



**Original Article**

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## The Impact of Sanctions on Iran's Tourism

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Received: 2013/06/12    Revised: 2013/09/10    Accepted: 2013/11/02

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**ABSTRACT:** Nowadays countries such as Iran, have been suffering from sanctions and economic crisis, which affect many industries of the country. The tourism industry is a section that has been influenced by different sensations. In this paper, the authors look at the sanctions and their impacts in general and tourism in particular in order to review the potential impacts of sanction on international and national tourism. Desk research and macro analysis have been used in this paper. The results revealed a decrease in outbound tourists and increase in inbound and domestic visitors in recent years. In conclusion, sanctions against Iran have had both positive and negative effects on Iran's tourism. However, the revenue gained from the tourism industry is not as much as other industries in Iran such as oil and mine.

**KEYWORDS:** Sanction, Tourism, Impacts.

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## 1. INTRODUCTION

International economic sanctions appear to be a usual and repeating characteristic in political interactions between governments (Caruso, 2003). Sanctions are defined as actions begun by one or more international actors against one or more other countries by two purposes that include punishing the targets by dispossessing them by some value and make the targets obey certain important norms based on the senders' assumptions (Galtung, 1967). One of senders' purposes to impose sanction is alternation of receivers' policy. Hufbauer and Schott (1990: Vol. 2) Reported a 34 percent rate of success measured based on their influence on the changes in the policies and capabilities of the receiver in terms of a survey of 103 cases of economic sanctions from 1914 to 1990 (Garoupa & Gata, 2002). Sanctions can be unilateral and multilateral which imposed on different sections of a target such as trade, exports, and some industries like oil, mine and travel. The question here is that if sanctions affect on these sections. If yes, which kinds of impacts? Negative or positive? The degree of impacts is different from one sender to another one, one target to others and one section to other sections. In some nations, sanctions have had only bad effect. However, both bad and good impacts have happened in some receivers.

Iran is a country which confronted with this subject. Sanctions against Iran have referred to many years ago, but actual sanctions and their forces on the nation and government have happened in recent years. They have had many effects on Iran's different sections and the economy. One of the sections which influence is the tourism industry. Iran has high tourism potential in relation to natural and historical resources and cultural heritage, but tourism isn't prospered. The question here is that if sanction is a deterrent for tourism or a reward and incentive.

## 2. SANCTION AND VERITIES OF SANCTION

According to Oxford dictionary sanction is defined as "an official order that limits trade, contact, etc. With a particular country, in order to make it do something such as obeying international law" . Human rights organizations name sanction as a tricky issue (Murdie and Peksen, 2013). This action can be used for many reasons. Some reasons for sanctioning consist of punishing or weakening a target country, informing reluctance; persuading altering in policy, or causing regime change (2<sup>nd</sup> report of session 2006-2007, 2007). Sanction usually includes a prohibition on sale and shipping of goods to a country and purchasing targeted country exported products (Mehregan et al, 2004). It is applied as a tool to pressure and compulsion in achievement of foreign policy goals in mind and it has been introduced as one of the most arguable and non-definitive literature on international relations (Valizadeh, 2011). The advocates of sanctions believe that sanctions can be as efficient as military force and more friendly (Garoupa and Gata, 2002). There exist some purposes and motivations behind the sanctions. Motivations of international use of sanctions include punishing, preventing and recovering (Andreasson, 2008; Elliott, Hufbauer and Oegg, 2008). One of its purposes is to placate domestic pressure groups or give people feeling of definite action but without any prospect that the targeted country will be afflicted with important costs or alter its behaviour (2<sup>nd</sup> report of session 2006-2007, 2007). Sanction includes two steps: threat and fulfilment. At threat phase, embargoes work; when it doesn't work at this stage, sanction is really imposed and farfetched to work on fulfilment stage (Verdier, 2009). The senders have their own principles for implementing of sanctions. For example, the principles of The UK sanctions policy include: 1) aiming at striking the regime rather than the public; 2) immunities to disparage the humanitarian effect on innocent nations; 3) having transparent purposes and strategy; 4) having impressive orders for fulfilment and pressure by neighbouring countries; 5) eluding unessential



unfavourable effect on UK economic and commercial interest (2<sup>nd</sup> report of session 2006-2007, 2007).

Indigenous interest groups stimulated by economic considerations influence both on decision to inflict embargos and what kinds of sanctions will be inflicted (Murdie and Peksen, 2013). Some types of sanctions are imposed to the target. Andreasson (2008) named two kinds: trade and finance. Trade sanctions are related to the limitation of the target's exports and imports and financial ones based on banning the finance or decreasing or removing government loans and aids. In fact trade sanction is a trade penalty which is forced by one country onto one or more other nations. The aim of trade sanction is to decrease the trade- exports or imports or both (Hufbauer, Elliott, Cyrus & Winston, 1997). Trade embargo is usually elective, influencing one or a few products (Elliott, Hufbauer and Oegg, 2008). Financial embargo beats government-controlled activities like banks and companies and tend to freeze targeted country properties (Andreasson, 2008). Financial boycott may decrease trade too by rejecting investiture, foreign exchange or credit to the sanctioned country or by increasing its cost of credit (Hufbauer et al, 1997). Economic sanctions have been further and companion with war, mostly in a shape of blockage desired to debilitate the enemy, such as UN sanction against Iraqi between 1990 and 2003 which was comprehensive (2<sup>nd</sup> report of session 2006-2007, 2007) were being further and following the first Gulf War in 1991 (Elliott, Hufbauer and Oegg, 2008). Economic force is a famous policy means applied by sender governments to compel a target to change its behaviour by fulfilling their demands (Murdie and Peksen, 2013). Sanctions usually play a secondary role when mixed with other policy tools (2<sup>nd</sup> report of session 2006-2007, 2007). Hufbauer and Schott (1985) defined economic sanction as “the deliberate government-inspired withdrawal, or threat of withdrawal, of “customary” trade or financial relations, where “customary” means levels that would probably have occurred in the absence of sanction (Garoupa and Gata, 2002: 43; Elliott, Hufbauer and Oegg, 2008; Nyun, 2008: 464). Countries in major powers mostly inflict economic sanction even when there is little probability of altering target's policy (Andreasson, 2008). Within sanctions, subvention of sender to poor countries is wound up (Elliott, Hufbauer and Oegg, 2008).

Sanctions can be unilateral and multilateral. The difference between unilateral and multilateral sanctions is found only on the number of senders taking part in a given sanction event (Nyun, 2008). Unilateral sanctions are performed by one or several actors whilst multilateral one is a total sanction (Andreasson, 2008). Multilateral sanctions are inflicted by more than one sender and have international uphold whereas unilateral sanctions are inflicted by a country acting solely, or almost alone, in using the sanctions (Nyun, 2008). According to the policy makers' argument, multilateral sanctions are more probable to compel a target country to change its behaviour rather than unilateral ones (Bapat and Morgan, 2009). The logic behind unilateral sanctions policy is fairly straightforward and imposing economic loss has come from limitations of ordinary trade relationships, foreign straight investiture, and development aid which grows political dissatisfaction among target nation (Nyun, 2008).

## **2.1. Sanction Impacts**

It is difficult to measure the extent of the fine and its effect on the economy of the sender and target because for evaluating the impacts of embargos, direct and indirect impacts must be taken into consideration (Andreasson, 2008). There exist both negative and positive sanctions. Negative sanctions have a lot of publicity as economic tools of diplomacy. They are inflicting in order to impose an economic detriment to one or more countries. Differently, positive sanctions are measures aimed at developing cooperation among some countries (Caruso, 2003). In relation to multilateral and unilateral sanctions, multilateral fails more than unilateral when sanctioned country is less probable to surrender (Bapat and Morgan, 2009). Political displeasure in sanctioned country which is raised from economic sanction causes people to rebel against the



government demanding alternation in policy (Nyun, 2008). On the other hand, sanctions may assist military regulation as the generals live separate from internal quarrel (Andreasson, 2008). Targeted embargoes such as arms sanctions, travel bans, and property freezes concentrate their impact on leaders, elite groups of politics, and sectors of society believed to be in charge of the offensive behaviour (Elliott et al, 2008). In addition, sanction affects on political relationship between countries such as Burma and China which have had strong relations (Andreasson, 2008). Sanction can not only affect on target country but also on sender countries such as US unilateral sanction to 26 target countries in 1995 which caused exports to sanctioned country reduce about \$15 billion to \$19 billion, a decrease of 200,000 jobs and \$1 billion wage in the export sector (Hufbauer et al, 1997).

## **2.2. Sanctions in Foreign Countries**

Many countries were imposed sanctions by some nations. The senders are usually the U.S, U.K, EU and UN. Evenett (2002) pointed out the impact of eight industrialized countries' sanctions on export of South Africa. According to statistical evidence, among eight senders, the U.S sanction had significant effects on South African's exports. Sanctions also have been imposed on Syria by LAS (the League of Arab States) which include: halting bargains with central bank of Syria, stopping investment for projects in Syria, prohibiting senior Syrian officials travelling to other Arab countries, and freezing the properties of The President. The expected impacts of these sanctions consist of reduction of 5% of total investment, a reduction of 19.5% of exports and 15.8% of imports, a decrease of 5.5% GDP growth, increase inflation, some bad effect on the banking sector, an increase of 2.8% of national poverty line, reduction of jobs, and severe reduction of tourism arrivals because of prohibiting travel to Syria (EDGD, 2011). In 1965, Britain inflicted severe economic sanctions on Rhodesian exports to and imports from British domains, and an embargo on all financial transactions of British issues with Rhodesia, The US and France inflicted embargoes on oil and France limited the imports of tobacco and sugar. In 1966, The UN inflicted compulsory sanctions on Rhodesian trade, an embargo on capital transactions, and cutting off all communications. Rhodesia could adjust with hardness its economy to the circumstance and sanctions changed the regime. In 1992, the UN Security Council inflicted economic sanctions on Yugoslavia for "ethnic cleansing" in Bosnia that had bad impacts on the economy (2<sup>nd</sup> report of session 2006-2007, 2007). Despite sanctions on Yugoslavia had a huge negative effect for the country, The US unilateral sanctions on Myanmar will be ineffective. There exist five reasons for the ineffectiveness of this sanction. The most important one is the exclusion of Burmese of Western political ideas like liberty, democracy and human rights. The second reason is US unclear policy goals and completes misunderstanding of domestic historical, political, and social nature of Myanmar. Third is the unwillingness of western allies to pursue US fulfilment of the policy for Myanmar. Next one is the continued trade relationships of Asian neighbours with Myanmar. Last, sanctions damage mercantile and geopolitical profits of the US (Nyun, 2008). The purpose of sanctions is not harming people of target, but comprehensive UN economic sanctions against Iraq in 1990s caused humanitarian costs (2<sup>nd</sup> report of session 2006-2007, 2007).

## **2.3. Sanctions against Iran**

Habibi (2008) expressed that the official United Nations, the United States and the European Union have imposed economic sanctions against Iran. The real sanctions against Iran stated at the end of 2011 (Cordesman, Gold, Khazai & Bosserman, 2013). But among sanctions, unilateral sanctions of the US are very hard and more comprehensive than UN sanctions which have a restricted concentration of exports of goods and services related to Iran's nuclear program. That time plentiful oil revenues aided Iran manages the sanctions without important reduction in Iranians' economic welfare (Habibi, 2008). The logic behind western sanctions especially unilateral sanctions of the US against Iran include making Iran change the policy about the



nuclear program because P5+1 states frighten Iran's nuclear weapon, causing Iran to reduce its nuclear program to the research level, and cede all uranium enrichment, and aiming vivacity of the regime of Iran and stimulating people's unrest (Sadeghi Broujerdi, 2012). These sanctions have had their impact on Iran. These impacts involve various aspects. One aspect is Iran's international relationships with other countries such as Europe (Britain and Canada's cutting off business with Iran's financial institutions, including Iran's Central Bank, closed Canadian embassy in Tehran in September 2012, left Iranian diplomats from Britain by Britain), Japan and South Korea (In September 2010, Japan and South Korea imposed sanctions on trade, banking, and energy similar to those of the EU. On December 16, 2011, South Korean was banning sales of energy sector equipment to Iran. India reduced economic ties to Iran in 2010, China and Russia imposed only those sanctions determined by U.N. Security Council decisions. Azerbaijan and Armenia (US imposed ISA sanctions on Azerbaijan for oil pipeline routes involving Iran, but no sanction on Armenia for natural gas pipeline with Iran), Persian Gulf countries and Iraq (Persian Gulf countries profit from Iran's sanctions because of compensation of oil reduction so they cooperate with US in sanctioning Iran, but Iraq reduced its banking and energy relations with Iran because of US sanctions on Iraqi banks), and Turkey (no sanctions have been imposed on Turkey) (Katzman, 2013). In spite of western sanctions, economic relations between Iran and Turkey have been grown in recent years that can help Iran overcome with sanctions pressure (Habibi, 2012). Another aspect of the impacts of sanctions against Iran appears internally. In some cases no effects are observed such as Iran's Nuclear Program decisions and abilities and counter-proliferation until now, Iran's regional political and military impression. But some effects have preserved their effectiveness which includes general political impacts (people's unrest and strike), impacts subject to human rights (stop selling equipment to Iran for monitoring and censoring internet and other media), economic impacts (reduction of oil export and production, GDP reduction, currency downfall, hard currency reduction, inflation, industrial production, shipping problems, domestic payments problems, and flights limited) (Katzman, 2013).

#### **2.4. Sanctions and Tourism In Foreign Countries**

There are few articles addressed the tourism and sanctions because the sanctions have been imposed in third world countries such as Myanmar, South Africa, Syria, Iran, etc. which are not important tourist destination rather than France, US, China, Spain, Italy, UK, Turkey, Germany, Malaysia and Mexico. Dowell (2011) stated that for travel sanction from US, Americans are not allowed to travel to Cuba. So the number of tourists in Cuba is decreased. He quoted the U.S. International Trade Commission (2008) estimation of the number of US tourists to Cuba were between 1.1 million to 2.8 million every year if travel ban was lifted. And according to American Travel analysts' prediction witch cited by Peters (2002), if the sanction in Cuba was lifted, around one million Americans would have visited Cuba in the first year. Not only Cuba's American arrival tourists will increase, but also it will be beneficial for US economy. In 2002, Sanders and Long examined three scenarios about economic benefits to the United States from lifting the ban on travel to Cuba for The Cuba Policy Foundation. They represented \$8.5 million income and 45 jobs in the first year and \$23.9 million and 239 jobs in fifth year in scenario 1; Americans can travel to Cuba, but U.S. carriers or tour operators can't provide services for them, \$523 million income and 3,224 jobs would be generated for the United States in the first year and \$1.7 billion and 10,749 jobs by the fifth year in scenario 2; U.S. Carriers or tour operators can provide services. \$545 million income and 3,797 new jobs in the first year and over \$1.9 billion and 12,180 new jobs would be created by the fifth year in scenario 3 (no sanctions at all). Galtung (1967) stated three kinds of sanctions in Rhodesia that communication sanction is one of them. Cutting off personal contacts through tourism and family visits were located in communication sanction. He also called sanction as a worse threat for relations in individual and national level. Popesku and Hall (2004) conducted a research on tourism development in Serbia by doing a SWOT analysis. They expressed that the impacts of economic sanctions caused a



long term absence of Serbia from the international tourism market which was one of Serbia weaknesses in their SWOT analysis. Of course, They listed other factors that affected Serbia's tourism arrivals such as national and regional political change and conflict between 1989 and 2000 (sanction was included) which made the reduction of international tourist overnight by 71.6%, total tourist arrival by 47.9%, domestic tourists by 37.8% and foreign tourists by 82.4%. American and EU sanctions on Syria have affected on tourism in this country as tourism disappeared whereas tourism was included over 10% of GDP in 2010 (The Economist, 2011) and it is expected to increase financial deficit to 11% by reduction of oil, tourism and tax revenues (Portela, 2012). Economic sanction in Syria has affected some border countries such as Gaziantep, Turkey whereas in 2010, about 1 million people has gone to Gaziantep from Syria for trade, and in 2011, these numbers decreased to 800 thousand people and comparing the first four months of 2011 with the first four months of 2012, a %70 decrease can be seen in the number of the visitors those go to the Gaziantep from Syria (Ayhan & Basilgan, 2012).

### **3. METHODOLOGY**

To determine the impacts of sanctions on different economic sections of a country, desk research method was used. We reviewed the types of sanctions and their impacts in different countries in general and sanctions' effects on tourism in particular. Sanctions against Iran and Iran's tourism industry were described generally. Then, to answer research questions, what are the negative and positive effects of sanctions on Iran's tourism?, Macro analysis was applied. Macro analysis refers to things on a much larger scale. So, some statistics centres such as Iran statistics counter and UNWTO, and some websites are used for gathering data. Then, analysis of data is done.

### **4. SANCTIONS AND TOURISM IN IRAN**

Travel and tourism in Iran refer to early 17<sup>th</sup> century and has very rich natural and cultural resources, 16 listed world heritage sites and 54 tentative lists in UNESCO and ranked in 10 top countries in relation to ancient and historical sites (UNESCO, 2013). Despite of these positive and rich features, there are many deterrents for tourism development in Iran. One of these obstacles is sanctions against Iran. Of course sanctions in this country have had both good sides and bad sides on national and international tourism. Habibi (2010: 10) expressed there was no evidence that the flow of Iranian tourists and travellers to the UAE has been adversely affected by the sanctions and he stated (2012: 4) Turkey has partially offset its large trade deficit with Iran by offering tourism services to a growing number of Iranian visitors who vacation in Turkey every year. An estimated 2.7 million Iranian tourists visited Turkey in 2010, compared with one million in 2008. The volume of bilateral investment between the two nations has also increased significantly in recent years. Although the number of Iranian tourists to Turkey increased between 2008 and 2010, according to the Ministry of Culture and Tourism, the number of Iranian tourists to Turkey was 746000 in the first five months of 2011 which decreased to 439000 in the same period of 2012; about 41% decreased (Albayrak, 2012). This issue shows that the number of Iranian visitors to Turkey between 2008 and 2010 wasn't as few as 2011-2012 because of severe sanctions in 2011 and 2012 rather than 2008 and 2010 and the value of Iran's currency was decreased. This problem has happened to Karbala, Iraq. The number of Iranian tourists to Karbala has been decreased (Al-Sawaf, 2012). The value of Iran's currency, Rial, has plunged due to western sanctions and the purchasing power of people has been decreased, so not only the number of Iranian's visitors in these countries has been decreased, but also less people buy goods there. This issue shows that sanction against Iran not only has negative effects for Iran, but also in neighbouring countries. Iranian carriers or tour operators gain from outbound tourism that it has been decreased due to a reduction of outbound tourists.

According to Iran's Statistics Center, the number of outbound tourists was 546,960; 1,125,160 and 986,573 in spring in 2008, 2011 and 2012 respectively (see table 1). Among these data, the number of outbound visitors was more in 2011. Although there was an increase from 2008 to 2011 in spring, there was a reduction in outbound tourists in 2012 rather than 2011 in the spring and from 2008 to 2012 in summer. This reduction appeared due to Rial collapse came from sanctions and economic crisis. Despite of reduction in outbound tourists, there was growth in domestic tourism. According to table 1, the number of domestic tourists was 54 million 666 thousand and 214, 54 millions 797 thousands and 940, and 71 million 100 thousand and 201 in spring in 2008, 2011 and 2012 respectively (Iran's Statistics Center, 2008, 2011 and 2012).

Table 1. Iran's National Tourists

Year	Total national tourists in spring	Total national tourists in summer	Domestic tourists in spring	Domestic tourists in summer	Outbound tourists in spring	Outbound tourists in summer
2008	55,213,174	50,420,299	54,666,214	49,714,641	546,960	705,658
2011	55,923,100	50,732,799	54,797,940	50,237,243	1,125,160	495,556
2012	72,086,774	71,354,384	71,100,201	70,871,136	986,573	483,248

Source: adapted for Iran's statistics centre (2008, 2011 and 2012)

58% of domestic tourism in the spring and 72% in summer in 2008, and 61% in spring and 67% in summer in 2011 were overnight stay. In 2012, 56% of domestic tourism in spring and 60% in summer were overnight stay (see table 2). These percentages show that the number of domestic tourists in summer which stayed the night in destination was more than spring. Totally, both overnight and non-overnight stays by domestic tourists were increased from 2008 to 2012. But the rate of increase was much more in 2012 which shows that Iranians tended to travel in the country rather than overseas due to Dollar increasing.

Table 2. Iran's Domestic Tourists; Overnight and non-overnight stay

Year	Domestic tourists with overnight stay in spring	Domestic tourists with overnight stay in summer	Domestic tourists with non-overnight stay in spring	Domestic tourists with non-overnight stay in summer
2008	31,568,966	36,462,043	23,097,248	13,252,598
2011	33,536,986	33,808,055	21,260,954	16,429,188
2012	39,642,395	42,555,081	31,457,805	28,316,056

Source: adapted from Iran's statistics centre (2008, 2011 and 2012)

Despite of critical economic situations due to sanctions and economic problems, Iranian families travel more than last years so that 56% of all families in the spring and 52% in summer in 2008 travelled. This rate reached 58% in spring and 54% in summer in 2011, and 60% in spring and 57% in summer in 2012 (see table 3). This rate shows that Iranians like travelling.

Table 3. The Number of Families based on Travel Situation

Year	<i>Spring</i>			<i>Summer</i>		
	Total number of families in Iran	Number of families travelled	Number of families not travelled	Total number of families in Iran	Number of families travelled	Number of families not travelled
2008	17,582,219	9,902,308	7,679,911	17,647,126	9,165,084	8,482,042
2011	20,384,000	11,801,481	8,582,519	20,570,000	11,121,995	9,448,005
2012	21,561,000	12,900,722	8,660,278	21,749,000	12,485,316	9,263,684

Source: adapted for Iran's statistics centre (2008, 2011 and 2012)

There are negative and positive effects of sanctions in relation to international tourism in Iran. Morakabati (2011) mentioned nuclear programme in Iran that caused sanction as a deterrent to

tourism development. Because the existence of the nuclear programme and sanction is one of the vital factors in Iran that made limitations on visas. Baum and O'Gorman (2010) confirmed Morakabati's idea and agreed with the fact that uncertain nuclear arms would decrease Iran's attractiveness as a destination and this programme which caused sanctions affected on tourism development negatively. In fact, Iran hasn't appeared so well in attracting foreign tourists due to various sanctions and political problems (Rafiee & Norizadeh Firouzabady, 2011). In other words, sanctions and negative advertisement against Iran are threats to inbound tourism development. Ranjbarian, Khazaei pool and Bale Jamkhane (2012) analysed strengths, weaknesses, opportunities and threats of inbound tourism development in Isfahan by SWOT analysis. They expressed that various sanctions and negative ads against Iran have been one of the most important threats for foreign tourism in Isfahan. Rohani, the president of Iran, stated that sanctions in Iran were one of the reasons for fewer international arrivals, because sanctions made trouble for using ATM cards and International Monetary Credit Cards for foreign tourists in Iran (Tabari Nome, 2013; Name News, 2013).

On the other hand, many reports have been existed to show positive effects of sanctions in Iran's tourism. In other words, with the existence of severe sanction there has been a jump in tourism. Due to plummeting Iran's currency, it has been provided circumstances for improving international arrivals in Iran. From 2004 to 2010, the annual increase in international tourists was 3.2 percent worldwide, according to the U.N. World Tourism Organization, over the same period Iran's tourism grew faster— 12.7 percent (Rezaian, 2012). Iran is ranked 98<sup>th</sup> overall out of 140 in 2013 and up 16 places since 2011 which was ranked 114 out of 139, and ranked 11<sup>th</sup> out of 15 in the region (Middle East and North Africa) in 2013 for international tourist arrivals (Blanke & Chiesa, 2013). The vast majority of Iran's international tourists are pilgrims. In 2011, only about 20,000 nonreligious tourists travel to Iran which mostly came from China and Germany and about 1000 American tourists visited Iran (Rezaian, 2012). According UNWTO, Iran had 2938000 international tourist arrivals in 2010 that increased to 3,354,000 in 2011 and it was changed 38.8% between 2009-2010 and 14.2% between 2010-2011 (see table 4). The receipts from international tourists were 2,438,000 in 2010 and 2,381,000 in 2011 (UNWTO, 2013). Manochehri, Iran Tourism Ministry assistant, stated that about 4 millions inbound visitors entered Iran in 2012. This number shows 25% growth comparing last year and the receipt was 8 billion (Name News, 2013). He informed 1 million 184 thousand and 843 inbound tourists in first three months of 2013 by 28.8% growth comparing last year (Fars News Agency, 2013). According to Iran Tourism and Cultural Heritage News Agency, the number of foreign tourists to Iran reached from 1 million 128 thousand and 524 in 2003 to 2 million 35 thousand and 518 in 2008 (Comprehensive Scientific and Practical University, 2009).

Table 4. International Tourist Arrival and Change between 2003 and 2008

	2003	2004	2005	2006	2007	2008
International tourist arrivals	1,128,524	1,263,344	1,162,014	1,816,905	1,925,192	2,035,518
Growth rate	-	11.9%	-8%	56%	5.9%	5.7%

Source: adapted from UNWTO (2013)

Although international tourist arrivals have increased in recent years, this growth is not as much as to provide revenue for the country and replace other industries.

## 5. CONCLUSION

Sanctions against Iran have had negative, on one hand, and positive, on the other, effects on tourism. Both national and international tourism have been influenced. In national tourism section, domestic tourism has been improved. The number of domestic tourists has been increased since 2008 due to reduction of foreign travels by Iranians. Reduction of outbound tourists has been happening to Rial collapse due to western sanctions. Iranians haven't been able to travel to overseas, because the costs of foreign travels are much more than internal travels. The Iranians who travelled to other countries buy less due to decreasing of their purchasing power. Reduction of outbound tourists has influenced on both neighbouring countries such as Turkey, Karbala and Syria and Iran's economy. The reason is that the revenue of Iranian's tour operators and carriers has been lessened. The number of Syrian tourists who visited Gaziantep decreased about 70% from 2011 to 2012 (Ayhan & Basilgan, 2012). Or Iranian tourists to Turkey was reduced 41% from 2011 to 2012 (Albayrak, 2012). It shows that sanction against one country affects border countries. So sanctions have affected national tourism both negatively and positively.

In relation to international tourism, the number of international tourists has been going up. In fact, sanctions have had a positive impact on Iran's international tourism compared with Serbia which had reduction in international tourists. By plunging Iran's currency, Rial, Iran has been a cheap country for foreign tourists from neighbouring country and some foreign countries such as China, Germany and America. Improving international tourism in Iran makes revenue more than last years. However, this revenue from tourism industry isn't enough for the country's economy. Although sanctions have caused increasing in international arrivals, in some cases they have acted as obstacles such as taking visa and using some credit cards hardly for tourists. And negative ads against Iran caused bad image of the country for foreign tourists (Ranjbarian et al, 2012). Government and tourism officials should take a special policy and strategy to develop and advance the tourism in general and international tourism in particular.

## ACKNOWLEDGEMENTS

None.

## ETHICAL CONSIDERATION

Authenticity of the texts, honesty and fidelity has been observed.

## AUTHOR CONTRIBUTIONS

Planning and writing of the manuscript was done by the authors.

## CONFLICT OF INTEREST

Author/s confirmed no conflict of interest.

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