/geomed2010/2007/Zolfaghari.pdf

Data Sources

IMF, Direction of Trade Statistics (DOTS), Online Database.

OIC Statistics Database (OICStat) – SESRIC

United Nations Statistics Division (UNSD), Tourism Statistics Online Database (UNDATA).

United Nations World Tourism Organisation, Compendium of Tourism Statistics 2015-2017.

World Bank, World Development Indicators Online Database.

Statistical Appendix

Table A.1: International Tourist Arrivals by Region (Millions)

Year	World	Africa	Americas	Asia & Pacific	Europe	Middle East
1975	222.3	4.7	50	10.2	153.9	3.5
1980	277.6	7.2	62.3	23	178	7.1
1981	278.2	8.1	62.5	24.9	175.1	7.6
1982	276.4	7.6	59.7	26	174.9	8.3
1983	281.2	8.2	59.9	26.6	179	7.5
1984	306.2	8.8	67.4	29.5	192.8	7.7
1985	319.5	9.6	65.1	32.9	203.8	8.1
1986	329.5	9.3	70.9	36.8	205.5	6.9
1987	359	9.8	76.6	42.1	223.3	7.2
1988	384.1	12.6	83	48.7	230.7	9.1
1989	409	13.8	86.9	49.4	249.6	9.2
1990	438.4	15.2	92.8	56.2	264.7	9.6
1991	441.3	16.3	95.3	58	262.8	8.9
1992	478.4	18.2	102.2	65.8	280.9	11.3
1993	494.2	18.8	102.2	72.3	289.5	11.4
1994	518	19.1	105.1	80.1	301.5	12.1
1995	538.5	20.1	109	82.5	313.2	13.7
1996	572.4	21.8	114.5	90.4	329.9	15.8
1997	596	22.8	116.2	89.7	350.6	16.7
1998	614.3	25.2	119.2	89.4	362.5	18
1999	637.4	26.7	122	98.8	368.4	21.5
2000	674	26.2	128.2	110.3	386.4	22.4
2001	680	28.9	122.1	120.7	383.8	25
2002	700	29.5	116.6	131.1	394	29.2
2003	694	31	113.1	113.3	407.1	29.5
2004	764	33.8	125.7	144.2	424.4	36.3
2005	809	34.8	133.3	154	453	33.7
2006	846	39.1	135.8	166	463.9	40.9
2007	900	42.6	142.9	182	485.4	46.9
2008	919	44.5	146.9	184	487.3	56
2009	880	45.9	140	180.9	460	52.9
2010	953	49.5	150.1	205.4	488.9	54.7
2011	998	49.5	155.5	218.7	520.1	50.3
2012	1045	51.9	162.6	237.8	540.1	51.8
2013	1093	54.7	167.6	254.1	565.7	51
2014	1137	55	181.9	269.5	575.2	55.4
2015	1189	53.4	192.7	284.1	602.6	55.9
2016	1235	57.8	199.9	308.7	615.2	53.6

Source: UNDATA Online Database and UNWTO World Tourism Barometer (various issues)

Table A.2: International Tourism Receipts by Region (Billion US$)

Year	World	Africa	Americas	Asia & Pacific	Europe	Middle East
1975	40.7	1.3	10.2	2.5	25.9	0.9
1980	104.5	3.4	24.7	10.3	62.7	3.5
1981	106	3.7	27.8	12.1	58.1	4.4
1982	99.9	3.4	25.7	12.2	56.4	2.2
1983	103	3.5	26.3	12.8	56	4.4
1984	111.7	3.2	32	13.7	58.1	4.7
1985	118.5	3.1	33.3	14.5	63.4	4.2
1986	144.4	3.6	38.4	18.8	80.1	3.5
1987	178.1	4.6	43.1	24.8	101.1	4.5
1988	205.9	5.5	51.3	32.4	112.3	174.2
1989	262.9	5.7	60.2	36.1	155.8	5.2
1990	264.1	6.4	69.2	41.1	143.1	4.3
1991	277.7	6	76.3	42.9	148.1	4.5
1992	320.7	6.8	3.7	51	172.7	6.6
1993	327.3	6.9	89.41	57	167.3	6.9
1994	356.4	7.6	92.4	67.3	181.1	8.1
1995	405	8.5	98.4	75.9	212.3	9.8
1996	438.6	9.7	108.2	84.8	224.8	11
1997	442	9.5	114.4	82.2	223.7	12.1
1998	444.2	10.2	115.2	72.1	234.8	11.9
1999	457.4	10.8	119.9	79	233.9	13.9
2000	477	10.4	130.8	85.2	232.7	15.2
2001	464	11.5	119.8	88	227.7	15.6
2002	480	11.9	113.4	96.3	242.5	16.2
2003	524	16	114.1	93.5	284.1	19.7
2004	633	18.9	132	123.9	329.3	25.2
2005	676	21.6	144.5	134.5	349.2	26.3
2006	742	24.6	153.7	156	376.3	30.6
2007	858	29.1	171.3	186.8	435.2	35
2008	942	29.9	187.7	209	472.8	42.8
2009	852	28.1	165.6	202.8	412.4	43.3
2010	961	31.6	182.2	248.7	406.2	50.3
2011	1073	32.7	197.9	298.6	466.7	46.4
2012	1110	34	213	324	458	47
2013	1197	35.1	264.4	360.7	491.7	45.1
2014	1252	36.1	288	420.1	513.5	51.6
2015	1196	32.8	305.6	349.5	449.8	58.2
2016	1220	34.8	313.1	366.7	447.4	57.6

Source: UNDATA Online Database and UNWTO World Tourism Barometer (various issues)

Table A.3: International Tourism Arrivals in D-8 Countries

Country	2010	2011	2012	2013	2014	2015
Bangladesh	303	155	125	148	125	...
Egypt	14051	9497	11196	9174	9628.3	9139
Indonesia	7003	7650	8044	8802	9435	10407
Iran	2938	3354	3834	4769	4967	5237
Malaysia	24577	24714	25033	25715	27437	25721
Nigeria	6113	3765	4673	4038	4803	6017
Pakistan	907	1161	966	...	...	...
Turkey	31364	34654	35698	37795	39811	39478
Source: OIC Stat, UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017						

Table A.4: International Tourism Receipts in D-8 Countries (US$)

Country	2010	2011	2012	2013	2014	2015
Bangladesh	104	97	105	131	154	148.4
Egypt	13633	9333	10823	6747	7979	6897
Indonesia	7618	9038	9463	10302	11567	12054
Iran	2631	2489	2483	3212	3676	...
Malaysia	18152	19649	20251	21500	22600	17614
Nigeria	736	688	639	616	601	470
Pakistan	998	1127	1014	938	971	906
Turkey	26318	30302	31566	36192	38766	35413
Source: OIC Stat, UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017						

Table A.5: International Tourism Expenditure in D-8 Countries (US$)

Country	2010	2011	2012	2013	2014	2015
Bangladesh	852	819	889	1308	782	825
Egypt	2696	2575	3037	3261	3486	3636
Indonesia	8432	8653	9055	10280	10263	9800
Iran	10570	10555	8435	9380	8989	...
Malaysia	8324	10180	12217	12236	12442	10589
Nigeria	8348	9533	9240	9150	9068	9200
Pakistan	1370	1857	1851	1638	2209	2333
Turkey	5817	5372	4585	5253	5475	5686
Source: OIC Stat, UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017						

Table A.6: Balance of International Tourism (Million US$)

Country	2010	2011	2012	2013	2014	2015
Bangladesh	-748	-722	-784	-1177	-628	-676.6
Egypt	10937	6758	7786	3486	4493	3261
Indonesia	-814	385	408	22	1304	2254
Iran	-7939	-8066	-5952	-6168	-5313	…
Malaysia	9828	9469	8034	9264	10158	7025
Nigeria	-7612	-8845	-8601	-8534	-8467	-8730
Pakistan	-372	-730	-837	-700	-1238	-1427
Turkey	20501	24930	26981	30939	33291	29727

Source: SESRIC staff calculation based on OIC Stat, UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017

Table A.7: Balance of International Tourism (as % of GDP)

Country	2010	2011	2012	2013	2014	2015
Bangladesh	-0.65	-0.58	-0.61	-0.77	-0.36	-0.35
Egypt	5.1	2.92	2.85	1.3	1.51	1.03
Indonesia	-0.11	0.04	0.04	0	0.15	0.26
Iran	-1.7	-1.36	-1.01	-1.21	-1.25	…
Malaysia	3.85	3.18	2.55	2.87	3	2.37
Nigeria	-2.06	-2.14	-1.87	-1.66	-1.49	-1.77
Pakistan	-0.21	-0.34	-0.39	-0.32	-0.5	-0.54
Turkey	2.8	3.22	3.42	3.76	4.17	4.14

Source: SESRIC staff calculation based on OIC Stat, UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017 and GDP figures from World Bank WDI Database

Table A.8: International Tourism Receipts (as % of Merchandise Export)

Country	2010	2011	2012	2013	2014	2015
Bangladesh	0.63	0.42	0.47	0.51	0.54	0.5
Egypt	50.02	29.6	37.01	23.35	29.89	32.66
Indonesia	4.83	4.44	4.98	5.64	6.56	8.02
Iran	2.66	1.91	2.43	3.79	4.27	…
Malaysia	9.13	8.61	8.89	9.41	9.65	8.81
Nigeria	0.95	0.65	0.6	0.64	0.65	0.86
Pakistan	4.69	4.42	4.02	3.57	3.6	3.5
Turkey	23.11	22.46	20.7	23.84	24.6	24.62

Source: SESRIC staff calculation based on OIC Stat, UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017 and the Export figures in the IMF DOTS

Table A.9: Intra-D-8 Tourist Arrivals

Country	2011	2012	2013	2014	2015
Bangladesh	17199	17353	17506	…	…
Egypt	162071	186367	171647	141620	140403
Indonesia	1190812	1286532	1403190	1449899	1495833
Malaysia	2455499	2721969	2894584	3260522	3120210
Nigeria	45682	112320	56592	57506	64291
Pakistan	67211	62381	…	…	…
Turkey	2069816	1436267	1470116	1906090	2013890
Iran	615927	577274	558108	622438	714978
Source: UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017					

Table A.10: Intra-D-8 Tourism Receipts (US$)

Country	2011	2012	2013	2014	2015
Bangladesh	10763245	14576520	15495176	21755888	21755562
Egypt	159272259	180158096	126237444	117360902	105959021
Indonesia	1406870439	1513482386	1642315767	1777528536	1732561832
Iran	457078802	373857940	375894925	460656752	510887755
Malaysia	1952257824	2201997133	2420126619	2685708977	2136751252
Nigeria	8347733	15358972823	8633153	7195733	5021810
Pakistan	65242719	65480677	71208572	74608003	77430224
Turkey	1809879507	1270020845	1407763944	1856056993	1806522280
Source: SESRIC staff calculation based on OIC Stat, UNDATA Online Database, UNWTO Compendium of Tourism Statistics CD-ROM 2017					