

The Effect of Economic Crisis on Tourism Sector in Erbil-Kurdistan Region/ Iraq

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Abstract— this research investigates the effect of economic crisis on tourism sector in Erbil-Iraq by using chi-square test model. Data was gathered from 100 tourism places by using cross-sectional data and simple random techniques. The model is used to analyze the possible impact of economic crises on Erbil's economy as capital of Kurdistan's regional government. Results indicated that economic recession has a negative impact on the tourism sector in Erbil for the past three years. Employing the simplified static analysis framework based on simulations revealed that the economic crisis has influenced negatively on the economy of Erbil. Increasing general inflation rate, decreasing living standards and purchasing power have negative impacts on the growth of tourism sector and the economy of Erbil and eventually Kurdistan region.

Keywords— Economic Crisis, Tourism Sector, Kurdistan Regional Government, Erbil

1. INTRODUCTION

The term 'crisis' is generally utilized in popular mainstream dialogs related to economic, social and political issues (Hill, 2014). A crisis represents a critical occasion with possible adverse effects on companies, organizations or industries, and it can likewise effect on their target interest group, products, services or reputation (Gul et al., 2014). A crisis can be defined as an unwanted situation that is not typical for the organization/company and is calling for a direct entrepreneurial response due to the seriousness of the event, i.e. as a situation with possible consequences on long-term trust in the organization or product (service) or impeding its normal work (Popesku, 2011).

Reasons for some tourism crises can be followed to developments in the economic, political, sociocultural and environmental domains which influence demand and supply in generating and destination countries. Economic downturn and recession, fluctuating trade rates, loss of market certainty and withdrawal of investment funds can all create a tourism crisis. Crises created inside the business can also be analyzed under the headings of economic, sociocultural and environmental when tourism has negative impacts in these fields (Henderson, 2006). Whenever we begin to mention about the word crisis we are always using the two more words: recession and

depression. If we want to explain the crisis we have to recognize these Concepts moreover. Recession means in very simple words: slowing economic activities. There should be a contraction contrasted with a position previously accessed, this getting down may be shallow or deep. Sometimes the word of recession is utilized as equivalent of crisis. On the other hand, if the level of economic activity is already remained in low level for significant a long time; this situation is significant as depression (Zinaida Ratko & Kaan Ulgen, 2009). The external and internal threats of the economic crisis to the tourism sector are: External threats: recession; currency fluctuations; and taxation. Internal threats: rising costs; falling revenues; unprofitability (Sian et al., 2009).

The tourism industry is one of the largest sectors in terms of international economic size and importance, with an estimated number of tourists in the world that in 2016, there were 1.235 billion international tourist arrivals worldwide, with a growth of 4% as compared to 1.186 billion in 2015 (www.e-unwto.org, 2017). Tourism is one of the biggest industries in the worldwide economy and has been both a key driver and a beneficiary of the prolonged period of economic growth seen in recent years. It likewise has huge significant social and cultural huge advantages because of its potential to promote understanding and international relationships. These socioeconomic measurements make tourism a key component of globalization. The significance of the area worldwide is reinforced by expanding volume and complexity of tourism supply that has created a genuine advancement of tourism industry; by the particular business environment which take proportions more than any other service sector. A developing national Tourism segment contributes to raises national income, employment, and can improve a country's balance of payments. The sector is in this way an important driver of development and prosperity and, within developing nations; it can play a leading role in poverty reduction. Regardless of the general significance of building up the Tourism sector, numerous obstacles at the national level keep on hindering its development (Balan & Birsan, 2010).

Kurdistan tourism is a rapidly thriving industry. Compared to other countries and parts of the Middle East, Kurdistan is one of the most secure places to travel. All cities of Kurdistan

offer gorgeous and historic attractions, with utmost safety. In 2014, the Arab Council of Tourism celebrated Kurdistan tourism by declaring Erbil the Arab tourism capital of 2014. The KRG (Kurdistan Regional Government) has established specific growth objectives in order to boost its evolving tourism industry, which is emerging as a key sector that is expected to contribute to the rapid economic development of the Kurdistan Region. The results of these goals have, thus far, been strikingly positive. Massive infrastructure improvement, coupled with extensive urban renewal and restoration programs, has helped to both change the landscape of the Region and further develop an already burgeoning industry. The outside world is increasingly acknowledging the appeal of Kurdistan's diversity of people, landscapes, and traditions. The New York Times recognized the Region as one of its "41 Places to Go in 2011." National Geographic similarly named the Kurdistan Region as one of the "20 Best Trips of 2011," citing it as an "oasis of peace and stability in a historically volatile region." Besides its unique blend of stability and natural beauty, approximately 3,500 historical landmarks located within the three governorates make Kurdistan a key destination for local and foreign tourists.

In 2007, when the General Board of Tourism (GBOT) first began tracking industry figures, 377,397 tourists visited the Kurdistan Region. By 2012, that number had reached 2.2 million. Estimates indicate that figure will rise to 2.9 million by the end of 2013, representing a 30% increase over the previous year. To continue that growth, the GBOT has targeted additional expansion to 4 million tourists by 2015 and 7 million by 2025, but because of Isis war, economic crises and problems that neighbor countries made for the region unfortunately in 2015 they didn't get the target. If those figures prove accurate, then the tourism industry will soon be responsible for creating 25,000 jobs and \$1.5 billion in revenue. Approximately 1.47 million individuals (66%) that visited the Kurdistan Region in 2012 were residents of other provinces in Iraq, 313,144 (14%) were from the local population of the Region, and 433,711 individuals (20%) were from foreign countries. The majority of those international tourists came from neighboring Middle East states such as Iran and Turkey. The GBOT is actively seeking to diversify these percentages. As such, it has implemented a marketing strategy focused on three distinct areas. The first market is greater Iraq, which is anticipated to have a more immediate impact. The second consists of the neighbors of the Kurdistan Region, particularly Turkey, Iran, and the Gulf Coast Countries. The third target market is Europe, with specific attention paid to those countries that have already established diplomatic relations in the Region.

To encourage increased tourism rates, the KRG has placed particular emphasis on improving the infrastructure of the sector. Since 2007, the KRG Board of Investment (BOI) has authorized a total of 101 tourism projects worth approximately \$3 billion. The Erbil governorate received the lion's share of that investment attention, with 54 tourism projects worth approximately \$1.6 billion authorized for the area. In contrast, the Duhok governorate had 34 projects authorized by the BOI for a total of about \$647 million. Despite significant development of the tourism sector in Sulaimani, there were

only a total of 13 BOI-licensed tourism projects (worth a total of approximately \$758 million) authorized in the governorate. Kurdistan attracted \$650 million in tourism revenues in 2012; that number is expected to increase to \$1 billion in 2013 and \$1.5 billion in 2015. To enable this progress, the government has begun issuing interest-free loans to those wishing to develop tourism ventures in locations across the Region, especially areas beyond the major population centers (<http://investinggroup.org>, 2017). According to GBOT reports, in 2007, there were only 106 hotels in the Region, 39 of which were located in Erbil. Today, there are more than 400 hotels active in Kurdistan, with approximately 250 located in the Region's capital city. In contrast to their counterparts of the past (the majority of which were constructed in the 1970s or 1980s), the Region's current hotel facilities are structurally modern and operate according to international standards. Sources indicate that an estimated \$1 billion of private investment has been set aside to facilitate further development of the hospitality industry (<http://investinggroup.org>, 2017).

In the globalization period, the event of economic crises have become more often than before. Thus, it is necessary to conduct a formal study to examine the impact of current economic crisis and recession on the tourism sector in Kurdistan's regional government (KRG) and the Erbil province. During the period from 2014 to this day, the impact of several crises could be felt in Kurdistan Region of Iraq, such reducing the oil price, particularly the impact of Isis war, having more than 2 million refugees and cutting Kurdistan region's budget by Iraqi government, thus the purpose of this paper is to present the impact of this sever economic crisis on tourism sector in Erbil province.

The objectives of this paper can be expressed as the following questions: (1) how is the economic crisis affecting Products and Services? (2) How is the economic crisis affecting Marketing and Sales? (3) How is the economic crisis affecting Human Resources? And finally (4) how is the economic crisis affecting Financial Activities?

2. Literature Review

Despite the development of the tourism industry and its significant effect on the Kurdistan economy, research undertaken on the economic crisis impact on tourism in Kurdistan appears to be limited but in the international scope there is many previous researches worked on this topic: according to (Gul et al., 2014) that analyzed the effect of global economic crisis on Turkish tourism demand and a review for the period 2003-2013. In this study, the effect of the global crisis on Turkish tourism demand has been investigated. The study has focused on factors such as "inflation", "currency" and "interest rates", which may affect Turkish tourism during the global financial crisis. In this way, the effects of the crisis on tourism demand are explained more clearly. The results show occurrence of a significant slowdown in the Turkish foreign active tourism during the global crisis. This deceleration was independent of the inflation and exchange rate effect. Furthermore, it was merely caused by the global crisis. Though, the domestic and overseas travels were increased in Turkey despite of the crisis during

the period 2008-2013. (Guduraš, 2014) represent the impact of the global economic crisis on international tourism in Greece, In this regard publicly available data about tourism and other economic sectors of Greek economy were compared in order to investigate whether Greek tourism sector was less affected due to the international economic crisis than other sectors. The results show that tourism, compared to other economic sectors, represents a very flexible and dynamic sector which even in times of economic crises appears to be very resilient on the long term.

(Al-Shamaileh et al., 2013) their study aimed to highlight and analyze repercussions of the global financial crisis on the tourism sector in Jordan, through clarify the nature of the current crisis, and select the channels their impact on the tourism sector, as well as discuss the foundations of the ways to help the sector out of the crisis. The study concluded to the significant effect of each of the median income & relative prices on tourism demand, while not find significant evidence of the impact of the exchange rate, and confirmed by the results on a high elasticity of demand for tourism relative prices.

(Kapiki, 2011) analyzed the Impact of Economic Crisis on Tourism and Hospitality, results from a study in Greece, the research found that the crisis has particularly strong impact and negative consequences in Greece. The country is undergoing a serious political crisis, as well, and it seems that the forthcoming elections are the only solution for the restoration of stability and social peace. In addition, tourism can be the driving force behind Greece's economic recovery. However, for its achievement the country's policy makers should take several measures towards restructuring and improving the sector. These measures include: enhancement of alternative forms of tourism; environmental protection; creation of quality infrastructure; and boost of competitiveness through a tourism product that offers value for money.

(Boukas & Ziakas, 2013) examined the impacts of the global economic crisis on Cyprus tourism and the pertinent policy responses. A qualitative approach was adopted by conducting eight semi-structured interviews with tourism authorities and suppliers/professionals. Findings indicated the main impacts of the crisis on Cypriot tourism: lack of competitiveness, decreased visitation/revenues, inadequate quality, and escalated pricing. Furthermore, findings identify three types of policy measures: (a) immediate response measures, (b) foreign investment in tourism, and (c) diversification of the tourism product and quality improvement. The study highlights the need for Cyprus to develop a comprehensive tourism planning framework.

3. Material and Methods

In this research the data were collected from 100 tourism places like hotels, restaurant, touristic bars & clubs, citadels, parks, museums, resorts & spa, shopping malls and historical places in Erbil province that were randomly selected, by the use of a questionnaire survey in period of year 2020. The questions were self-constructed. The questions for this survey included information on personal background, age, gender, marital status, job, and education with questions about

Products and Services, Marketing and Sales, human resource, Financial Activities.

4. Results and Discussion

Table 1 represents the socio-demographic and economics characteristics of tourism places in the study. According to the field survey of respondents 99.0% were male 1.0% female, 44.0% were less than 25 years old, 55.0% between 26-59 years old; further 1.0% more than 60 years old. According to the survey about 51.0% of the respondents are married. On other hands respondents of education were 63.0% high-school, 17% university, 16% diploma, 4.0% Illiterate. The study revealed that the largest proportion of respondents, 60.0% were the owner. These results conclude that most of the employees are young people who are still strong and full of energy to use and give services and products through tourism sector.

Table (1) represents the descriptive statistics (frequency statistics) of the independent variables, (demographics).

Variables		Frequency	Percentage %
Age	Less than 25	44	44.0
	26-59	55	55.0
	More than 60	1	1.0
	total	100	100.0
Gender	male	99	99.0
	female	1	1.0
	Total	100	100.0
Marital-status	Married	51	51.0
	Single	49	49.0
	Total	100	100.0
Education	Illiterate	4	4.0
	High-school	63	63.0
	diploma	16	16.0
	University	17	17.0
	Total	100	100.0
Job	own	60	60.0
	General manager	3	3.0
	Administration manager	12	12.0
	Marketing manager	6	6.0
	Finance manager	6	6.0
	Others	13	13.0
	Total	100	100.0

Source: Author's own elaboration and SPSS analysis

The dependent variable (did the economic crisis impact on tourism sector?) was analyzed with the descriptive statistics (frequency distribution).

Table (2) represents the result of the analyzed overall impact of economic crisis on tourism sector.

Depend Variable		Frequency	Percentage %
Tourism sector	Yes	90	90.0
	No	10	10.0
	Total	100	100.0

Source: Author's own elaboration and SPSS analysis

This result demonstrates that 90.0% of the respondents are agreed and with 10.0% not being agreed with the impact of economic crisis on tourism sector in Erbil province- Kurdistan region of Iraq. Means most of tourism places are agreed with the economic crisis that in this period effected on their business.

Table 3 shows that many of the respondents (67.0%) did agree with the 'amount of Suppliers is getting lower' 21.0% of the respondents were Neutral and 12.0% disagree. According to this table 21.0% of respondents did not agree with 'we will not invest in innovations during the following year' But 50.0% of respondents had agreed and 29% of respondents were neutral. The results show that tourism places agreed with economic crisis affecting products and services.

Table (3) Economic crisis effects on Products and Services

Variables		Frequency	Percentage %
The amount of Suppliers is getting lower	Agree	67	67.0
	Neutral	21	21.0
	Disagree	12	12.0
	Total	100	100.0
We will not invest in Innovations during The following year	Agree	50	50.0
	Neutral	29	29.0
	Disagree	21	21.0
	Total	100	100.0

Source: Author's own elaboration and SPSS analysis

According to Table 4 illustrates that the majority of tourism owners, 58.0% were agreed, also 31.0% of respondents were not agreed and 11.0% of respondents were neutral in question about 'our marketing expenditure has been reduced'. Regarding 'there is greater pressure on praises' the 15.0% of respondents were not agreed, majorities 73.0% of respondents were agreed and 12.0% of respondents were neutral. Another

field is the 'sales volume has decreased' 71.0% of respondents were agreed, and 26.0% of respondents were neutral with 3.0% of respondents being disagreed. 66.0% of respondents were agreed, 4.0% of respondents were not agreed and 30.0% of respondents were neutral in 'the amount of customers has decreased'. It means more of tourism places agreed with economic crisis affected on marketing and sales.

Table (4) Economic crisis effects on marketing and sales

Variables		Frequency	Percentage %
Our marketing expenditure Has been reduced	Agree	58	58.0
	Neutral	11	11.0
	Disagree	31	31.0
	Total	100	100.0
There is greater pressure on praises	Agree	73	73.0
	Neutral	12	12.0
	Disagree	15	15.0
	Total	100	100.0
The sales volume has decreased	Agree	71	71.0
	Neutral	26	26.0
	Disagree	3	3.0
	Total	100	100.0
The amount of Customers has decreased	Agree	66	66.0
	Neutral	30	30.0
	Disagree	4	4.0
	Total	100	100.0

Source: Author's own elaboration and SPSS analysis

The sample characteristics in the economic crisis affecting Human Resources are summarized in Table 5. It shows the 89.0% of respondents were agreed, 5.0% of respondents were neutral and 6.0% of respondents were not agreed in 'we will cancel/postpone recruitment that was planned before'. About variable 'Salary increases will be lower than planned' 71.0% were agreed, 9.0% were neutral and 20.0% disagreed. Moreover according to variable 'our team is concerned for viability of the business' 92.0% of respondents was agreed, 7.0% of respondents were neutral and 1.0% of respondents were disagreed.

Table (5) Economic crisis effects on Human Resources

Variables		Frequency	Percentage %
We will cancel/postpone recruitment that was planned before	Agree	89	89.0
	Neutral	5	5.0
	Disagree	6	6.0
	Total	100	100.0
Salary increases will be lower than planned	Agree	71	71.0
	Neutral	9	9.0
	Disagree	20	20.0
	Total	100	100.0
Our team is concerned about the viability of the business	Agree	92	92.0
	Neutral	7	7.0
	Disagree	1	1.0
	Total	100	100.0

Source: Author's own elaboration and SPSS analysis

Table 6 illustrates the financial activities variables, about 'Finance is getting harder to obtain' 88.0% of respondents were agreed, 11.0% of respondents were neutral and 1.0% of respondents disagreed. Further 81.0% of respondents were agreed, 18.0% of respondents were neutral and 1.0% of respondents were disagreed in the 'forecast: profits will fall'.

Table (6) Economic crisis effects on Financial Activities

Financial Activities Variables		Frequency	Percentage %
Finance is getting harder to obtain	Agree	88	88.0
	Neutral	11	11.0
	Disagree	1	1.0
	Total	100	100.0
Our forecast: profits will fall	Agree	81	81.0
	Neutral	18	18.0
	Disagree	1	1.0
	Total	100	100.0

Source: Author's own elaboration and SPSS analysis

The results in table 7 demonstrate that there is no relationship between gender and tourism sector; the interpretation of the result is that gender has non-significant impact on tourism sector. The result shows that there is no relationship between age group, marital-statues, and tourism sector. Therefore, this means that all of the demographic variables have an insignificant impact on tourism sector. This result could also be due to the fact that the tourism is still growing and/or it is too early to establish such relationships because this industry is new for Kurdistan region. The results also indicate that there is a relationship between job and

tourism sector. However, the results means that variable have a significant impact on tourism.

Table (7) the relationship between tourism sector and demography variables.

Variables		Tourism sector				Chi-square test (P – value)
		Agree	Neutral	Disagree	total	
Gender	Male	59.69	29.30	10.01	100	0.443 ^a (0.805)
	Female	82.3	7.5	10.2	100	
Age group	Less than 25	58.90	31.81	9.29	100	4.337 ^a (0.362)
	26-59	65.55	22.35	12.1	100	
	More than 60	33.33	44.6	22.07	100	
Marital-statues	Married	56.43	25.45	18.12	100	1.785 ^a (0.410)
	Single	57.30	32.65	10.05	100	
Education	Less than diploma	60.16	32.34	7.50	100	1.110 ^a (0.574)
	More than diploma	63.44	24.25	12.31	100	
Job	Owner	56.23	24.89	18.88	100	24.338 ^a (0.007)
	G. Manager	67.89	17.77	14.34	100	
	Adm. manager	67.46	16.67	15.87	100	
	Market manager	57.64	29.34	13.02	100	
	Finance manager	33.34	50	16.16	100	
	Other	43.16	44.65	12.19	100	

Source: Author's own elaboration and SPSS analysis

Relationship between tourism characteristics is given in Table 8 indicates a statistically significant relationship between tourism sector and economic crisis such as (The amount of suppliers is getting lower, we will not invest in innovations during the following year, our marketing expenditure has been reduced, There is greater pressure on praises, The sales volume has decreased, the amount of customers has decreased, we will cancel/postpone recruitment that was planned before, salary increases will be lower than planned, our team is concerned about the viability of the business, finance is getting harder to obtain, our forecast: profits will fall).

The results reveal that there is a statistically significant relationship between the amount of suppliers is getting lower has a positive and significant effect on tourism sector ($\chi^2=15.842$, $p: 0.045$). According to results 54.12% of the respondents chose agree about the amount of suppliers is

getting lower and decreased to 21.99% disagree on the term of tourism sector. The relationship between we will not invest in innovations during the following year and tourism sector ($\chi^2=14.667$; $p: 0.066$) is no significant. The majority of respondents (67.56%) selected neutral on the term of we will not invest in innovations during the following year and decreased to 0.00% disagree about tourism sector. A not significant was observed in the relation between our marketing expenditure has been reduced and tourism sector ($\chi^2=13.438$; $p: 0.098$). The highest percentages of respondents 61.22% neutral about our marketing expenditure has been reduced and decreased to 23.59% disagree about tourism sector. There is a significant relationship between There is greater pressure on praises and tourism sector ($\chi^2=17.424$; $p: 0.026$). On the other hand, the results represent that a combined of 62.33% of respondents chose disagree in There is greater pressure on praises and decreased to 18.67% neutral about tourism sector. Further, the results represented that the relationship between the sales volume has decreased a negative and no significant influence on tourism sector ($\chi^2=9.363$; $p=0.313$). Moreover, nearly 54.23% of the respondents selected agree about the sales volume has decreased and decreased to 21.83% disagree on the tourism sector. Also, the relationship is significant between the amount of customers has decreased and significant effect on tourism sector ($\chi^2=17.128$; $p: 0.009$). The results indicate that 25.0% of respondents chose agree about the amount of customers has decreased and increased to 45.0% neutral on the term of tourism sector.

The results appear that there is a not significant relationship between 'we will cancel/postpone recruitment that was planned before and tourism sector' ($\chi^2=10.792$, $p: 0.214$). The result indicated that nearly 64.03% of the places chose agree about we will cancel/postpone recruitment that was planned before and decreased to 10.12% disagree on the term of tourism sector.

By looking at the results, a significant relationship can be seen between salary increases will be lower than planned has a positive and significant effect on tourism industry ($\chi^2=24.061$; $p: 0.002$). The highest percentage of respondents which were 64.46% chose agree in the term of salary increases will be lower than planned and decreased to 14.42% of them disagree about tourism sector. The results of Table 8 portrayed that the relation between our team is concerned about the viability of the business and tourism sector ($\chi^2=17.186$; $p: 0.009$) is significant. Going through the raw percentage, can observe that nearly 27.0% of the places chose disagree with term of our team is concerned about the viability of the business and increased to 50.0% of respondents were neutral about tourism sector. Moreover, the output illustrated a significant relationship between finance is getting harder to obtain has a negative and no significant influence on tourism sector ($\chi^2=9.034$; $p: 0.172$). According to the row percentage, nearly 35.45% of the owners selected neutral in the raw of finance is getting harder to obtain and increased to 44.55% neutral about tourism sector. Also, the founding represented that the relationship between our forecast: profits will fall has a positive and significant influence on tourism sector ($\chi^2=21.701$; $p: 0.001$) is significant. Moreover, nearly 59.20% of

the owners selected agree about our forecast: profits will fall and decreased to 21.05% disagree on the term tourism sector.

Table (8) the relationship between tourism sector and business variables.

Variables	Tourism sector				P - value	
	Agree	Neutral	Disagree	Total		
The amount of Suppliers is getting lower	Agree	54.12	23.89	21.99	100.0	15.842 ^a (0.045)
	Neutral	52.81	30.29	16.9	100.0	
	Disagree	50.00	41.66	8.34	100.0	
We will not invest in Innovations during The following year	Agree	54.33	32.12	13.55	100.0	14.667 ^a (0.066)
	Neutral	67.56	17.24	15.2	100.0	
	Disagree	60.91	33.33	5.76	100.0	
Our marketing expenditure Has been reduced	Agree	55.32	18.96	25.72	100.0	13.438 ^a (0.098)
	Neutral	61.22	15.19	23.59	100.0	
	Disagree	48.38	30.60	21.02	100.0	
There is greater pressure on praises	Agree	53.11	21.59	25.30	100.0	17.424 ^a (0.026)
	Neutral	75.00	16.67	8.33	100.0	
	Disagree	62.33	18.67	19.00	100.0	
The sales volume Has decreased	Agree	54.23	23.94	21.83	100.0	9.363 ^a (0.313)
	Neutral	42.69	32.31	25.00	100.0	
	Disagree	54.22	23.41	22.37	100.0	
The amount of Customers Has decreased	Agree	67.78	18.19	14.03	100.0	17.128 ^a (0.009)
	Neutral	50.00	41.67	8.33	100.0	
	Disagree	25.00	45.00	30.00	100.0	
We will cancel/postpone recruitment that was planned before	Agree	64.03	25.85	10.12	100.0	10.792 ^a (0.214)
	Neutral	19.00	67.00	14.00	100.0	
	Disagree	45.66	23.34	31.00	100.0	
Salary increases will be lower than planned	Agree	64.46	21.12	14.42	100.0	24.061 ^a (0.002)
	Neutral	35.55	45.55	18.90	100.0	
	Disagree	35.00	25.00	40.00	100.0	
Our team is concerned about the viability of the business	Agree	52.82	27.18	20.00	100.0	17.186 ^a (0.009)
	Neutral	42.87	42.85	14.28	100.0	
	Disagree	23.00	50.00	27.00	100.0	
Finance is getting harder to obtain	Agree	58.72	26.15	15.13	100.0	9.034 ^a (0.172)
	Neutral	35.45	44.55	20.00	100.0	
	Disagree	40.00	25.00	35.00	100.0	
Our forecast: profits Will fall	Agree	59.20	19.75	21.05	100.0	21.701 ^a (0.001)
	Neutral	23.33	56.67	20.00	100.0	
	Disagree	23.00	50.00	27.00	100.0	

Source: Author's own elaboration and SPSS analysis

5. Conclusion

Tourism industry assumes an essential role in any economy and is considered vectors of economic growth, making jobs and strengthening the middle class in any society. Tourism is an industry that can be influenced by external elements easily and rapidly, for example, government political problems, wars, and diseases, global or internal economic crises and so on. In this way, the tourism product designers and supply side of countries should to compose plans and systems to give best tourism products and services for tourism in times of crisis. Tourism product developers and supply side need to comprehend that tourism have sensitive characteristics to external factors. Kurdistan tourism sector grew rapidly in the pre-crisis period, despite decrease in exchange rate and increase in inflation. During the crisis, there was a significant reduction in the growth rate of active tourism. The Arabic part of Iraq as main and important source of Kurdistan's tourism target market face Isis war, budget shortage because of reducing oil price and waves of refugees that came to Kurdistan region, are the prominent causes of fall in tourism sector of Kurdistan region. also Iran, Turkey as two other sources of Kurdistan tourism market face some economic crisis in this period, that's why economic recession significantly reduced the purchasing power of the population, hence lowering the demand for services provided by businesses, which induced a restructuring of the available jobs, reducing the number of active industry, decrease turnover and limiting investments. Kurdistan has not adopted yet a crisis management plan as part of a comprehensive tourism policy to adopt with the crisis' causes/results, also needs to invest in its comparative advantages comparing with other parts of Iraq like climate, nature, safety and its geographical location. The tourism sector in Erbil is currently under a process of consolidation and improvement which requires further support of public policies in promoting and supporting managerial and entrepreneurship education.

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