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# Further improvments in the tourism sector in the national economy of Uzbekistan

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**Abstract:** This article describes the prospects for the consistent development of tourism enterprises, the work being done to increase the flow of tourists visiting Uzbekistan, the importance of tourism development not only economically but also socially, and the main directions of state policy in this sector.

**Keywords:** tourism, hotel, tourism industry, cooperation, financing of tourism.

## Introduction

Tourism industry is one of the main resources of improving financial status of the country. Clearly understanding the role of this sector, many reformations have been carried in our Republic. Exactly, the Cabinet of Ministers has been working on the projects in order to develop the tourism industry in Uzbekistan, to increase its activity in the world tourism business [1].

## **Materials and methods**

Tourism has become one of the key features of many nations: both developed and developing ones. This sector is a part of Macroeconomic Policy in many countries by which governments are benefiting from its contribution to the State Economy. The recent study by Jack Soifer [2] shows that tourism is no longer a destination or historical buildings and caves, but it is "Emotions" earned by tourists during their visit to destinations (Soifer, 2010). If their expectations meet the reality while they are visiting various touristic destinations, they, for sure, feel excited and

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delighted and the probability of revisiting the same places the next time or positive word-of-mouth would increase. Thus, tourism experts in developed countries are working on building strong relationship with customers through satisfying their emotional needs and cooperating with psychoanalysts in order to increase their brand awareness and positive word-of-mouth as mentioned above.

Dr. Ian Yeomen,[3] the tourism futurologist, states that tourism will be vastly developed and innovated as never before (Yeomen, 2013). He clearly states that tourism will no longer be the same as it is now, but the travel culture, touristic habits and perceptions will change. He gives an example of Germans who are tourism-addicted are now demanding the unusual touristic trips rather than practicing the same touristic habits repeatedly. These habits are formed by the existing touristic cultures in different countries; however, they should be upgraded in the means of services and technology. Specialists and scientists in the field of tourism are more than ever involved in learning tourists' behavior and their psychology of happiness in order to meet their expectations effectively and not only satisfy them, but make them delighted from consumed services.

## Methodology of the Research

The methodology includes systematic, statistic analysis and graphical methods. Statistics have been made by the help of official sites and resources.

#### **Results**

According to statistics [4], more than 150 countries around the world prioritize tourism industry as one of the top 5 export earner sectors. Over the past six decades, Tourism sector has showed off itself as the fastest growing and highly diversified industry in the world (UNWTO Tourism Highlights, 2017) Additionally, tourism sector is one of the largest employment opportunity fields for females where their roles are separately evaluated and is mistakenly considered that their contribution to the state economy is relatively lower than the opposite gender. In most countries, where tourism is a primary economy booster, 70% of females are employed in this sector (Baum, 2013) [5], which defines the countries' social development degree and the contribution of women in the development of the State Economy. The concepts and practices of tourism has been developed and innovativeness is highly welcomed by many nations

Several researches have been carried to analyze deeply tourism industry of the Republic of Uzbekistan. Exactly, a research carried to reveal the growth in numbers of tourists who came to Uzbekistan identified that this indicator is increasing year by year and it can be seen in the following figure 1[6].



Figure 1. Number of tourists came to Uzbekistan between 2008 and 2018

It is clear from the above given figure 1 that the number of tourists showed a great increase in a decade. In numbers, if it was just under 1000000 in 2008 year, nearly 6000000 tourists came to Uzbekistan in 2018. Therefore, tourism is becoming one of the fastest growing and most profitable sectors in the world economy. The development of the tourism industry has both economic and social significance. According to official data [7], the tourism sector accounts for about 6 percent of world GDP, 7 percent of global investment, 11 percent of world consumption spending, and 5 percent of all tax revenues.

A research carried for revealing last reformations in our Republic in the tourism sector revealed that at a meeting on the prospects for the consistent development of tourism in Uzbekistan, President Sh.M. Mirziyoyev said: "Tourism is one of the most important sectors of the economy. Uzbekistan is a country that is convenient for both travel and pilgrimage. Because our ancestors,

who are known and famous all over the world, have settled in our country forever. The rich spiritual and cultural heritage they left behind. "In order to develop the industry, we must first create the necessary infrastructure. The first is transport, the second is logistics" [1]. Additionally, the Government of Uzbekistan has taken important measures to modernize and develop the industry in 2016-2017. The State Committee for Tourism Development of the National Company "Uzbek tourism" was established and 16 new normative and legal acts were adopted in order to further improve the tourism sector, these included significant tax and customs benefits as well as other benefits for tourism entities. In order to ensure compliance with the requirements of the International Organization for Standardization (ISO), 2 new state standards for tourism security and hotel safety requirements were developed and registered. In addition, the positions of deputy governors of Tashkent, Samarkand, Bukhara and Khorezm regions, as well as the cities of Khiva and Shakhrisabz on tourism were introduced. Programs have been adopted in Khorezm, Bukhara, Samarkand, Surkhandarya, Kashkadarya, Jizzakh and Fergana regions to improve tourism infrastructure, create new tourist routes and widely promote the tourism potential of the regions. In the cities of Bukhara and Samarkand, work has begun on the construction of tourist areas such as "Ancient Bukhara", "Samarkand city", which operate around the clock for tourists, each with an area of 10 hectares.

The issue of tourism development has not only economic, but also important social, political, cultural, educational significance. It is possible to get acquainted with the world through tourism. Thus, great importance is attached to the development of this industry in our country. The state policy on the development of tourism in our country is also being formed and entered into force. The Law of the Republic of Uzbekistan "On Tourism" was first adopted on April 6, 2006[1].

It should be noted that the main directions of state policy in the field of tourism now include:

- 1. Training, retraining, advanced training
- 2. Development of tourism and tourism industry
- 3. Rational use and conservation of tourist resources
- 4. Organization and development of scientific support of tourism
- 5. Formation of the normative base of tourism
- 6. Ensuring the safety of tourists, protection of their rights, legitimate interests and property

- 7. Ensuring that citizens can rest and move freely during their travels
- 8. Development of cooperation with foreign countries and international organizations
- 9. Formation of tourism (excursions) for children, youth, the disabled and the poor
- 10. Creating equal opportunities for businesses in the tourism market
- 11. Attracting investments for the development of the tourism industry

When it comes to discuss the advantages of tourism, we first consider its role in generating foreign exchange earnings. Firstly, the exchange of foreign currency in the tourism destination lets the host country to increase its international currency reserve. Secondly, the taxation revenue of the state increases by the increased number of outbound and inbound tourists. The tax costs are commonly added to the tour packages, which are not attributed as separate costs, and usually they are low cost additions to the tour packages. Although, each tourist is charged with lower tax rates, the total sum after each visit will be high enough. Thirdly, the employment opportunities will increase as the tourism sector in the country expands. The World Travel and Tourism Council (WTTC)[8] estimated statistics of 255 million jobs worldwide in tourism in 2012 (WTTC 2012). In 2010-2011, in Australia, there were 289,000 full-time and 224,000 part-time jobs directly associated with tourism (ABS 2011).

Additionally, the year 2018 was marked by enormous changes in the tourism sphere. During the past period 25 projects of the regulatory and other legal acts elaborated and confirmed [6].

Elaborated and confirmed regulatory and legal acts about tourism

$\mathcal{N}\!$	Regulatory Legal act	Number		
The decisions of the Head of the state				
1	The Decrees of the President of Uzbekistan	4		
2	The Resolutions of the President of the Republic of Uzbekistan	6		
3	The Directives of the President of the Republic of Uzbekistan	1		
The Government decisions				
4	The Resolutions of the Cabinet of Ministers of the Republic of	11		
	Uzbekistan			

5	The Directives of the Cabinet of Ministers of the Republic of 2			
	Uzbekistan			
Other documents				
6	Joint decisions	1		

To add, tourism directly contributes to the regional development of architectural infrastructure of the country. Investors and government officials invest on constructing new buildings and reconstruct cultural and historical treasure of the country to attract more outbound tourists. Return on investments will be covered in shortest possible periods, if the number of outbound and inbound visitors increases. However, the seasonality of tourism measures should also be considered by the host country. The main reasons of touristic visits are both for sun, sea or sand, and for some other people - culture, history and education play a vital role for visiting other countries. As some country's economy heavily rely on tourism, it is already time to upgrade the services unit to a more technology-based services which can save time and cost. In hotels, for examples, rather than booking or ordering a room by contacting receptionists, it is faster and more friendly usable to use automated machines with sensor displays right in the main hall of hotels, or in the crowded areas including shopping malls. In order to be secured from false bookings and orderings, the personal identification details could be requested from consumers to fill in. In general, current trends in tourism and hospitality show that the role of innovative technology and communication is highly important to provide better services and to build long-term customer relationships. In addition, the state economy benefits much from the development of tourism infrastructure, however, rather than focusing on the physical attractions only, the emotional and psychological measures of tourists should be learned in developing countries as well where tourism sector is a young industry. Innovative approaches and the integration of new technologies in tourism and hospitality sectors would help to ease the serving process. Undoubtedly, it generates more income to the state as more tourists are attracted because of the modern technologies integrated to services.

Moreover, a study which was carried for identifying citizenship of visitors who entered the Samarkand region of the Republic of Uzbekistan from foreign countries for 15-25 August 2018 revealed following results[9]:

Table 1. Citizenship of tourists came to Samarkand

Countries	Numbers	%
Turkey	33	12,9
The Republic of Korea	23	9,1
China	32	12,5
India	30	11,8
Germany	33	12,9
Italy	35	13,7
France	38	14,9
Israel	31	12,2
Total	255	100

It can be seen from the above given table that citizens participated in this study from 8 countries and responded to the question about their citizenship. Clearly, numbers of percentage of tourists were nearly same however citizens of France visited to Samarkand during the conducted research period.

Additionally, in 2018, it was possible to view the progressive development of the country's whole tourism sphere. In particular, the tendency in the rise of the following indicators can be traced [6]:

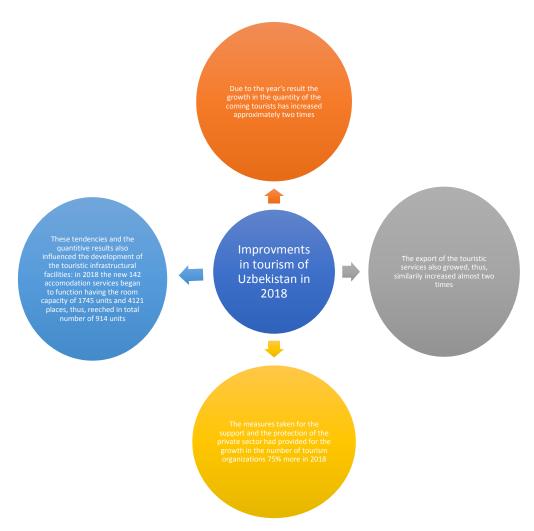


Figure 2. Improvements in tourism of Uzbekistan in 2018.

## Conclusion

It can be said based on the above given information and conducted studies that tourism has been key factor for the development of the countries as well as for Uzbekistan. Briefly, this sector has received great attention over the last decade and several benefits are being provided to the representatives of this sector. Moreover, several proposals have been provided for further improvements in tourism of Uzbekistan:

♣ Creating new legal project for providing further financial facilities to the entities of the tourism sector

- ♣ Introducing legal privileges for tourists to obtain visas
- ♣ Supporting of the introduction of new technological and innovative project to this sector for providing better services
- ♣ Supporting financially of creation new tourist destinations in Uzbekistan

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