Explaining the Arab Middle East Tourism Paradox

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This essay investigates the seeming paradox of the rapid expansion of tourism flows across the Middle East in the wake of 9/11, a series of attacks against tourists in the region, and ongoing regional instability caused by the Iraq war. In doing so, it challenges many commonly held views about the vulnerability of tourism economies—especially in the Middle East, with its negative external image—to violence in nearby locations and political instability. The essay explains how the expansion of Middle East tourism since 9/11 has been driven by a range of factors, including increased petrodollars, new patterns of regional travel and consumer tastes, shifting business and tourism development strategies, and the extraordinary success of tourism development in Dubai.

Key words: Arab Middle East, tourism, 9/11, terrorism, Dubai

In the wake of the 11 September 2001 attacks in the United States, the future of international tourism in the Middle East seemed in jeopardy. On that day American airspace was abruptly shut down, while across the globe many soon feared they were witnessing the violent beginnings of a "clash of civilizations" between the West and the Arab/Islamic world from which the airplane hijackers originated and where Osama Bin Laden's transnational Al-Qaeda network was based. By mid-October, with the U.S.-led war in Afghanistan, worldwide travel reservations had declined by 20 to 30 %. Across the Middle East and North Africa (MENA), even countries not located near Afghanistan suffered. Tour operators noted that "talk of the 'axis of evil' is causing potential travelers to rethink travel to the MENA region" (UNWTO 2003a, 21); of tourists who did travel, more began making their bookings at the last minute, "choosing destinations that are closer to home, perceived as 'safer,' rather than long haul destinations" (UNWTO 2003a, 20). Due also in part to "fears of a backlash against Western visitors," travel agents across Jordan, Egypt, Turkey, and North Africa reported cancellations reaching 60 to 70 % (EIU 2001). A "crisis of confidence" in travel to the region developed as the U.S. government issued travel advisories and American tour operators began to cut their programming in the region (UNWTO 2003a, 20). Many European agencies followed suit as the international airlines that served the Middle East were forced to slash their flights to the region. The last four months of the year saw a worldwide drop of 11 % in tourist arrivals, with the Middle East suffering the largest regional decline of 30 %. Over the course of 2001, when worldwide arrivals declined 0.5 %, across the Arab Middle East tourist arrivals fell 1.3 %. This decline followed two years of double-digit growth and high expectations for the sector across the region. Likewise, in 2001, tourism receipts suffered a 5.2 % decline, following an annual growth rate of 6.8 % between 1995 and 2000 (UNWTO 2007, 2003b).[1]

To make matters worse, the 11 September 2001 attacks were followed by bombings targeting tourists in a range of Muslim countries. In April 2002, a bombing at a synagogue in Jerba, Tunisia, killed more than a dozen visiting Europeans as well as five Tunisians. In October, two nightclubs in Bali, Indonesia, were bombed, claiming almost 200 lives, mostly those of foreign tourists. In 2003, attacks followed in

Casablanca, Morocco. These attacks appeared to have been conducted by loosely linked cells of transnational terrorist networks motivated by similar radical Islamist ideologies. Together, some analysts suggested, these events marked a new phase in the international tourism economy. For the first time since 1982, international tourism arrivals failed to experience an annual increase. Moreover, the threat of non-state terrorist networks seemed to shake the very open-borders foundations on which the rise of the international tourism economy has been built.

While the George W. Bush administration was conducting an aggressive "global war on terror" as part of its strategy to transform the political and economic landscape of the Middle East, a different story was playing out across the region's tourism economies. In the spring of 2004, as a stubborn insurgency was wreaking havoc in Iraq, the World Tourism Organization released its 2003 report (UNWTO 2003b). To many, it came as a surprise. The *New York Times* noted that "the biggest loser was the United States. And one of the few winners, unusually, was the Middle East" (Cowell 2004, page 3 of the Sunday travel section). In 2004, most of the region quickly rebounded from the 15 % drop in arrivals for the second quarter of 2003 with a 17 % increase. Reflecting the reaction of many, one regional business news outlet referred to "the Middle East tourism paradox," noting, "Turn on the television and the scenes of violence in the Middle East tell one story. Yet tourism is also booming in the region" (Cooper 2004). This essay explains how the seemingly paradoxical expansion of Middle East tourism since 9/11 has been driven by a range of factors. The most immediate of these trends was the post-9/11 redirection of Arab tourists, which helped lead to shifts in business and marketing strategies to cater to this market. More broadly, the success of tourism development in places like Dubai has helped ignite tourism development efforts in a wide range of other regional destinations and the promotion of new tourism niches. A major force behind these trends has been the sustained rise in oil incomes and the regional spending of petrodollars, which support both Arab tourism flows and investment in the tourism sectors of many states. In this period, the region has witnessed the development of regional government-to-government cooperation and the facilitation of regional networks by the development of a regional travel infrastructure and the liberalization of cross-border travel. Lastly, the essay outlines the spatial and ideational insulation of tourism from the threats of terrorism and violence. Tourism flows are not as vulnerable to political violence as many might assume; and even those areas rocked by violence and war have found alternative market niches (such as journalists, aid workers, and business travellers looking to for post-war reconstruction contracts) to sustain the demand for tourism services. Together, these trends suggest not only an explanation for the "Middle East tourism paradox " and an outline of the patterns that are likely to define tourism development in the region for years to come but, more critically, processes and experiences that might represent a pathways toward redefining the dynamics of tourism development in the Middle East.

Terrorism as a Threat to Fragile Tourism Economies

The notion of the Middle East tourism paradox is derived from a common understanding of the negative relationship between international tourism and political violence. From its origins, the expansion of organized leisure tourism has been driven by the development of means to decrease the risks and uncertainties of travel (Urry 1990). As a consequence, tourism economies have been generally understood as fragile and highly vulnerable to threats of war, political violence, and terrorism (Richter and Waugh 1986; Sönmez 1998). Tourists and the tourism industry, in the Middle East and elsewhere, have often been victims of political violence because they are easily identifiable "soft targets," made all the more vulnerable by the tendency of organized tours to travel in groups and cluster within publicly accessible tourism spaces. Moreover, such attacks are likely to garner wide international media converge. In the 1970s and 1980s, Europe and the Middle East witnessed numerous airline hijackings and terrorist attacks perpetrated by various left-wing and nationalist movements from across the Middle East. Because of the way most Americans and many Europeans think about the region, tourism economies in the Middle East have been especially vulnerable to acts of violence, even if they occur in other countries. This phenomenon, referred to as the "neighborhood effect," has been a central impediment to tourism development across even the most stable countries in the region (for a detailed study of the case of Israel, which is not addressed in this essay, see Mansfeld 1994).

Beginning in the 1990s, attacks against foreign tourists in the Middle East were more often directed by radical Islamist movements seeking to overthrow local (pro-Western) governments. In the case of highly tourism-dependent economies, such attacks seemed to offer a means to strike at the fiscal health of the state and national economy by debilitating the tourism economy and potentially chasing away other forms of Western investment. In the wave of attacks against Western and Israeli tourists in Egypt in the mid-1990s, as Heba Aziz (1995, 94) notes, "Tourists are used as a tool to attack the government and to knock down one of the main pillars of the Egyptian economy." Others, such as Egyptian scholar Salah Wahab, have emphasized that

> Sometimes, terrorism is explicitly oriented against tourism itself, [which is] considered as a movement of 'alien' visitors representing a form of neo-colonialism or a threat to well-established societal norms, traditions, value systems and religious convictions (1996, 176).

With these notions as background, in the wake of 9/11 media analysts and travel experts began to speak about "tourism in a time of terror," noting that the sector was "caught directly in the forefront of these new conflicts" (Tarlow 2003, 52). They viewed 9/11 and the subsequent attacks against Western tourists as marking the rise of a new sort of global threat to the international tourism economy. An additional factor in the development of such perceptions was that, in the wake of 9/11, cross-border visitors and the technologies of flight came to be viewed as possible agents of threat. The mobile, stateless terrorist networks of Al-Qaeda seemed to represent a newly discovered dangerous consequence of the expansion of global transportation and communications. The notion of a "clash of civilizations" and fear of Islam and Muslims proliferated on the ideological level, while a security-conscious government in the United States created a Department of Homeland Security and developed new security regimes to filter and monitor visitors. The rethinking of notions of international travel, combined with the image of the Middle East as a region hostile to foreign visitors, helped to define the observed expansion of tourism in the Middle East as paradoxical.

The Unexpected Rebound in Tourism across the Arab Middle East

Across the Middle East, however, the impact of 9/11 on notions and experiences of tourism and globalization have been vastly different. Historically, tourism economies have been highly vulnerable to political events across the region; a major goal for tourism promoters in the region has been to project images of stability and openness to attract foreign visitors and investment. Based on this pattern, many observers expected that 9/11, the Iraq war, and recent terrorist attacks targeting tourists would disrupt Middle East tourism economies. On the contrary, while each of these events caused a short period of decline, tourism across much of the region (with the exception of Israel/Palestine) has rapidly recovered and expanded, with help from regional Middle East flows of people and capital.

In the wake of 9/11, the U.S. war in Afghanistan, and the series of bombings targeting tourist locations in Bali, Tunisia, and Morocco, international tourism to the Middle East suffered major shocks. Many destinations were already suffering from the ongoing al Aqsa intifada, and in 2003 the U.S. invasion of Iraq further depressed most of the international tourism markets for Middle Eastern destinations. But, as Ala Al-Hamarneh and Christian Steiner (2004, 173) note, "the predicted wide-ranging collapse of the tourism industry in the Arab countries after the attacks did not take place." In 2002, as global tourism arrivals returned to weak growth of 2.7 %, tourist arrivals across the Arab Middle East shot back up, with 16.7 % growth, the highest rate of all regions, nearly doubling the next highest rate in Asia and the Pacific (UNWTO 2003b, 24–25). Dubai formed the epicentre of the robust rebound in the Middle East. Like other destinations, Dubai was hit by 9/11; in late 2001 hotel occupancy levels fell as low as 20 % as beaches remained deserted. With this downturn, many hotels were laying off staff and shutting down whole floors to save costs (EIU 2002b). By the first quarter of 2002, however, visitor numbers and revenues were back up. Dubai has since emerged as one of the fastest-growing tourism destinations in the world. Lebanon barely recorded a post-9/11 decline; with double-digit growth in both arrivals and receipts for 2001 and 2002, it bested its average rates for the previous five years. Egypt also saw a remarkable turnaround, from a 14.8 % decline in arrivals to a 12.6 % increase.

Perhaps even more remarkable was the short-lived impact of the 2003 invasion of Iraq. While the run-up to the war sent jitters through tourist destinations such as Jordan and Lebanon, tourism to Egypt continued to grow steadily. The most significant impact was in the second quarter of 2003, when arrivals across the Arab Middle East declined 15 %. In the following quarter, tourism arrivals rebounded: Egypt saw almost 24 % growth (including a 17.3 % rise in European visitors), Lebanon 16 %, the United Arab Emirates (UAE) 9.4 %, and Tunisia 9 %. The overall growth rate for 2003 of 3.4 % was surpassed by a remarkable expansion of 20.4 % in 2004 (UNWTO 2005).

In the spring of 2005, *The Middle East* reported,

> Like delicate flowers thriving on the fertile soil found on the slopes of a volcano, Middle East tourism is thriving, despite the ever-present threats of war and terrorism. Tourists are pouring into the region in record numbers, to view its splendid ruins, make religious pilgrimages, or just relax on beaches where rain seldom appears in weather forecasts (Martin 2005, 34).

The experience of the Middle East seemed to contradict much of the conventional wisdom. As war, violence, terrorism, and political instability racked the region—with the war in Iraq, tensions over Iran's nuclear program, the election of Hamas in the Palestinian territories, and the assassination of former Lebanese prime minister Rafik Hariri—tourism continued to soar. While Israel and the Palestinian territories remained the exception, other locations around the region continued to realize a tourism boom broader and deeper than anything experienced during the heyday of the Arab–Israeli peace process. In 2004, the Arab Middle East saw 35 million visitors, a record number, representing a tripling of the 12 million that visited in 1994 (Bar'el 2005). The Middle East travel and tourism industry was estimated to have generated over $US100 billion in economic activity in 2004 and was predicted to grow 4 % a year, almost doubling in the course of a decade.

Explaining the "Arab Middle East Tourism Paradox"

The seemingly unlikely and unexpected boom in tourism sectors across the region is a product of many factors and trends. The rest of this article sketches out these various trends and factors—including increased petrodollars, new patterns of regional travel and consumer tastes, shifting strategies of business and tourism development, and the extraordinary success of tourism development in Dubai—and shows how they have been reshaping patterns and itineraries of tourism flows across the Middle East.. In doing so it challenges many commonly held views about the Middle East, with its negative external image, and about the vulnerability of tourism economies to political instability and violence in nearby locations.

The Post-9/11 Redirection of Arab Tourists

The initial rapid post-9/11 recovery of tourism economies in many Middle East destinations was largely a product of the redirection of Arab tourist flows. The revival of Middle East tourism came not from increasing numbers of American, European, and Japanese visitors but, rather, mainly from intra-regional flows. As Al-Hamarneh and Steiner explain, "The spontaneous reaction of Arab and Muslim tourists, who spent their holidays in the region and avoided European and North American destinations, saved many national tourism industries from collapse" (2004, 18).

These new trends were also a product of geopolitical forces shifting patterns of travel. In the year after the 9/11 attacks the number of Arab visitors to the United States dropped by 50 %, while travel to Europe was cut 35 % (Smucker 2002). In addition to being subject to more security checks and bureaucratic hassles, many Arabs visiting North American and Europe felt stigmatized by the negative cultural reaction and increasing "Islamophobia" they experienced in Western states. By the summer of 2002, a sizable proportion of these Saudi and other Gulf Arab travellers decided to forgo travel to Europe or the United States and instead headed for destinations in other Arab states, such as Lebanon, Egypt, Syria, or Jordan. These destinations were accessible by land, making them affordable destinations for large families. Moreover, in these destinations, thanks to the decline of visitors from Europe and North America, governments and the tourism firms proved more welcoming to Arab tourists, even though such visitors did not enjoy a particularly positive reputation. In these places Arab visitors found a common language and shared culture, and this relatively friendly experience now, more than ever, seemed a sharp contrast to their likely experiences elsewhere (Azzam 2004).

Shifting Strategies of Business, Marketing, and Tourism Development

Visitors from other Arab states have long represented a sizeable share of international arrivals in most Middle Eastern economies, but only recently have they been viewed as an important segment of the tourism economies of these states. Within the tourism sector, many policy makers and business owners had long failed to see these visitors as part of the "tourism sector," as they tended not to stay in tourist hotels, use tourist buses and tour guides, or visit the tourist spaces developed for international visitors, instead tending to travel as extended families (with servants), stay in rented apartments, and visit amusement parks and cafés owned and managed by a different set of entrepreneurs. Another subsegment of the Arab tourism market consists of adult males who patronize nightclubs, bars, and, in some cases, brothels.

In previous decades, tourism officials, as well as those who provide services within the tourism sector, tended not to cater to this market. For example, it was only in 1998, when tourist traffic from Western states was depressed by a crisis over weapons inspection in Iraq, that the Jordan Tourist Board (JTB) fully engaged the Gulf market with a promotional campaign and a concerted effort to ensure that the country had plenty of short-term apartment rentals available. The political tensions and Anglo-American bombing of Iraq next door helped lead to a 15 % drop in European and U.S. arrivals in the first seven months of 1998 compared to 1997, while there was a 36 % increase in arrivals from Arab Gulf states, accounting for 67 % of Jordan's tourism revenues ("Thank Allah" 1998; "Gulf Arabs" 1998). In 2001, after the outbreak of the second Palestinian intifada depressed Western tourism to the region, the JTB began promoting Jordan in the Gulf states as a "family destination."

These experiences primed tourism officials to view the Gulf market as a critical segment to develop, even if these efforts did not do much to help out the hotels near Jordan's major tourist site, Petra. While the income from the Gulf visitors helped offset the loss of Western visitors, Jordanian officials, such as Jordan's tourism minister Taleb Rifai, realized that to further develop this sector, the country would "need to do more to cater to the demand of Arab tourists [who] usually opt for park[s], recreational centers, [and] bungalows in natural and open spaces" (Hattar and Ma'ayeh 2001).

In the wake of 9/11, the redirected flows of Arab travellers helped to sustain tourism receipts, such a critical element of many Arab states' economies. In 2001, Jordan saw a 25 % increase in visitors from the Middle East, together with a 20 % decline from other sources. In 2002 Jordan's largest Middle East markets registered gains (14 % in Saudi visitors and 35 % in visitors from Kuwait), while at the same time two of its largest European markets declined (Germany by 23 % and France by 31 %) (UNWTO 2003b, 67). In 2002, Egypt saw a 22.5 % increase in bed nights from Middle East visitors (UNWTO 2003b, 61, 67). Lebanon's tourist economy was sustained through post-9/11 crises by the fact that it has rebuilt its tourism economy on traffic from the Gulf states and other Arab travellers. The Saudi share of visitors nearly doubled, from 7.7 % to 15.1 %, between 1995 and 2000; in 2001, the country saw a 19 % increase in Saudi visitors, and in 2002 an increase of 23.6 % (UNWTO 2003b, 75). Tourism ministries began to focus on this market, printing brochures and providing information to cars are they entered overland. Jordan and other countries established tourist offices in Arab Gulf region. As Israeli journalist Zvi Bar'el (2005) has suggested, "If something good has happened in the Arab countries as a result of the attacks of 9/11, it is the flourishing of local tourism." After 9/11, tourism developers and entrepreneurs increasingly came to view inter-Arab tourism as possibly "the real solution to the economic and social crisis choking our Arab communities" (EIU 2001, 2).

Regional Cooperation, the Reduction of Barriers to Travel, and the Facilitation of Regional Networks

While the region's authoritarian regimes have maintained, for political reasons, some of the most cumbersome bureaucratic procedures for border crossing that severely limit the mobility of even their own populations, in the years since 2001 states across the Arab world have increasingly come to support policies that facilitate cross-border travel, especially for tourists. As part of its post-9/11 recovery strategy, Egypt began to allow Italian and German tourists to visit with only personal identity cards and was considering extending the policy to all 15 signers of the Schengen accord on free movement between European states (EIU 2002a, 31). Meanwhile, Egypt, along with Jordan, Syria, and Lebanon, encouraged travellers from the Gulf by adopting policies such as eliminating the requirement that citizens of Gulf Cooperation Council (GCC) states obtain visas. The Gulf states themselves have been seeking to develop a common visa. Oman, long a closed society, has liberalized its visa process for all visitors. Saudi Arabia has sought to expand religious-based tourism by granting *umra* (or "lesser" pilgrimage) visas seeking to attract off-season pilgrims who stay longer than the standard Hajj visitors. The kingdom has even introduced the category of a tourist visa, but so far has allowed only limited numbers of small, highly controlled group tours. In 2005, Jordan went a step further when King Abdullah II ordered procedural and bureaucratic reform that would facilitate travel and customs procedures at airports and border crossings, especially for visiting tourists and investors ("King Orders" 2005).

This trend toward official policies to facilitate cross-border tourist traffic predates 9/11, but it was partially driven by a growing recognition in the 1990s of the importance of inter-Arab tourism flows for the region's economy. These issues were addressed at the March 2001 Arab League summit, held in Amman, Jordan. The summit's final communiqué acknowledges "the relatively growing importance of the tourism sector on the Arab level and the competition this sector is facing on the international level." It therefore calls on states to "spur inter-Arab tourist activities" by supporting investments, promoting transportation services, and facilitating entry (Arab League 2001). This statement was followed by the establishment of the Arab Tourism Council, which, at its June 2001 meeting, addressed efforts to boost inter-Arab tourism and how the Arab media could help offset negative images of the region and Islamophobia (Ma'ayeh 2001).

While the Arab states together were unlikely to develop region-wide forms of cooperation and regulatory reform, individual Arab states have expanded regional tourism cooperation bilaterally. For example, since 2001 Egypt and Jordan have discussed measures to remove the financial and administrative obstacles impeding the flow of passengers and goods between their countries. This agenda has included "unifying transportation and transit fees" and even "reinstating the use of the Triptych, a regional transport document to facilitate cross-border travel among Arab states" (Hattar 2001). One tangible result of Jordanian–Egyptian cooperation was the opening in 2003 of a maritime tourism route between Aqaba and Sharm el-Sheikh. At its inauguration, its developers claimed that "the line will surely enhance tourism in both countries," which has developed as middle- and upper-class Jordanians increasingly vacationed over short holidays in Red Sea locations.

The Extraordinary Growth of Dubai

A major factor in the post-9/11 expansion of tourism in the Middle East has been the continuing growth of the tourism industry in the Emirate of Dubai, which in 2000 had already come to represent about 7 % of tourism receipts for the Arab Middle East. More critically, Dubai's ostentatious success has allowed it to emerge as a leading world tourism destination with a recognizable brand image. While unique in many ways, this success has influenced development across the Middle East, as well as projecting a particular tourist image outside the region that has helped to counter, or, at least, to problematize, some negative external images of the region.

In the aftermath of 9/11 there were plenty of reasons to think that Dubai's high-octane tourism economy would suffer a deflation, if not come crashing down. Following 9/11, in the United States as well as in other parts of the world, Dubai came to be viewed in a new light. An Emirati was among the 9/11 hijackers, while Dubai was understood to have served as the location for some planning as well as for shady transactions that had helped to finance the attacks. Western media often noted that the UAE was one of only three states that recognized the Taliban government. While the UAE was not a battlefield itself, many of the American forces that launched attacks against Afghanistan and, later, Iraq were based nearby in the Gulf. Moreover, rising tensions with Iran only made the Gulf seem more politically volatile.

Nevertheless, these factors brought only short-term disruption to Dubai's tourism economy, which quickly bounced back. In 2002, Dubai was ranked as the fastest-growing tourist destination in the world, with a more than 30 % rise in visitors following four straight years of double-digit growth. Throughout 2003, the year of the U.S. invasion of Iraq, the city's hotels maintained an average occupancy rate of over 72 %, while over the following year they averaged a rate of 81 % (Henderson 2006, 96). Meanwhile, Dubai saw little let-up in investments in hotel construction, expanding its bed capacity from about 30 000 in 2000 to 41 500 by the end of 2006, when plans for a string of projects were set to more than double existing bed capacity by 2016 ("Dubai Maps" 2007).

The experience of Dubai may represent the most stunning example of the so-called Middle East tourism paradox, and many of the post-9/11 changes in the regional environment have, in fact, worked to support its tourism economy. Policy makers and investors in Dubai responded to growing regional turmoil by announcing an unrestrained blitz of headline-making projects. These projects have been part of a grand effort, supported by Dubai's Sheikh Mohammad al-Maktoum, to forge and maintain a unique brand image for the Emirate of Dubai. Dubai's external image is closely associated with its efforts to expand the tourism sector, in which many of its grandest projects are built by "state-owned"—that is, royal-family-owned—real-estate and tourism firms. Since its opening in 1999, the beautifully designed hyper-luxury Burj al Arab hotel, shaped like a billowing sail, has become a defining icon for the city. The iconic, if not also cinematic, nature of the Burj al Arab image was no accident: its designers began with the objective of fashioning a symbol, the "ultimate landmark for Dubai and indeed the city" (Elsheshtawy 2004, 187). As an exclusive, isolated luxury hotel, the Burj al Arab is a microcosm of Dubai's image of itself, reproduced endlessly on publicity materials and official documents, and even on Emirati licencee plates. Dubai may be the only major city in the world whose defining image is a single hotel. Like other shiny new cities spouting gleaming skyscrapers from the sands of the Arabian Peninsula, Dubai evokes images of a seemingly incongruous post-industrial petro-hypermodernity. Its golf-course greens, marinas, and beaches mimic Las Vegas's conceit in forging a lush outdoor playground in an apparently barren, waterless region. Moreover, a touch of Las Vegas's reputation as a sin city is all the more striking on the border of Saudi Arabia.

Dubai's unique global image has helped support a continuing flow of long-haul visitors in the post-9/11 era, who continue to account for nearly two-thirds of visitor arrivals. The United Kingdom, under whose protection Dubai began its development as a modern city-state, remains its largest inbound market, but Dubai does not suffer from overdependence on a single region. The diversity of its tourism markets, both in terms of the geographic spread of its source markets and in the plethora of high-end leisure and business tourism markets it caters to, allows Dubai to maintain a steady growth in international visitors regardless of global economic and political conditions. Geographically, Dubai's core high-spending long-haul market comes from places such as the United Kingdom, Germany, South Africa, Russia, India, and Japan, and these visitors come to Dubai for its "clean beaches, top class hotels, fine dinning and variety in shopping" (UNWTO 2003a, 60–61). Dubai's image and attractiveness in the United Kingdom, the Far East, and many other markets is supported by its success in becoming a sponsor, and thus a location, for various European and international tours of leading golf, horse-racing, tennis, and auto-racing events.

At the same time, Dubai also has a steady market of intraregional travellers who are repeat visitors year after year, often making multiple visits to Dubai each year (UNWTO 2003a, 62). These visitors include a diverse range of profiles, including vacations by extended Arab families, who come for shopping and family-oriented activities, as well as weekend ventures by young Arab male travellers "attracted to Dubai for [the] 'freedom, fun, and entertainment' it offers" (UNWTO 2003a, 61). Regional Arab travellers are supplemented by the large non-Arab high-income expatriate community living in the Gulf states as well as by the friends and family of Dubai's own majority expatriate population. With a large element of its expatriate professionals coming from South Asia, such visits help account for the nearly 9 % of international tourist nights at hotels (UNWTO 2003b, 103). Dubai has also long had a strong meetings, conference, exhibitions market and incentive, which attracts Arab and expatriate visitors for regional conferences as well as long-haul visitors for international meetings, such as those of the World Bank and the International Monetary Fund in 2003. Another element of Dubai's diverse range of markets is a sizeable and growing number of visits from Iran. Iran's market share of hotel nights expanded from 2 % to 4.7 % between 1995 and 2002 as the number of tourist arrivals over this period grew at an average annual rate of more than 30 % (UNWTO 2003b, 102–3).

Protected by this diversification, Dubai's unique image has been critical to its ability to survive and grow as a tourist destination in the post-9/11 era. While Dubai is well established as a regional business hub and *entrepôt*, its tourism economy and external image have come to rely on a relentless effort to develop a stream of spectacular, headline-grabbing tourism-related projects. Always catering to the family-oriented market with its shopping malls and entertainment complexes, Dubai has also been at work on a nearly $10-billion Dubailand theme park, with Disney-style rides as well as retail outlets and sports and culture venues (Oryx Real Estate 2004). In 2008, the opening of the Dubai Mall—at 10 million square feet, it will be the world's largest—will coincide with the completion of the Burj Dubai, planned to be the world's tallest building. Such projects, drawing on seemingly endless financial resources, help place Dubai within a global orbit and suggest that this dreamscape of neoliberalism set within the Arab Middle East represents a new, alternative model for successful globalization. Even an Israeli journalist notes, "those … who get to Dubai will discover a cosmopolitan oasis in the middle of the desert … Although Dubai is in no way a microcosm of the larger Arab world, it is an interesting example of what can be achieved" (Gerstenfeld 2003).

The Sustained Rise in Oil Incomes and the Regional Spending of Petrodollars

While the redirection and expansion of flows of tourists and tourism investment as well as the success of Dubai are important features of the post-9/11 growth of tourism sectors across the Middle East, a critical factor sustaining these trends is the increase in regional oil-rated incomes. In 2003, oil prices were 50 % higher in real terms than their levels between 1990 and 2000 (World Bank 2005, 71). In addition to possible threats to oil supply that helped inflate prices, increasing demand from growing economies such as China and India helped keep markets tight, while production among Middle East oil exporters remained unrestrained. As a result, Middle East oil-exporting states gained windfall incomes, leading to a reversal in the look of their economic balance sheets.

This expanded access to capital came in the wake of a post-9/11 reallocation of assets when many Arab oil exporters withdrew from U.S. investments. As one measure of this shift, the World Bank reports that the proportion of assets these states held in U.S. currency declined from 75 % in late 2001 to 61.5 % in 2004 (World Bank 2005, 23). One of the marked trends has been an effort to diversify assets by investing regionally.

Petrodollars have helped finance a new wave of ambitious luxury tourism projects across the region. Much of the new development in Jordan and Beirut, not to mention across the Gulf, has been driven by excess petrodollars in search of investment opportunities. The rise in petrodollars has also helped sustain regional business and infrastructure development, expanding flows of business tourism as well as making other tourism development projects more financially sound.

This shift in assets mimicked the shift in the share of tourist arrivals from within the region, from 22.4 % to 40.8 %, and helps explain the rise in Middle East and North Africa tourism revenues, which grew 8.9 % during the 1990s but was growing at a rate of over 15 % in 2003 (World Bank 2005, 71). For regional travellers, instability only increased disposable incomes, without dampening the interest in travel. In fact, it spawned a massive new wave of Arab consumerism. For example, each year citizens of Saudi Arabia spend about US$6.7 billion, about 5 % of the kingdom's GDP, on travel overseas, while the almost US$5 billion Emiratis spend amounts to an average of US$1 700 per person, about US$500 more than the average European spends on international travel ("Arabs spend" 2005).

The Spatial and Ideational Insulation of Tourism from the Threat of Terrorism and Violence

While the notion that tourism economies are generally vulnerable to political violence is valid, tourism patterns in the Middle East have come to suggest the need for a subtle revision of our understanding of how that relationship plays out. In the 1970s and 1980s an "incident" anywhere in the region would have a sizeable negative impact on tourism receipts across much of the Middle East and North Africa as Western tourists were deterred from travel. In the post-9/11 era, however, such a broad neighborhood effect is mitigated by other factors. For example, the civil war in Iraq, the global tensions over Iran's nuclear program, and the United States' posting its most serious "travel warnings" for locations across the region, including Lebanon, Israel, the Palestinian territories, Iraq, Iran, Saudi Arabia, and Yemen, have done little to dampen the expansion of regional tourism, as in places like Dubai. As the UNWTO reported in 2005,

> in terms of consumer behavior, it is quite evident that travelers have been undeterred by external threats. At the global level the impact of such shocks have been negligible … They have led to temporary shifts in travel flows, but they have not stopped people traveling. At the local level, the impact can be severe in the affected areas, but in most cases this is surprisingly short lived (qtd. in Dajani 2005).

The nature of the events may not be comparable, but the recovery and expansion of tourism flows since 2001 has shown a marked divergence from patterns following the 1990–91 Gulf War, which itself posed little direct threat to tourists. Morocco, located at a distance from the fighting, suffered an 80 % decline in tourism during the Gulf War. Ten years later, however, in the wake of 9/11, the country suffered only a 20 % decrease—and in the year after the May 2003 attacks that killed 41 people in central Casablanca, tourism grew by 20 % (Levinson 2005). In the wake of the 1997 attack at Luxor, Egyptian tourism was in shambles, with revenues dropping 50 %. The Egyptian tourism sector eventually recovered two years later, which, at the time, was hailed as a major success of crisis-response marketing and promotion policies. While the 2005 bombing at Taba seemed to target Israelis, it is worth noting that Cairo hotels reported almost no impact, while six months later Egypt saw a 15 % increase in tourism (EIU 2004). In the wake of the July 2005 bombing at Egypt's Sharm el-Sheik resort on the Red Sea that killed up to 90, tourism receipts only saw a short-term 30 % decline, while in the third quarter of 2005 arrivals surpassed 2004 levels and in the fourth quarter Egypt posted a rise in receipts compared to the same quarter of 2004 (EIU 2006). A similar pattern was witnessed in Jordan after three five-star international brand hotels in central Amman were struck by Iraqi suicide bombers in November 2005. A week after the Radisson SAS had its ballroom destroyed, the hotel kept 40 % of its rooms full, while of the more than 7 000 British tourists expected to visit Jordan a mere five cancelled their plans, with 15 delaying their trip (EIU 2005, 24–25).

One reason for this insulation of tourism from terrorist violence is the physical insulation that popular tourism spaces offer. In places such as Egypt, Jordan, Tunisia, and the Gulf region, hotels, beaches, and tourist sites have increasingly confined tourists to enclave spaces well protected by a range of security measures. This is especially true for tourists within the luxury resort and urban shopping sectors. Following the anti-tourist terrorist campaign in the mid-1990s, Egypt diversified its tourism development patterns, moving toward developing isolated resorts along the Red Sea. Not only can these be built in remote locations, where tourists are removed from the everyday life of the host country, their location can even be re-branded through international marketing efforts. As one hotel manager in Sharm el-Sheikh commented, “Most of the tourists who come here are under the impression that they are coming to some separate entity called Sinai, which has nothing to do with the rest of Egypt” (cited in Mitchell 1991, 11).

At the same time, for many destinations, an increasing share of their visitors are intra-regional, domestic, or well-seasoned (or ideologically and religiously motivated) international tourists who are more likely to have a fine-grained understanding of the geography of violence. For example, trouble along the Lebanon–Israel border, including fighting between Hezbollah and the Israeli military, has rarely dampened the flows of Arab tourists or of returning Lebanese expatriates heading to Beirut or up into the mountains (by contrast, the 2006 summer war and the internal political crisis have depressed Lebanon’s tourism sector).

A Last Resort: The War Tourism Market

Many hotels, such as Amman’s Inter-Continental Hotel, serve a niche “crisis market.” For example, in 1998, as tensions between the United States and Iraq mounted and UN weapons inspectors were about to be forced to leave Iraq in frustration, journalists as well as diplomats and some NGOs rushed to Jordan, which served as the gateway to Iraq. Since the 1970s the Inter-Continental Hotel had served as the base for visiting reporters and was often fully booked when regional political tensions mounted.

With the launching of the U.S.-led invasion of Iraq, the size of the crisis market only expanded. Amman had long been a base for Iraqi exiles, while international NGOs and the UN have used the city as a base of operations for their Iraq-based projects because of the limited transit networks across Iraq’s other frontiers. Their presence in Amman expanded in 2003 after the bombing of the UN headquarters in Baghdad led the UN to relocate the base of its Iraq operations to Amman. In the wake of the U.S. invasion, with mounting instability in Iraq, more American diplomatic and economic operations for Iraq were run out of Amman. American and international firms and NGOs seeking contracts for projects in Iraq had to come to Amman to make bids and cut deals. Moreover, as Jordan came to play a critical role in the U.S. “global war on terror,” it was rewarded with increasing military and economic aid that went into a range of development projects across the country. Amman was soon flooded with foreign business travellers and NGOs setting up shop and crowding the lobbies of its newly opened hotels. While this crisis market remains a limited one, and does little to help tourist hotels in places like Petra, it has pumped money into the Jordanian economy and continues to sustain demand for five-star hotels. Moreover, the war has other effects, such as making the safety of places like Amman and Dubai all the more valuable and needed. With tens of thousands of foreign soldiers, diplomats, translators, engineers, and security personnel working in Iraq, regional havens such as Amman, Kuwait, Dubai, and Doha, Qatar, have come to serve as both external bases of operation and locations for periodic rest and relaxation.

Conclusion

If any lessons can be drawn from this investigation into the Middle East tourism paradox, one is the realization that tourism economies in the Middle East are not always, or at least no longer, as fragile as tourism experts and the popular media have made them out to be. We can no longer imagine the "international tourist" in the region as simply a Western pleasure-seeker or consumer of Orientalist stereotypes, driven in an air-conditioned bus in search of easy-to-digest images of "the other." While wars and violence have hindered the development of tourism in Iraq, Palestine, and Lebanon, we have seen at the same time the continuing expansion of tourism spaces across the Middle East and North Africa and a more diverse profile of visitors travelling to countries in the region. *Something has changed.* Most of the Middle East and North Africa finds itself enmeshed within networks of the global tourism economy that are increasingly more diverse and robust. In particular, the massive influx of petrodollars has helped to re-centre transnational tourism economies around the oil-rich Gulf. The result was probably never imagined by the early (Western) theorists of tourism economies in the late 1980s. Tourists and capital from the Gulf continue to help support tourism projects, from Morocco to Oman. The region is no longer struggling along the edges of the "pleasure periphery" (Turner and Ash 1975) but forming its own cutting-edge tourism hubs in places like Dubai, with destinations across the region increasingly able to attract a diverse range of visitors from Europe, Asia, and elsewhere. This is not to say that war and political violence do not harm tourism (as Israeli and Lebanese travel agents would attest), but that the geography of these impacts has shifted as the political economy of tourism development in the Middle East has been transformed.

Notes

[1] Unless otherwise noted, tourism data are drawn from tables in the World Tourism Association's *Tourism Market Trends* of 2003 (UNWTO 2003b) and online statistical database (UNWTO 2007).

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