



State Comptroller
of Israel

Promoting Tourism and Economic Development of the City of Eilat in the Context of the Swords of Iron War

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Abstract

Background

The city of Elat is a primary tourism destination in Israel and represents the largest of the six cities classified by the Ministry of Tourism as core tourist cities: Jerusalem, Acre, Nazareth, Tiberias, Elat, and Mitspe Ramon, all of which possess significant tourism potential. In 2019, the estimated total revenue from tourism (both domestic and inbound) in Elat was approximately NIS 5.2 billion. Furthermore, Elat holds strategic importance for the State of Israel as it serves as the country's southern gateway and is situated on a land bridge between Africa and Asia. The city features a maritime port that facilitates connections to the Far East as well as an international airport; it has established academic institutions and research and development centers; and it boasts tourism assets that collectively create substantial economic and business opportunities for the State of Israel.

Elat is the most peripheral local authority in Israel, located approximately 350 kilometers from the center of the country, when its economy primarily relies on the tourism industry, with approximately 90% of the 7,000 businesses operating within it being directly or indirectly dependent on both Israeli and foreign tourists. Its geographical remoteness impedes residents from seeking alternative employment in neighboring cities during routine times, and especially in emergency situations, a fact posing an ongoing risk and threat to its economic stability and to the livelihoods of its residents. In recent years, it has also faced increasing competition from resort destinations in neighboring countries and elsewhere. Given Elat's tourism-oriented economy and the lack of alternative economic growth engines, it is highly susceptible to various emergency conditions and economic trends, both domestically and globally. Consequently, it was significantly affected by the states of emergency in Israel during the COVID-19 pandemic and again in the initial months of the Swords of Iron War, more than other tourist cities. To enhance the city's resilience from a tourism and economic perspective in both the short and long term, the government has recognized the necessity of providing a forward-looking approach. This unique governmental response aims to assist the recovery of the tourism industry in Elat.

The Swords of Iron War had extensive repercussions for the State of Israel, including numerous injuries to individuals, psychological trauma, and damage to property; the displacement of hundreds of thousands of residents from their homes and the closure of their businesses; economic and fiscal impacts; and loss to various sectors of the economy. In the aftermath of the war, foreign airlines intermittently suspended or significantly reduced their flights to Israel; and incoming tourism was almost entirely halted. Hotels in Israel, including those in the city of Elat, accommodated tens of thousands of displaced individuals from two regions, resulting in long-term stays for some (up to the end of 2024), thereby substantially diminishing the capacity of hotels to accommodate domestic and incoming tourism. Many tourism-related businesses, including those in the conventions, events, and excursion sectors, ceased operations in various areas of Israel.

Key Figures**1**

The peripherality index of the city of Elat¹

90%

Of the 7,000 businesses operating in the city of Elat, are directly and indirectly dependent on the tourism industry

3.5 times

The increase in the number of job seekers in the city of Elat from November 2023 to January 2024, compared to the corresponding period in the previous year

**29% to
59%**

The rate of decline in revenue per square meter in the largest commercial centers in Elat from November 2023 to January 2024, compared to the corresponding period in the previous year

¹ The index weighs potential accessibility, population size, and proximity to the Tel Aviv district. A peripherality index of 1 means that Elat is an isolated city relative to other cities in the country, and is in the lowest cluster (together with the Eilat region).

NIS 25 million
out of NIS 50
million

Of the budget determined in the government resolution² to be designated for the promotion and marketing of large-scale tourist events - was not implemented. A budget of NIS 25 million out of NIS 50 million designated for the development of public tourist infrastructure was approved with a delay of approximately 11 months after the publication of the summary of the unique outline for assistance to the city of Elat in January 2024, and is expected to be implemented only in 2025, contrary to the government resolution

NIS 216
million

Were disbursed as compensation to businesses in Elat, the vast majority of which (approximately 90%) depend on the city's tourism industry, as part of a special government aid plan (Government Resolution No. 1637), due to the lack of alternative economic anchors for the city of Elat in addition to the tourism industry

About 15 years

Have passed since Government Resolution No. 1421 of 2010 on the promotion of the planning of a route for the railway; NIS 100 million were allocated for planning activities for the railway to Elat in 2025 alone, and there is still no long-term budgetary certainty regarding the continuation of the railway's planning processes, which jeopardizes the continuation of these activities

Approx. 86%
(approx. NIS 11.7
million out of
NIS 13.6 million)

The implementation rate of the budget allocated by the Ministry of Health to the HMOs to encourage doctors to move to Elat to increase access to professional medical services in the years 2020 to 2023; in addition, only 11% of the budgets allocated for bringing health professionals to Elat (NIS 0.18 million out of NIS 1.58 million) were implemented by the HMOs

² Government Resolution No. 1702 (April 2024).

Audit Actions



From December 2023 to September 2024, the Office of the State Comptroller conducted an audit of the government's preparedness and response to the state of emergency arising from the impacts of the Swords of Iron War on the city of Elat, with the objective of facilitating its recovery and economic rehabilitation. This audit also involved a follow-up audit of the findings from the previous report by the State Comptroller regarding "Special Aid to the Tourism Industry During Covid-19 Pandemic" published in 2023; additionally, various aspects of the implementation and realization of government resolutions from 2019 and 2022 concerning the tourism and economic development of Elat and the Elot region (Elat area) were examined, some of which were addressed in the audit report published by the State Comptroller on "Government Actions to Promote Tourism in Elat and Plans for its Economic Development" in 2021.

The first section of the report analyzed the economic impacts of the Swords of Iron War on Elat during the initial months of the conflict, as a tourism-oriented city, and the governmental response provided to the city and its businesses. Furthermore, this section evaluated the Ministry of Tourism's preparedness for emergencies (follow-up audit) and the Ministry's actions to rehabilitate the tourism industry in Elat following the outbreak of the war. The second section of the report examined the implementation of government resolutions from 2019 and 2022 regarding tourism and economic development in the Elat area and achieving their objectives in these domains: the development and enhancement of tourism products; the creation of additional sustainable economic sectors in the city, such as mariculture in Israel; the development of diverse employment opportunities for the city's residents; the improvement of transportation arrangements to and from the city; and the enhancement of health services provided in the Elat region.

The audit was conducted in the Ministry of Tourism, Ministry of Economy, Ministry of Transport and Road Safety (Ministry of Transport), Ministry of Health, Ministry of Agriculture and Food Security (Ministry of Agriculture), the Ministry of the Negev, Galilee and National Resilience (Ministry of the Negev), and the Elat Municipality. Supplemental inquiries were carried out in the Ministry of Finance, the Ministry of Energy, the Tax Authority, the Israel Airports Authority (IAA), the Israel Land Authority, the Israel Oceanographic and Limnological Research Institution (IOLR), the Dead Sea Preservation Government Company (DSPG), the Jewish National Fund (JNF), and Clalit Health Services (Clalit HMO). In the period from January to March 2025, a follow-up examination was conducted, and several aspects reviewed in the report were updated.

Key Findings

Part One – The Governmental Response to Elat During the Initial Months of the War

The Impact of Hosting Displaced Persons in Elat – In the initial months of the Swords of Iron War, from October 2023 to January 2024, Elat experienced a significant influx of displaced persons, accommodating by far the largest number in comparison to other tourist cities. This response provided substantial support to the needs of tens of thousands of evacuees, thereby contributing economically to some hotels.

Consequently, widespread economic detriment was caused to local businesses, which predominantly rely on the tourism industry. The repercussions intensified, culminating in a profound economic crisis, manifested in several ways: (a) there was no international tourism, with domestic tourism staying for periods three and a half times shorter than the corresponding period in the previous year; (b) the number of job seekers in the city tripled compared to the corresponding period in the previous year; (c) there were significant decreases in revenue per square meter in Elat's major commercial centers, ranging from 29% to 59% compared to the corresponding period in the previous year; (d) from the first week of the war and for 17 weeks thereafter, there was a decline of approximately 25% to 45% in credit card usage in the city compared to an average week during 2023; (e) half of the businesses in Elat reported a 75% decrease in their revenues during this period, partly due to the cancellation of international sports events, conventions, and large gatherings. The total losses in revenue and additional expenses incurred by the municipality during this period amounted to approximately NIS 4 million. These damages resulted from the prolonged presence of evacuees who did not arrive for leisure purposes; the lack of alternative economic opportunities, in contrast to other core tourist cities that also accommodated evacuees; and the high occupancy rates of hotels during the initial months of the war, which precluded them from accepting domestic tourists – underscoring the urgent need for special governmental assistance for the city.



The Specialized Governmental Aid Provided to the City of Elat During the Swords of Iron War – In response to the considerable impact of the conflict on the city, the Ministry of Finance, independent of the Ministry of Tourism, devised a specialized aid framework, which was announced by the Ministry's spokesperson in early January 2024. This framework was subsequently endorsed by the government, which determined through its resolution (Government Resolution No. 1637 from March 2024)³ that businesses in Elat would be eligible to submit applications for grants to compensate for indirect damages incurred as a consequence of the war during the months of January and February 2024. In the absence of additional economic anchors for the local tourism industry and the

³ Government Resolution No. 1637, "Aid Grant for Businesses in Tourism-Prone Local Authorities – 'Swords of Iron'" (March 31, 2024).

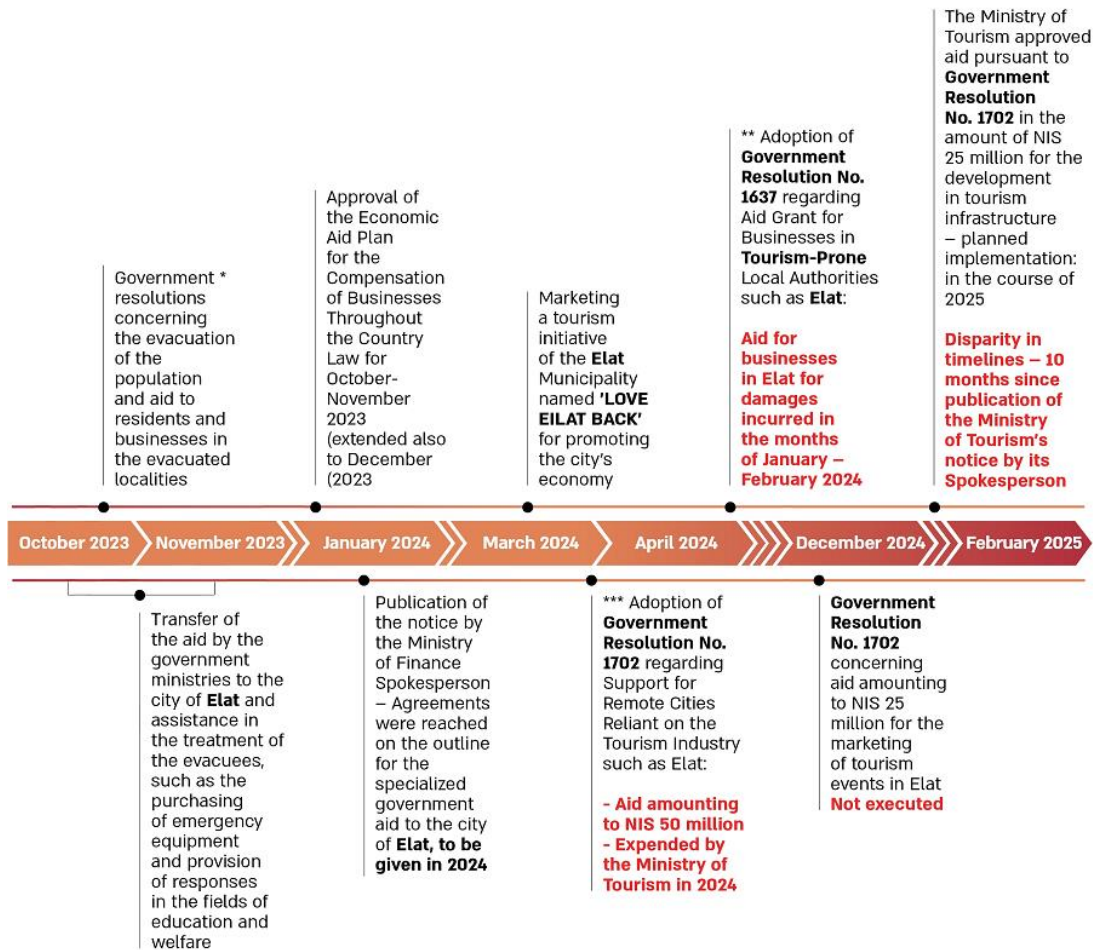
lack of alternative income sources and fields of employment, by August 2024, a total of 879 claims were submitted to the Tax Authority for these months, resulting in the disbursement of approximately NIS 216 million in compensation to affected businesses in the city. This need for special aid underscores Elat's reliance on the tourism sector and highlights the importance of developing additional economic anchors that could mitigate the economic impact on local businesses.

In a subsequent resolution (Government Resolution No. 1702 from April 2024)⁴, it was established that in order to support communities dependent on the tourism sector located in peripheral areas that heighten dependence on economic activities originating from this sector. In light of the ongoing adverse effects on the tourism sector due to the Swords of Iron War, the Ministry of Tourism should allocate NIS 50 million from its 2024 budget to the eligible municipalities – Elat and the Mitspe Ramon Local Council. The funds were designated for enhancing public tourism infrastructure (NIS 25 million) and for promoting and marketing large-scale events (NIS 25 million). As of March 2025, the implementation of the government resolution had been carried out only partially: (a) The budget designated for the development of public tourism infrastructure in the Elat area was approved with delays; (b) The budget allocated for event marketing had not been allocated by the Ministry of Tourism by the end of 2024. This reality reflects a deficient governmental response in terms of providing timely solutions.

- The budget amounting to NIS 25 million designated for the development of tourism infrastructure in the city of Elat was approved by the Public Tourism Infrastructure Development Committee within the Ministry of Tourism only in December 2024, approximately 11 months after the publication of a summary of the specialized aid framework for the city of Elat in January 2024, and approximately seven months subsequent to the government's resolution on the matter. Its implementation is expected to occur only in 2025.
- The budget of NIS 25 million for the promotion and marketing of large-scale events in 2024 (primarily for the city of Elat) was not allocated, in contravention of the government resolution., This occurred as the Ministries of Tourism and Finance did not formulate in advance a preliminary joint framework for the implementation of the resolution, thereby government resolution on the matter. Until then, the budget' implementation cannot proceed.

⁴ Government Resolution No. 1702, "Support for Remote Cities Reliant on the Tourism Industry" (April 17, 20).

Main National Aid Activities for Cities and Businesses Affected by the Swords of Iron War, With an Emphasis on the City of Elat, October 2023 – February 2025



* Since the outbreak of the Swords of Iron War, the government has adopted a series of resolutions regarding assistance to residents and businesses in localities that have been determined to be within a range of security risk, including the southern localities located within a range up to seven kilometers from the Gaza Strip border, residents of Ashkelon, West Lakhish and West Negev, and residents of localities in the north of the country, mainly from the Galilee region and Tiberias.

** Government Resolution No. 1637 (March 31, 2024).

*** Government Resolution No. 1702 (April 17, 2024).



Formulating the Ministry of Tourism's Emergency Management Strategy, Preparation for Emergencies and its Response – The Ministry of Tourism's designated role during emergencies, as defined by the Ministry, requires preparation for emergencies prior to their occurrence, mitigating their negative impact on the tourism industry, and promoting actions that will facilitate its recovery. The previous report indicated that the Ministry of Tourism had not fully addressed the gaps in its emergency management and preparedness strategy. The follow-up audit revealed that the deficiency had been **rectified to small extent only**: On the eve of the Swords of Iron War, the Ministry of Tourism had not yet established an updated and approved emergency management strategy. By May 2025, more than a year and a half after the conflict's onset, this strategy remained incomplete, and the Ministry's preparations for emergencies were still inadequate. The period following the COVID-19 crisis, prior to the Swords of Iron War, was not effectively utilized to finalize the Ministry's emergency management framework. The operational procedures document, which outlines the actions the Ministry will take during an emergency to support the tourism industry (the Toolbox), has remained unchanged since November 2019. The necessary updates to the Toolbox have not been completed, and it remains in its original form. Additionally, the emergency portfolio for the Ministry's divisions has yet to be validated.



Provision of an Immediate Response to the Tourism Industry during Emergency Events

- The previous audit noted that Government Resolution No. 333 from 2015 regarding "Aid to the Tourism Industry Following Geopolitical Crises", which was intended to formulate mechanisms for assisting the tourism industry during geopolitical crises, was not implemented by the Ministry of Tourism. This lack of action occurred despite the opportunity to utilize the period of prosperity experienced by the tourism industry in the years following the resolution until the onset of the COVID-19 crisis. The follow-up audit indicated that even during the COVID-19 pandemic and the Swords of Iron War, the Ministry of Tourism did not lead an inter-ministerial team tasked with recommending to the government tools and mechanisms to support the tourism industry in general, and specifically in the city of Elat. These tools should have been activated within 14 days of the outbreak of the state of emergency, as required by Government Resolution No. 333. Furthermore, no action metrics were established by the Ministry for assisting the tourism industry as stated in its work plan for 2024. As of March 2025, the Ministry had not yet formulated an operational action plan for the recovery of the tourism industry in the city in the coming years. The follow-up audit further revealed that although the Ministry of Tourism did not execute certain components of Government Resolution No. 333, including the formulation of assistance mechanisms for the tourism industry, shortly after the outbreak of the Swords of Iron War, it engaged in national efforts to assist displaced persons from two regions, which benefitted many hotels in Elat. On October 16, 2023, an agreement for hosting displaced persons was signed between the State of Israel and the Israel Hotel Association, and nine days later, the responsibility for housing the displaced persons was transferred to the Ministry of Tourism.

- In the absence of proactive measures by the Ministry of Tourism to lead an inter-ministerial team that would recommend assistance mechanisms to the government within 14 days of the outbreak of the war, and against the backdrop of the economic crisis in the city, as well as the changes in the intake data for the displaced persons, the Elat Municipality initiated a tourism marketing campaign. This campaign resulted in a significant increase in credit card expenditures in Elat compared to the preceding weeks, with credit activities in the city returning almost to the level of average credit card expenditures in 2023. These data suggest that the execution of marketing activities in Elat, even during the state of emergency, to promote tourism in the city and support the local economy, as undertaken by the Elat Municipality, yielded positive results, indicating the existing potential for domestic tourism even in emergency situations.

Part Two – Government Actions and Implementation of Resolutions in 2019 and 2022 for Developing Tourism and Elat's Economy

Implementation of Government Resolution No. 4662 from 2019 with respect to Tourism



The Promotion and Marketing of Large-Scale Tourism Events – The audit revealed that the Ministry of Tourism did not budget the funds allocated in Government Resolution No. 4662 from 2019, totaling NIS 15 million for marketing large-scale tourism events in the Elat area occurring from 2021 to 2023. This despite the Elat Municipality's repeated inquiries on the matter and the government's approval of a dedicated budget for this purpose. Consequently, the lack of marketing for tourism events diminished the potential for attracting both incoming tourism and domestic tourism to Elat. Had the Ministry of Tourism believed that the aforementioned government resolution did not align with its marketing strategy, it was incumbent upon it to take steps for its update. As long as the government resolution remained in force, its implementation was obligatory.



The Elat Convention Center (Follow-Up Audit) – The previous report highlighted that, following Government Resolution No. 4662 of 2019, steps were required to promote the establishment of a convention center in Elat. The Ministry of Tourism acted to advance this matter and, among other actions, approved the continuation of the center's planning within the framework of professional discussions according to the Ministry's public tourism infrastructure development procedures. These discussions took place in the Ministerial Planning and Development Committee responsible for allocating funds for tourism projects (the Planning and Development Committee), which allocated budgets for the advancement of detailed planning for the conventions center. However, the follow-up audit found that more than a decade since discussions commenced, this project remains in its infancy and has not yet reached initial stages of implementation, primarily due to the prolonged uncertainty regarding its economic feasibility. The follow-up audit indicated that the deficiency **has not been rectified**. In August 2023, the Minister of Tourism decided to halt the project in its format as formulated following Government Resolution No. 4662, citing economic non-viability. The project was not returned to the ministerial Planning and Development Committee for the re-evaluation in a

professional and documented discussion, based on its powers and responsibilities, and, if necessary, for the request of an additional in-depth economic analysis. This step was necessary to provide the Minister with all relevant information necessary for a decision on this significant topic. As of February 2025, the examination of two alternatives for establishing the convention center in Elat, discussed in the Steering Committee at the Prime Minister's Office, has not progressed. The first alternative was establishing a joint arena in the sports campus to serve as a venue for sporting events, conventions, and fairs; and the second was promoting the convention center on the northern beach through the Elat Municipality and the Israel Land Authority by means of a tender. Consequently, the government resolution regarding the establishment of a convention center has not been implemented, and the municipality is exploring additional avenues to promote the matter.



Development of the Shoreline (the Promenade) – Government Resolution No. 4662 of 2019 regarding the promotion of the shoreline project in Elat, which is considered a central tourism anchor, established that its implementation would be based on the availability for carrying out works on-site and according to the readiness of the project segments. It has been determined that the work framework employed by the Planning and Development Committee, which convenes annually and implements a process for budget approval for work in segments over relatively long periods (an average of one working year), does not align with the nature of execution required for the development of the shoreline project in Elat. This project necessitates flexibility and the capacity for swift decision-making regarding requests from the Dead Sea Preservation Government Company (DSPG) to advance segments based on implementation availability. This framework prevents the DSPG, as the Ministry of Tourism's executing arm, from effectively advancing the multi-year program on the subject as stipulated in the government resolution. Consequently, instead of completing the project by 2029 as originally planned by the DSPG, the completion date will be postponed by approximately three years, extending to at least 2032.



Development and Upgrade of a Tourist Attraction – The Birdwatching Park – In April 2012, the government (Resolution No. 4512) resolved to establish a national chain of birdwatching sites and, for this purpose, "to establish and plan new birdwatching centers", including upgrading the birdwatching park in Elat as part of a five-year plan from 2012 to 2016, with a budget allocation of NIS 37.2 million. It has been found that as of June 2025, due to the extended time necessary to update the existing statutory plan (from 1986), the parties that have signed a partnership agreement for the park's operation – the Elat Municipality, the Jewish National Fund (JNF), and the Society for the Protection of Nature – were unable to allocate funds for development and upgrading of park infrastructure necessary to transform it into a central tourist attraction. Additionally, JNF's demand for exclusive management of the park is at the core of the dispute between the JNF and the Elat Municipality and the Birdwatching Park administration, concerning the management style of the park. Due to this dispute, JNF has not transferred NIS 10 million for the park's upgrade, impacting the further advancement of long-term plans for it. Furthermore, access to the park has not yet been regulated, and the park is not connected to public transportation lines. Although preliminary actions for infrastructure upgrades have been undertaken, the internet and electricity infrastructures required for interactive activities that the park seeks to offer to visitors and professional birdwatchers are inadequate. The park lacks a climate-controlled visitor center, and the service area within the

park is limited and not connected to the municipal sewage network. All these factors hinder the realization of the existing tourism potential of the park.

Government Actions to Promote the Economic-Employment Sector



The Ministry of Economy's Programs – The 'High Salary' Track and the 'Smart Money' Track – Government Resolution No. 4662 from 2019, allocated a budget of NIS 12.5 million for the purpose of developing employment sources and increasing occupational diversity in Elat. Approximately five years following Government Resolution No. 4662 and the initiation of the Ministry of Economy's 'High Salary' Program (track 4.18), amounting to NIS 10 million, this objective has not been achieved: between 2021 and 2024, only one company was approved for a grant in 2024 (which has yet to be disbursed) amounting to approximately NIS 706,000 for employing workers from Elat in the fields of engineering and natural sciences, as stipulated in the government resolution, resulting in the non-utilization of the allocated budget of NIS 10 million. An attempt to amend the program's conditions regarding Elat, initiated by the Ministry of Economy and the Elat Municipality in 2021 after identifying that the program's objectives were not being met, did not materialize due to a dispute with the Ministry of Finance. Furthermore, it is noted that even after the Ministry of Finance rejected the proposed amendment to the framework, both the Ministry of Finance and the Ministry of Economy did not promote alternative solutions to ensure the realization of the objective as established in the government resolution, and additional adjustments made by the Ministry of Economy did not lead to changes or the achievement of the goals in this regard. In practice, the programs have failed to meet their objectives concerning existing companies in Elat, and no business ventures have been established or relocated to the area, primarily due to a lack of knowledge-intensive human capital in Elat in the technology fields and the absence of training programs in these fields that would enhance opportunities for diverse employment. This reality, where the vast majority of businesses in the city (approximately 90%) rely on the tourism industry and the absence of alternative economic anchors, necessitated the government's formulation of specialized aid for businesses in the city amounting to NIS 216 million in January-February 2024.

Government Actions to Promote the Mariculture Industry in the Elat Region



Implementation of Government Actions to Promote the Mariculture Sector in the Elat Region – Government Resolutions No. 4662 from 2019 and 1442 from 2022 stipulate that the relevant governmental and public entities, including the Ministries of Agriculture, Economy, Energy, as well as the Israel Oceanographic and Limnological Research Institution (IOLR), Water Authority, Mekorot, the Planning Administration, and Israel Land Authority, are required to engage in the development of additional economic sectors in the city of Elat to reduce its dependence on tourism alone. In this context, efforts should be made to establish Elat as an international applied research center for the development of the mariculture sector.

The audit identified several unresolved barriers that hinder the advancement of the mariculture sector, including: actions to promote planning processes; regulation of effluent treatment; the

transfer of the National Center for Mariculture in Elat (NCM) to the Ministry of Agriculture; and the selection of an appropriate academic institution in Elat as part of the framework for advancing research and education in this field. The incomplete utilization of the budgets allocated to advance the mariculture sector as per government resolutions reflects the implementation issue: the government resolutions allocated a budget of NIS 85 million, of which NIS 52 million remained unutilized, and the remaining NIS 33 million being only partially utilized. There is real concern that the partial implementation of these government resolutions will lead to a halt in activities and adversely affect the investments and efforts made by the government in recent years to promote the mariculture sector in Elat. Such circumstances could undermine the achievement of the objectives set forth in the government resolutions, which aim to strengthen the city's economy and promote employment diversification, *inter alia*, through the development of the mariculture sector, as detailed below.



Development of Mariculture Sites

- **Delays in Actions to Promote Planning Processes (Amendment of the Zoning Plan)** – Government Resolution No. 1442 instructed the Ministries of Agriculture, Economy, Finance, and the Negev and Galilee to establish agricultural parks at three designated sites for mariculture in the Elat region: HaMishtalot Park, the Evrona site, and the Amram site, transforming them into a national and international hub for production of food from the sea and the desert between 2022 and 2026. It has been found that:
 - **HaMishtalot Park Site** – As of June 2025, the first phase of marketing the lands for mariculture activities based on the existing zoning plan for potential entrepreneurs has not yet been completed; additionally, the development and construction of essential infrastructures for mariculture activities (the second phase of implementing the government resolution), for which the implementation budget was allocated between 2022 and 2023, are still in planning stages due to unresolved planning barriers related to drainage and the establishment of engineering facilities at the site. These delays may adversely affect the implementation of Government Resolution No. 1442, which established a multi-year plan for executing the project between 2022 and 2026.
 - **The Evrona Site** – As of January 2025, the process of amending the zoning plan at the site, which was scheduled to take place between 2020 and 2021, is delayed by approximately four years. The zoning plan is currently in the preliminary stage of preparation of an environmental impact assessment, which constitutes a prerequisite for the process. The plan is in dispute between the Ministry of Economy and the Ministry of Environmental Protection. In this context, the infrastructure development works at the site (the second phase), designated for execution between 2022 and 2024 according to the government resolution, have not yet commenced; the processes regarding this matter are expected to continue for at least another two years (until 2027), which is inconsistent with the timeline established by the government in its resolution.
 - **The Amram Site** – The plan for the development of the Amram site for mariculture is being promoted by the Elot Regional Council and the Israel Land Authority and is

currently in preliminary preparation stages for discussion by the Southern District Committee. The Ministries of Agriculture and Economy and the Israel Land Authority have not yet regulated and completed the required planning actions, such as amending the zoning plan and completing the environmental impact assessment, which are prerequisites for advancing the development activities of the site and the essential infrastructures necessary for mariculture and for marketing lots to entrepreneurs. Consequently, the project is experiencing delays that could influence the realization of the government resolution according to the timeline established therein.

- **Regulation of Effluents Management** – The development and advancement of mariculture in Elat necessitate the regulation of the management of effluents released into the sea. This regulation is required since some of the by-products of the planned mariculture activities in the Elat area consist of effluents that are considered to have negative environmental impacts on the seawater in the Gulf of Elat due to their high nitrogen concentration. Additional effluents are a result of the operations of the desalination facility of the Mekorot Water Company, which supplies potable water and water for terrestrial agriculture in the area. It has been found that this issue has not yet been regulated by the Ministries of Agriculture and Economy with the Permits Committee at the Ministry of Environmental Protection, which sought to mitigate environmental impacts and limited the amount of effluent that can be discharged into the Gulf of Elat from all sources. Furthermore, as of January 2025, the pilot project promoted by the Ministry of Agriculture in collaboration with the Water Authority through the Mekorot Company, aimed at reducing nitrogen levels in the effluents from the desalination facility (Sabha), has not yet been completed. The regulation of the effluent issue in its entirety is a necessity given the potential risks regarding the realization of mariculture activities at the various sites (once the planning steps are completed) and the associated industry as determined by government resolutions, as well as regarding the capability of providing potable water to the area.



Strategic Plan for the Mariculture Sector in Israel and the Establishment of an Inter-Ministerial Working Group – It has been determined that more than three years have passed since the adoption of Government Resolution No. 1442 in May 2022, which mandated the Ministry of Agriculture to lead the preparation of a national strategic plan for the development and expansion of mariculture and biotechnology in Israel within a six-month period (by November 2022), as of May 2025. Yet the necessary governmental work required to complete the process for its formulation has not been finalized in coordination with all relevant government ministries, and, in practice, there is no approved strategic plan. Furthermore, the working group tasked with promoting mariculture, led by the Ministries of Agriculture and Finance in conjunction with the Ministry of Environmental Protection, the Ministry of Economy, the Israel Land Authority, and the Water Authority, has not yet commenced its operational activities. This indicates that a work plan has not yet been established, and no guidelines or timelines have been determined for the development of infrastructure at mariculture sites, including budgetary solutions.



Transfer of the National Center for Mariculture (NCM) to the Ministry of Agriculture – Over the years, the Government of Israel has adopted several resolutions regarding the transfer of the NCM from the Israel Oceanographic and Limnological Research Institution (IOLR, under the

Ministry of Energy) to the Ministry of Agriculture (the Volcani Institute) – resolutions from 2009, 2017, 2019, and 2022. As of February 2025, the government resolutions concerning the transfer of IOLR to the Ministry of Agriculture have not been implemented, despite the passage of approximately 16 years since the first government resolution on this matter in 2009, due to disputes among the relevant government ministries. As a rule, the existence of professional disagreement on the subject does not negate the Ministry of Energy's obligation to adhere to government resolutions on the matter. The fact that the disagreement has been resolved, and the current professional stance of the relevant bodies is that it would not be appropriate to transfer IOLR to the Ministry of Agriculture as mandated by the government resolution, does not absolve the ministries from coming back to the government for it to consider their position and adopt an updated resolution if necessary; in the absence of practical steps vis-à-vis the government secretariat for the altering of government resolutions on this matter, they must be implemented. It is noteworthy that non-implementation of government resolutions in this regard is detrimental to IOLR, as budgets allocated by the government, as stated in its resolution for the transition to the Volcani Institute, are not being transferred to it, thus hindering its ability to realize its potential in advancing the field of mariculture in Israel, particularly in Elat.



Promotion of Academic Research and Teaching – The establishment of an academic program in the field of mariculture represents a crucial element in advancing the ecosystem aimed at transforming the Elat region into a national and international hub for production of food from the sea and desert. Over a period of nearly three years following the adoption of Government Resolution No. 1442 concerning the advancement of academic research and teaching, an academic program in mariculture has not been initiated in the Elat area, due to disputes among the Planning and Budgeting Committee, the Ministry of Agriculture, and the Ministry of the Negev regarding the appropriate academic institution to serve as the framework for promoting research and education in this field., during An audit by the Office of the State Comptroller indicated that as of March 2025, approximately three years after the adoption of Government Resolution No. 1442, which allocated budgetary sources totaling NIS 20 million for initiating an academic program in mariculture in Elat and for promoting this field, an academic program was approved and budgeted at Ben-Gurion University to advance research and teaching in mariculture and biotechnology for the 2024 and 2025 academic years. This will leverage the Sea-Tech sector in Elat and the Elat region.

Government Actions for the Development of Elat in the Transportation Sector



Upgrade of Highway 90 – (Follow-Up Audit) – In two previous audit reports from 2021 and 2024, the Office of the State Comptroller warned the Ministry of Transport about the severe safety hazards inherent in Highway 90, particularly in its southern section, indicating that insufficient operational actions had been taken to adequately address these hazards, and emphasizing the necessity for the advancement of a multi-year plan for the highway's upgrade. The follow-up audit revealed that the deficiency **has been partially rectified**. The Ministry of Transport has formulated a multi-year plan and, in the past two years, has collaborated with Netivei Israel – National Transport

Infrastructure Company to upgrade additional sections in the southern segment of Highway 90. Netivei Israel allocated a budget of NIS 985 million for the planning and execution of these segments. As of May 2025, the Ministry allocated NIS 330 million for the completion of the upgrade of the highway segment from the Ktura Junction to the Nahal Shita crossing, spanning 19 km, and NIS 110 million for paving seven bypass segments from the Menucha Junction to Hatseva. Additionally, the Ministry allocated a further budget of NIS 545 million for the continued planning and execution of four segments between Nahal Shita and the Arava Junction, covering a distance of 101 km. The prolonged handling of these segments on Highway 90 in recent years has resulted in additional loss of life and injuries between 2020 and 2025 (approximately 290 injured, including 20 fatalities)⁵.



Construction of a Railway Line to Elat for Passenger Transit and Freight Transport – (Follow-Up Audit) – In a series of resolutions, the government established that the construction of a railway line to Elat would enhance transportation accessibility to and from Elat, assist in the city's promotion and development, attract new residents, and strengthen existing communities along the planned railway route to Elat. The previous report indicated that as of 2021, there had been no progress in advancing the railway line's route, which the government slated for advancement in 2010: the statutory planning processes had not been completed, despite the government's determination that these should be finalized by the end of 2012 at the latest. The follow-up audit revealed that the deficiency **has not been rectified**. Four years following the previous report, the Ministry of Transport engaged with the Ministry of Finance for the approval of a budget amounting to NIS 100 million for planning activities, which are a prerequisite for the project's physical implementation. However, there is still no long-term budget certainty regarding the continued planning processes of the project, which jeopardizes its continuation. Additionally, as of June 2025, the joint team from the Ministry of Transport, the Ministry of Finance, and the Prime Minister's Office, established, in part, to examine funding methods for the project's implementation, has not yet submitted the comprehensive and detailed report whose submittal was required by April 2024 – a delay of approximately 15 months.

Ramon Airport as a Growth Engine for the City's Economy and the Tourism Industry in Elat



A Financial Incentive Mechanism for Attracting Foreign Tourists to Elat – During the winter seasons of 2016 to 2020 and 2022 to 2023, a financial incentive mechanism was in place. The Ministry of Tourism provided financial incentives to international airlines primarily operating low-cost flights from Europe, amounting to €60 for each passenger arriving in Elat on their flights. There was a significant increase in the number of foreign tourists visiting Elat: from approximately 52,000 tourist entries during the winter season of 2016 to 2017 to about 90,000 entries in the winter season of 2019 to 2020; during the winter season of 2022 to 2023, there were approximately 21,000 tourist entries. The Ministry of Tourism previously indicated that the incentive mechanism contributed to an

⁵ The casualty figures are based on data from the Central Bureau of Statistics, processed by the "Data for Change" organization.

increase in both the number of flights to Elat and the number of tourists visiting the city, yielding a significant influx of foreign currency into the state treasury at a rate six times the investment cost made by the Ministry of Tourism. Overall, this initiative generated approximately NIS 725 million in revenue for the State of Israel (after deducting the Ministry of Tourism's investments). The Ministry of Tourism has decided not to promote the approval of the incentive mechanism for passenger travelers during the upcoming winter seasons (from October to March). This decision is based on the prevailing circumstances and the implications of the Swords of Iron war on the potential for incoming tourism to Israel.

Government Actions Regarding Medical Services in Elat



The Primary Disparities in Medical Services Within the Elat Area and the Need for Transporting Patients and Medical Personnel – The disparities in medical services within the Elat area during routine times – particularly in the availability of medical personnel (physicians, residents, healthcare professionals), specialized departments (such as cardiology, neurology, and neonatology), patient safety standards, emergency medical response, and mass casualty event preparedness; the waiting times for consulting medical services in Elat, and more – indicate that Yoseftal Hospital, which serves as the principal medical provider for both residents and visitors in the Elat area, both during routine times and in emergencies, lacks the necessary workforce to operate effectively around the clock. Consequently, the provision of medical services to residents and visitors in Elat is dependent on the transfer of medical personnel to Elat and the transportation of patients requiring medical care outside the city, which is significantly influenced by transportation accessibility to and from Elat. As long as there are gaps in transportation accessibility, accompanied by deficiencies, there will be a persistent issue of canceled or chronically delayed medical examinations and treatments, which adversely impacts the medical care provided to Elat's residents, thereby exacerbating the disparities in healthcare services between the Elat area and other regions of the country.



Monitoring the Implementation of Government Resolution No. 4662

- **Transfer of Medical Personnel (Doctors and Healthcare Professionals) to Elat** – The implementation of the government resolution aimed at enhancing accessibility to professional medical services in Elat through incentives for physicians encountered partial success: HMOs utilized approximately NIS 11.7 million out of an allocated NIS 13.6 million (about 86%) for physicians; however, there was limited utilization of grants for professionals in healthcare fields, amounting to NIS 0.18 million out of approximately NIS 1.58 million (Clalit HMO – 16%; Leumit and Maccabi HMOs – not utilized).
- **Permanent Posting of a Helicopter at the Yoseftal Medical Center and Preparation of a Helicopter Landing Pad and Hangar** – The government's resolution to fund the posting

of a helicopter in Elat for urgent patient transport to medical centers in central Israel stemmed from a clear need to provide critical medical responses that could potentially be life-saving. The full utilization of the budget allocated by the government resolution for this purpose from 2020 to 2023, along with the continued operation of the helicopter in 2024 without a budgetary allocation, indicates the necessity for the continuity of this service for the purpose of saving lives. As of February 2025, the government has not made a decision to ensure the ongoing funding of helicopter operations, nor has a tender been published in this regard. Additionally, the Clalit HMO has not yet completed the necessary infrastructural work required for the helicopter landing pad, and the establishment of a hangar for the helicopter, budgeted at NIS 5 million under Government Resolution No. 4662.

- **Promotion of a Supplemental Government Resolution to Improve the Level of Medical Services in the Elat Area** – Government Resolution No. 4662 expired at the end of 2023. Naturally, the medical needs in Elat addressed by the resolution from 2019 are of a continuing nature. Consequently, the government resolution established a specific mechanism for examining its outcomes. The resolution requires the Prime Minister to bring the matter before the government for further **discussion** and decision-making. As of February 2025, gaps remain in the improvement of the availability of medical services in the Elat area with respect to the issues addressed by the government resolution; however, no supplemental government resolution has been adopted to preserve the achievements of Government Resolution No. 4662 or to implement necessary adjustments. Furthermore, alternative budgetary action routes have not been agreed upon by the Prime Minister's Office, the Ministry of Finance, and the Ministry of Health, to enhance the availability of medical services in the Elat region.
- **Primary Gaps in Medical Services in the Elat Area and the Need for Patient and Medical Personnel Mobility** – In the absence of a fundamental response to complement the medical staff at Yoseftal, the provision of medical services to residents and visitors in the Elat area relies on the transportation alternative for medical personnel and patients, which is influenced by the transportation accessibility to and from Elat. As long as there are gaps in transportation accessibility, and it remains deficient, there is a routine occurrence of cancellations or chronic delays of medical appointments and treatments. This significantly impacts on the medical care provided to residents in the Elat area and exacerbates disparities in medical service provision between the Elat area and other regions of the country. During emergency times, when Israeli airspace is closed, the situation worsens, as medical personnel from the center find it challenging to reach Elat, and patients have no reasonable means of exiting Elat, significantly reducing the availability of medical services for residents and visitors in the Elat region.



The Review Team at the Ministry of Health on the Issue of Medical Personnel in the Elat Region – As of June 2025, the review team led by the Deputy Director General of the Ministry of Health, appointed in January 2024 by the Director General to address deficiencies in medical manpower at Yoseftal, has made significant progress. This includes establishing umbrella agreements with other medical centers, tailoring the physician recruitment mechanism to the specific needs of Yoseftal, and promoting specialized training tracks. However, these initiatives remain in the early

phases of implementation. Furthermore, the development of economic models to provide a budgetary framework for these and additional actions has not yet been completed, and these plans have not been submitted to the Ministries of Health and Finance. As a result, an economic foundation for the effective execution of the team's work and for delivering comprehensive, long-term, and sustainable solutions to the identified gaps has not been established.



Mechanism for Assessing the Economic Efficiency of Public Tourism Projects – The Office of the State Comptroller positively notes the actions taken by the Planning, Development, and Infrastructure Administration within the Ministry of Tourism to promote, for the first time, a comprehensive and in-depth model for assessing the economic efficiency of public tourism projects. This development will facilitate data-driven decision-making processes regarding the funding for the establishment of such projects and will serve as a tool for evaluating their efficiency after implementation, including in the city of Elat. The Ministry is urged to integrate the model and its findings into its operational processes when evaluating tourism projects, which will contribute, both in the short and long term, to enhancing the benefits derived from investments in public tourism infrastructure.

Actions Taken by the Elat Municipality to Promote the Economic-Employment Sector in Elat – The Office of the State Comptroller acknowledges the initiatives undertaken by the Economic Development and Professional Training Divisions within the Elat Municipality in recent years, particularly during the period of the Swords of Iron War. These efforts, motivated by a commitment to the city, involved extensive collaboration with numerous economic entities and entrepreneurs aimed at increasing employment diversification within the city and generating quality jobs in technology and knowledge-intensive sectors that will enable the employment of residents from Elat. Additionally, in response to the economic crisis within the city and the changes in the intake of evacuees, the Elat Municipality initiated a marketing campaign for tourism, resulting in a significant increase in credit card expenditures in Elat compared to the preceding weeks, with credit activity within the city nearly returning to the average expenditure levels observed in 2023.

Establishment of a Service Laboratory for Entrepreneurs – The actions of the Ministry of Agriculture to implement the government resolution to establish a service laboratory for entrepreneurs in Elat are commendable. This initiative aims to assist entrepreneurs in bridging the gap between the development and research phase of a product and the initial implementation phase in the industry, along with the significant progress being made in this regard by the Ministry of Agriculture and the National Center for Mariculture.

Key Recommendations

part One – Government Aid to Elat During the Initial Months of the War



Specialized Governmental Aid Provided to the City of Elat During the Swords of Iron War – The Ministries of Finance and Tourism are called upon to act in accordance with Government Resolution No. 1702 from April 2024 regarding support for remote cities reliant on the tourism industry, encompassing both development and marketing components. The Ministry of Tourism must undertake the necessary actions to ensure that government resolutions regarding emergency assistance to key tourism cities, which significantly depend on the tourism industry, such as Elat, are implemented expeditiously to guarantee the effectiveness of the aid. Additionally, it is proposed that the Ministries of Finance and Tourism continue to report on this matter to the Knesset Special Committee for Eastern Border Localities established in September 2024, which conducts oversight discussions on the activities of state authorities in this area⁶.



The Formulation of the Ministry of Tourism's Strategy for Management of Emergency Situations and Preparedness Thereto and the Responses Provided – The Ministry of Tourism is urged to promptly complete the processes initiated during the Swords of Iron War for the updating and approving its emergency management strategy and preparedness for emergency situations, as recommended in the State Comptroller's report regarding specialized aid to the tourism industry during the COVID-19 crisis, while also incorporating insights related to addressing the repercussions and impacts of the war on the tourism industry.

Part Two – Government Actions and Implementation of its Resolutions in 2019 and 2022 for the Tourism and Economic Development of Elat



The Elat Convention Center (Follow-Up Audit) – If the position of the Ministry of Tourism and the Minister of Tourism is that there is no justification for promoting the establishment of the conventions center in Elat in the originally proposed format due to economic infeasibility, then it is insufficient to rely solely on the Minister's verbal guidance regarding this matter. The Ministry's Planning and Development Committee must conduct a thorough and professional discussion on the matter in accordance with its powers under the established procedure, formulate a position and consider the necessity for an in-depth economic analysis. Should it be determined that there is indeed no justification for promoting the convention center in its original format and that the resolution should be executed differently, the Ministry of Tourism must initiate a resolution

⁶ A special committee on the state's handling of localities on the eastern border, which "will hold oversight discussions on the activity of state authorities in localities located in these areas: Elat, the Arava, the Dead Sea and the Golan Heights, as they are an important national strategic target". The Committee held two oversight discussions on the subject of specialized aid to the city of Elat (October 1, 2024 and November 7, 2024).

proposal aimed at amending Government Resolution No. 4662 from 2019. These resolutions mandated the Ministry to promote the establishment of the conventions center in a specified format.



Development of the Shoreline (the Promenade) – The Ministry of Tourism is required to expedite the necessary actions for the completion of this significant national multi-year shoreline development project. This will facilitate its efficient advancement in accordance with implementation availability and the maturity of development segments. It includes adjusting the existing mechanism within the Ministry's Planning and Development Committee, given that this project is estimated to require an investment of approximately NIS 860 million. The efficient promotion of this significant project is of utmost importance as part of the actions to assist and rehabilitate the tourism industry in Elat, in line with government resolutions.



Development and Upgrade of a Tourist Attraction – The Birdwatching Park – The Elat Municipality, the Elot Regional Council, and other parties signatory to the partnership agreement for the park's operation – namely, the JNF and the Society for the Protection of Nature – should engage with the Ministry of Transport, the competent body for approving new bus stations on inter-city roads routes, for arranging access routes to the park and parking facilities, including aspects of available public transportation. Additionally, they should work to upgrade the park's physical and essential infrastructure – electricity, internet, and sewage. Furthermore, the Elat Municipality and the Elot Regional Council, in collaboration with other partners operating the Birdwatching Park, should promptly complete the update of the park's statutory plan and advance actions to enhance the park based on the existing statutory plan.



Implementation of Government Resolution No. 4662 from 2019 with respect to Tourism – Governmental and public entities, primarily the Ministry of Tourism, the Elat Municipality, the Elot Regional Council, the Society for the Protection of Nature, the Nature and Parks Authority, JNF, and the Israel Land Authority, must cooperate to expeditiously handle the projects listed above, each within its jurisdiction, and take steps to promote them. The completion of these projects will significantly contribute to the development of the city, its tourism, and its economy.

Government Actions to Promote the Economic-Employment Sector



The Ministry of Economy Programs – The Ministries of Finance and Economy, in the context of implementing government resolutions for the development of the city of Elat, must examine the implementation of programs related to incentives for companies to establish or relocate business ventures within its jurisdiction, particularly in the fields of engineering and natural sciences, as stipulated in the 'High Salary' track. It is imperative to periodically assess implementation of these programs and to adjust them in response to identified disparities. Furthermore, the Ministry of Economy must characterize and take steps to remove the barriers that have resulted in negligible demand for the designated tracks it advanced in Elat, particularly when considering the existing human capital within the city. This should take place within the framework of existing or future designated tracks that will assist Elat in enhancing occupational diversity and expanding its existing fields of activity. This will enable better management of potential crises and emergency

situations. Among other recommendations, it is advised to explore ways to increase employment opportunities in Elat and diversify its employment landscape through all available governmental means, including the Encouragement of Capital Investment Law of 1959.

Government Actions to Promote the Mariculture Industry in the Elat Region

Promotion of the Mariculture Sector in the Elat Region – All relevant stakeholders, including the Ministries of Agriculture, Economy, Energy, the Israel Oceanographic and Limnological Research Institution (IOLR), the Water Authority, the Planning Administration, and the Israel Land Authority, must collaborate to fully realize the potential and added value inherent in the implementation of the government resolutions on this matter. This includes, among other things, the following:



Development of Sites in the Mariculture Sector

- 1. Delays in Actions to Promote Planning Processes (Amendment of the Zoning Plan)**
 - a. HaMishtalot Park Site** – The Israel Land Authority, the Ministry of Agriculture, and the Elat Municipality should work collaboratively to complete the necessary statutory and planning actions required for site development and to find solutions for the engineering needs essential for the site to be governed by an updated zoning plan, thus facilitating its marketing to entrepreneurs at the earliest opportunity.
 - b. The Evrona Site** – The Ministry of Economy should, in collaboration with the Ministry of Agriculture and Ministry of Environmental Protection, undertake the necessary actions to facilitate the completion of the process to amend the existing zoning plan for the Evrona site, enabling the timely development of infrastructure at that location.
 - c. The Amram Site** – Given the delays associated with the additional sites (HaMishtalot Park Site and Evrona), which remain in various stages of planning, it is proposed that the planning process for the Amram site be expedited by the Elot Regional Council and the Israel Land Authority, without awaiting the completion of actions at the other sites, in order to promote the marketing of lots to entrepreneurs in the mariculture sector in this region.
- 2. Regulation of Effluents Management** – It is recommended that the Ministry of Agriculture and the Water Authority, which are responsible for implementing Government Resolution No. 1442, advance possible solutions for effluent management and mitigate its negative environmental impacts, in collaboration with the executing agency – the Mekorot Water Company – and the Ministry of Environmental Protection. These solutions will allow for the continued agricultural activity in the area consistent with the government resolution, upon completion of the planning actions and the advancement of the project to the execution phase, ensuring the supply of potable water to the city of Elat and other local authorities in the area, as needed. In this context, it is proposed that the Ministry of Agriculture expedite the implementation of the pilot program through the establishment of a facility for nitrogen treatment using algae, so that its findings will contribute to potential solutions.



Strategic Plan for the Mariculture Sector in Israel and Establishment of an Inter-Ministerial Working Group – The Ministry of Agriculture, in collaboration with the inter-ministerial steering committee and the public entities specified in the government resolution, should expedite the completion of the strategic plan under its purview and work to regulate the operational interfaces and authorities among them, creating their commitment to promote and fund the actions detailed in the government resolution as required by the strategic plan. This must be conducted with a long-term perspective that takes into account national needs, risks to the advancement of the field, and the potential inherent within it. Furthermore, the Ministry of Agriculture should promptly convene the working group with the participation of all representatives designated in the government resolution and establish a short timeline for completing the group's work and submitting its recommendations to the relevant ministers in the government. This will facilitate the advancement of the mariculture sector in the Elat region, which constitutes a central component in the diversification of employment in the city and its economic development.



Transfer of the National Center for Mariculture (NCM) to the Ministry of Agriculture – The Ministry of Energy, in collaboration with the Ministry of Agriculture, the Israel Oceanographic and Limnological Research Institution (IOLR), and the Companies Authority, should expedite their efforts to regulate NCM's status and not allow the situation to remain unchanged. This should be achieved by promoting an updated government resolution that anchors NCM's organizational affiliation to IOLR given the current professional positions of the Ministries of Agriculture and Energy and the Companies Authority. The resolution should, affirm the advantages of retaining NCM under IOLR's management and responsibility outweigh potential disadvantages resulting from the transfer to the Ministry of Agriculture. Should the government fail to adopt an updated resolution, the original resolution should be implemented.



Promotion of Academic Research and Education – It is advisable that the Planning and Budgeting Committee and the Ministries of Agriculture and the Negev ensure that, in accordance with the Council for Higher Education's decision, the 2025-2026 academic year for the Sea-Tech Marine Science and Technology track be opened as scheduled. Furthermore, they should continue monitoring the program's progress at Ben Gurion University in the coming years, ensuring it meets the objectives of Government Resolution No. 1442 (2022) to serve as an additional economic growth engine. This will also strengthen human capital in Elat and aid in advancing employment diversification in the city, thus nurturing the next generation of researchers in the field of mariculture in Israel.

Government Actions for the Development of Elat in the Transportation Sector



Upgrade of Highway 90 – (Follow-Up Audit) – The Ministry of Transport must expedite the planning and budgeting processes necessary for the upgrade of all segments of this hazardous section of the highway and implement the upgrading actions, based on timelines to be established, with the aim of enhancing safety on the road and improving transportation accessibility to and from Elat.



Construction of a Railway Line to Elat for Passenger Transit and Freight Transport – (Follow-Up Audit) – It is imperative that the Ministries of Transport and Finance, as well as Netivei Israel – National Transport Infrastructure Company and the Planning Administration, each operate within their respective domains, to promote the planning actions for the railway line, as mandated by Government Resolutions No. 4662 (2019) and 855 (2023). Furthermore, the Ministries of Transport, Finance, and the Prime Minister's Office are to promptly complete the preparation of a comprehensive and detailed report regarding the financing mechanisms for the implementation of the project, as stipulated in Government Resolution No. 855 from 2023.

Ramon Airport as a Growth Engine for the City's Economy and the Tourism Industry in Elat



A Financial Incentive Mechanism for Attracting Foreign Tourists to Elat – It is recommended that the Ministry of Tourism and the Ministry of Transport, in collaboration with the Ministries of Finance, the Negev and Galilee, the Israel Airports Authority, the Elat Municipality, and the Israel Hotel Association, assess continuing the financial incentive program aimed at attracting international tourists to Elat. Action in this regard is necessary at this juncture, despite the current stagnation in inbound tourism, to explore potential solutions and alternatives that can be swiftly implemented in response to changing circumstances and the return of foreign tourism to Israel.

Government Actions Regarding Medical Services in Elat



Monitoring the Implementation of Government Resolution No. 4662

- 1. Transfer of Medical Personnel (Doctors and Healthcare Professionals) to Elat** – In light of the partial use of the budget for incentives for doctors and health care professionals to relocate to Elat, the Ministry of Health should examine alternatives to encourage the entry of these essential professionals into the city's healthcare system in accordance with Government Resolution No. 4662 from 2019. The Ministry of Health should consider continuation plans in this regard.
- 2. Permanent Posting of a Helicopter at the Yoseftal Medical Center and Preparation of a Helicopter Landing Pad and Hangar** – Given the necessity of a helicopter and its crucial role in saving lives of those in need in the Elat area, it is recommended that the Ministry of Health, responsible for this matter, promptly promote, in collaboration with the Ministry of Finance and the Prime Minister's Office, the required actions to secure the ongoing operation of the helicopter, even after 2025. Furthermore, the Clalit HMO should facilitate the completion of the helicopter landing pad at Yoseftal and the establishment of a hangar to ensure that medical evacuations of patients in the Elat area to other medical centers are conducted safely from a regulated landing spot.
- 3. Promoting a Supplemental Government Resolution to Improve the Level of Medical Services in the Elat Area** – It is recommended that the Ministries of Health, Finance, and the Prime Minister's Office act promptly in cooperation with the Elat

Municipality, the Eilat Regional Council, and the HMOs operating clinics in this area, as well as the Clalit HMO, which operates Yoseftal, to develop a structured framework, that will be anchored in a supplemental government resolution or through other means, to address the medical needs of residents and visitors in the Eilat area. The framework should include the recruitment of medical personnel and health professionals and the establishment of the continuous and long-term operation of the helicopter in Eilat.

- 4. Primary Gaps in Medical Services in the Eilat Area and the Need for Patient and Medical Personnel Mobility** – It is recommended that the relevant government entities – the Ministries of Health and Finance, as well as the Clalit HMO – promote solutions that will enable Yoseftal, the only hospital in the Eilat area, to provide available medical and paramedical services, including in emergencies, to residents and visitors in an equitable long-term manner.

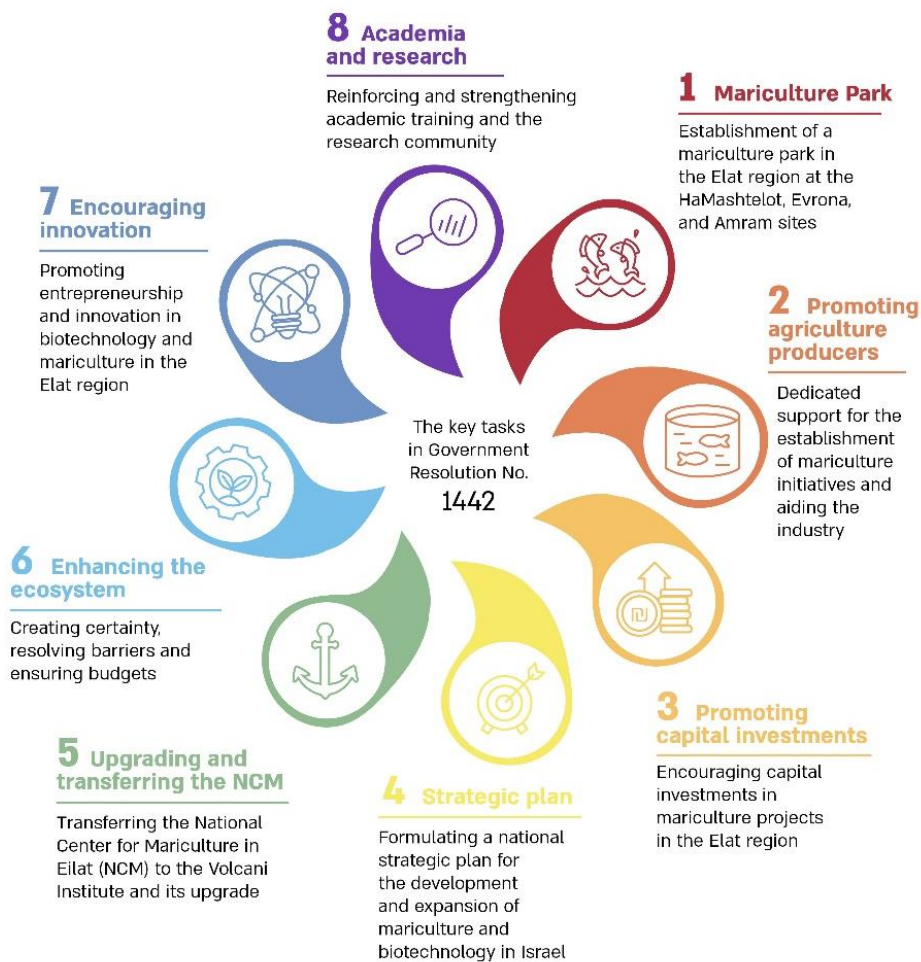


The Review Team at the Ministry of Health on the Issue of Medical Personnel in the Eilat Region – It is recommended that the review team at the Ministry of Health, which commenced its work in January 2024, expeditiously complete its operations to provide a comprehensive response to the gaps in medical personnel in Eilat. This while promoting actions already undertaken, some of which have begun to be implemented, including the completion of work for the preparation of economic models that will serve as the necessary professional foundation for providing an appropriate, long-term, and sustainable response to the existing gaps in the availability of medical services in the Eilat area. Additionally, it is proposed that the findings and recommendations of the review team be presented to the government as a basis for a supplemental government resolution on this issue, while examining the results and achieving the objectives of Government Resolution No. 4662. One aim of the resolution was, as mentioned, the improvement of health in the Eilat area. During the interim period, it is recommended that the Ministry of Health take actions to expand the availability and mobility of medical teams and patients in the Eilat area, and ensure that actions related to collaborations between Yoseftal and other medical centers are indeed realized over time, thereby assisting in reducing medical disparities in Eilat. Furthermore, it is recommended that the Prime Minister's Office continue its efforts in engaging all relevant government entities for an in-depth examination of health services in Eilat, as communicated to the Office of the State Comptroller, and designate an entity to oversee and coordinate actions among all mentioned parties.



Establishment of a Medical School in Eilat – Following the intention of the Minister of Education to promote the opening of a medical school in Eilat for the 2027 academic year, it is recommended that the Council for Higher Education complete its examination of the matter

Actions for Promoting the Mariculture Sector Ecosystem in Israel Pursuant to Government Resolution No. 1442



The Extent of Implementation of Government Resolutions Regarding the Tourism-Economic Development of the City of Eilat

The key actions in Government Resolution No. 1442

May 2022

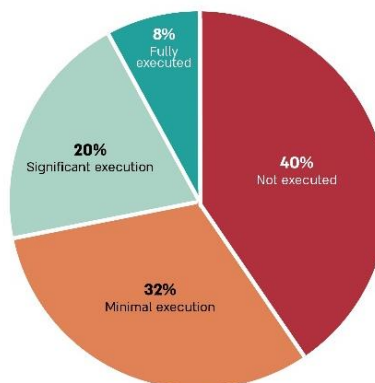
Icon	Category	Action	Status
	Mariculture	Development of mariculture infrastructure in the field	✗
		Marketing lots for mariculture	✗
		Planning and zoning changes processes	✗
		Regulating comprehensive treatment of effluents	✗
		Formulating an inter-ministerial government plan	✗
		Establishing an inter-ministerial work team	✗
		Transfer of the National Center for Mariculture in Eilat (NCM) to the Ministry of Agriculture	✗
		Promoting academic teaching and research	✓
		Service laboratory for entrepreneurs	✓
		Knowledge community	✓

The key actions in Government Resolution No. 4662

August 2019 (to be realized in 2020-2023)

Icon	Category	Action	Status
	Economy and businesses	'High Salary' track	✗
		'Smart Money' track	✓
	Tourism	Promoting and marketing tourism events	✗
		Conventions Center	✗
		Developing the shoreline	✗
		Birdwatching Park (pursuant to Government Resolution No. 4512, from 2012)	✗
	Health and medicine	Transfer of doctors to Eilat	✓
		Transfer of medical professionals to Eilat	✗
		Posting a helicopter for life-saving evacuations	✓
		Preparing a helicopter landing pad	✗
		Promoting a continuing government resolution	✗
		Upgrading medical infrastructure	✗
	Transportation	Highway 90 (southern segment)	✓
		Railway to Eilat – connecting Eilat to the center of the country (in preliminary planning stage)	✗
		Railway to Eilat – establishing a joint government team (pursuant to Government Resolution No. 855, from 2023)	✗

✗ Not executed ✗ Executed to a small extent
 ✓ Executed to a great extent ✓ Fully executed



Summary

Elat is the most peripheral city in the State of Israel. The city holds strategic significance due to its location along the shores of the Gulf of Aqaba and its associated airports and seaports. Owing to its unique geographical position and transportation infrastructure, Elat serves as the southern economic gateway of the State of Israel. The city's remoteness, along with the neighboring localities, has historically constituted a barrier to their economic and social development, resulting in a nearly exclusive reliance on the tourism industry, and challenging the cultivation of other significant economic growth engines. This situation has generated disparities in the range of public services available to residents of the Elat area compared to other regions in Israel concerning transportation, healthcare, and employment.

Between 2020 and 2024, complex and prolonged emergency situations prevailed both nationally and internationally, which significantly impacted the tourism industry. These included the COVID-19 pandemic and the Swords of Iron War. Such emergencies repeatedly undermined the tourism and economic resilience of the city, intensifying the difficulties and challenges that Elat must confront, particularly in the absence of additional employment sources beyond the tourism sector. These emergency events underscore the importance of early state preparedness for emergencies affecting the tourism industry, their activation as close as possible to their inception, and government responses tailored to the unique characteristics of Elat and its tourism resilience, given their immediate and extensive impact on the city's economy.

Such a reality, characterized by the city's heightened sensitivity to employment-related emergencies, exposes it to risks and weakens its capacity to build a robust economic and social infrastructure. This necessitates the adoption of measures to promote economic programs aimed at developing new growth engines, diversifying jobs for its residents, and implementing targeted projects to enhance the tourism product it offers to visitors.

Israeli governments have recognized Elat's strategic importance and its systemic vulnerabilities, alongside its untapped potential, resulting in several resolutions aimed at strengthening the economic and social sectors of the city and developing new growth engines during normal circumstances. The findings presented in this audit report, including the follow-up chapters, reflect poor execution of government resolutions:

1. In the period preceding the Swords of Iron War, the Ministry of Tourism did not complete the response to the gaps concerning the management of emergency situations within the Ministry and preparations for them, as highlighted in the State Comptroller's Report of 2023, which served as a lesson from the COVID-19 pandemic. Thus, on the eve of the Swords of Iron War, the Ministry still lacked an updated and approved emergency management framework.
2. Already in 2015, the government determined in Resolution No. 333, that during an emergency, the Ministry of Tourism shall lead an inter-ministerial team that would recommend to the government tools and mechanisms for assisting the tourism industry that could be implemented within a short timeframe (14 days). Although the Ministry of Tourism did not execute certain elements of this resolution nor recommend any tools or mechanisms for assisting the tourism sector in general, and specifically in Elat, shortly after the onset of the Swords of Iron War, it took action to address the national task of accommodating evacuees from two regions, which assisted part of the tourism industry.

Moreover, in April 2024 (seven months after the outbreak of the war), the government approved assistance amounting to NIS 50 million to strengthen the tourism industry (Resolution No. 1702). As of March 2025, this resolution had been partially implemented with delays. The budget of NIS 25 million allocated for the development of tourism infrastructure was approved in December 2024 and is expected to be utilized only in 2025. Additionally, the budget of NIS 25 million intended for event marketing in 2024 (mostly for Elat) was not allocated according to the government's resolution, as the Ministries of Tourism and Finance did not prepare an implementation plan in advance to facilitate its rapid execution.

3. The findings detailed in this audit report primarily indicate a low level of implementation of government resolutions regarding development plans for Elat and the allocation of resources for their realization. In practice, these government resolutions aimed at strengthening the city have resulted in limited improvement, raising doubts as to whether these resolutions can promote the goals and achieve the targets established by the government. Consequently, the tourism and economic resilience of Elat remains vulnerable to future risks arising from its dependency and the dependency of its residents, on a single primary sector – tourism.

To prevent Elat from remaining in the precarious situation it has encountered in recent years during and after crises, relevant government ministries must implement all the government resolutions concerning Elat in a manner that instigates meaningful change and take the following actions:

1. Rehabilitation and upgrading of the tourism industry in the Elat area, which sustained damage during the Swords of Iron War, thereby enhancing the city's tourism resilience.
2. Completion of the execution of infrastructure projects within the domains of tourism, urban development, culture, and education.
3. Expansion of the mix of existing economic sectors in the city and employment opportunities, alongside strengthening and developing its social fabric, and promoting human capital in Elat.
4. Expedient completion of necessary actions to improve transportation accessibility to Elat through continued advancement of railway route planning, upgrading Highway 90, and increasing air traffic at Ramon Airport.
5. Advancement and completion of actions to improve healthcare and medical services in the Elat area, including addressing significant gaps in this field and the need for the movement of patients and medical personnel, dependent on transportation and aviation accessibility to and from Elat.

These actions should be implemented promptly to leverage the national potential inherent in the Elat region and to enhance its economic and tourism resilience, especially during crises and in light of increasing competition with resort sites in other countries. This should be approached with a broad outlook towards the future, with a strategic vision, and in alignment with government resolutions adopted with respect to Elat over the years.