Opportunities for the Development of the Services Market in Uzbekistan (On the Example of Tourist Services)

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Abstract: The article provides an assessment of the trends in the development of the service sector using the example of tourism services, identifies existing problems and developed scientific proposals and practical recommendations on the priorities of innovative development of the service sector in the medium term.

Keywords: services, provision of services, travel services, tourist, innovative travel services, hotel chain, international tourist flow

Introduction

In the context of deepening globalization, there is an opportunity to address existing socio-economic issues through the development of tourism in the country. In particular, in recent years, Uzbekistan has been prioritizing reforms aimed at developing the tourism sector and further strengthening its role in the national economy. We must take comprehensive measures to develop tourism, attract investment and increase human resources, said the President of the Republic of Uzbekistan Sh. Mirziyoyev. Our tourism is often limited to our ancient cities, historical and cultural monuments. However, the unique nature of our country, national reserves, there is a great potential for the development of tourism in mountainous areas. In particular, the development of medical tourism, pilgrimage tourism and ecotourism will give a great impetus not only to the development of the economy, but also the social sphere. It is necessary to develop a national concept of tourism development in 2019-2025 and on this basis to increase the number of foreign tourists visiting our country in 2025 to 7 million, and the annual income from tourism exports to 2 billion US dollars.[1] The above views indicate that in recent years, the development of tourism has become one of the priorities of state socio-economic policy.

Setting a scientific problem

Uzbek economists E.V. Golisheva, N.S. Ibragimov, B.Sh. Safarov, T.T. Tashmurotov, D.K. Usmanova, O.M. Khamidov[2] et al have conducted research on the peculiarities of the development of

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[1] Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis. 28.12.2018 y. http://www.xabar.uz/siyosat/president-shavkat-mirziyoyevning-oliy-majlisga-murojaatnomasi

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the market of tourist services in the country, the direction of the organization of tourist services in a market economy, the improvement of management practices of enterprises and organizations engaged in tourism. Also, the theoretical and practical issues of the development of tourism in the country in an innovative way are systematized and not studied as a complex, as a special object of study.

Analysis of research on this issue in the economic literature highlights the need to improve the modern mechanism of public-private partnership to achieve such priorities as the transition of tourism services to innovative development in the context of economic modernization, including the formation of innovative tourism infrastructure, improving the country's international tourism competitiveness. produces. The urgency of the problem, the insufficient study of the economic literature, the scientific and practical significance of the expected scientific results led to the selection of this topic as an object of research.

The main results

Today, scientific research in the world gives priority to scientific research aimed at improving government programs for the development of tourism, improving their targeting and efficiency. In particular, a large number of scientific studies are being conducted in developed countries to determine the impact of the development of innovative tourism on the country's economy, public life, social sphere, environment, ecology and other areas. According to the results of the study, it is scientifically based that the growth rate of social capital has an indirect impact on the development of innovative tourism in the country.[3] Also, according to the results of some scientific studies, the development of innovative tourism has been proven to improve the existing conditions for the enjoyment of tourists through the introduction of new techniques and technologies.[4] In particular, as a result of the consistent implementation of measures to develop tourism in China in an innovative way, the use of innovative technologies in the construction of hotels for tourists and the provision of temporary accommodation services has led to sustainable tourism development.[5]

The analysis shows that the introduction of advanced computer and information technologies in the industry will be an important condition for achieving high economic efficiency in the provision of tourist services in countries with emerging and developing market economies. Based on the above considerations, the development of the tourism sector in the country, including its transition to the path of innovative development, indicates that the country's socio-economic, natural-environmental, political, technical and technological development indicators have a strong internal connection.

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[3] Joelle Soulard, Whitney Knollenberg, B. Bynum Boley, Richard R. Perdue, Nancy Gard Mc Gehee. Social capital and destination strategic planning // International Journal of Tourism Management. Volume 69, December 2018, Pages 189-200 https://www.sciencedirect.com/science/article/abs/pii/S0261517718301225

[4] Johanna S. Zimmerhackel, Abbie A. Rogers, Mark G. Meekan, Khadeeja Ali, David J. Pannel, Marit E. Kragt. How shark conservation in the Maldives affects demand for dive tourism // International Journal of Tourism Management. Volume 69, December 2018, Pages 263-271. https://www.sciencedirect.com/science/article/pii/S0261517718301201

[5] Yumi Park Kim, Soyoung Boo, Hailin Qu. Calculating tourists' customer equity and maximizing the hotel's ROI // International Journal of Tourism Management. Volume 69, December 2018, Pages 408-421. https://www.sciencedirect.com/science/article/abs/pii/S0261517718300864

According to the analysis of world practice of tourism development, foreign tourism to developed countries as a result of creating the necessary conditions for the development of tourism, the transition to innovative development of tourism services, as well as regular marketing research among foreign tourists. the volume of flow is significantly higher than in other countries. According to the analysis of statistical data, the flow of foreign tourists to our country is significantly lower than in developed countries. In addition, the influx of foreign tourists to Russia, Belarus, Georgia and Kazakhstan is higher than in Uzbekistan.

Table 1: Information on foreign tourists visiting countries (in millions)[6]

	2015 y	2016 y	2017 y	2018 y	2019 y
France	83,7	84,4	82,5	86,9	89,4
Spain	64,9	68,2	75,3	81,8	83,5
USA	75,0	77,4	75,6	76,9	79,3
China	55,6	56,8	59,2	60,7	65,7
Italy	48,5	50,7	52,3	58,3	64,5
Germany	32,9	34,9	35,5	37,5	39,6
Great Britain	32,6	34,4	65,8	37,7	39,4
Turkey	39,8	39,4	30,3	37,6	51,2
Russia	30,7	32,4	33,7	24,5	25,6
Belarus	5,3	4,3	9,4	11,2	12,3
Georgia	5,5	5,9	6,3	7,2	8,1
Kazakhstan	6,3	6,4	6,5	6,9	7,2
Uzbekistan	1,8	2,0	2,7	5,3	6,7
Kyrgyzstan	2,8	3,0	2,9	3,2	3,4

The number of foreign tourists visiting our country has been growing from year to year, while in 2015 the number of foreign tourists was 1.8 million, and in 2019 this figure was 6.7 million. Due to the Covid-19 pandemic, which began in late 2019, the global tourism services market was significantly damaged in 2020 as a result of the strengthening of quarantine measures, the closure of borders. In particular, the influx of foreign tourists visiting our country due to the coronavirus pandemic amounted to 1.5 million people. The analysis shows that in 2015-2019, the average annual growth rate of the number of foreign tourists in the country was 42.2%.

Based on the development trends in the field of tourist services in the country, pessimistic, inertial and optimistic forecast indicators of the development trends of foreign tourist flows in the medium term have been developed. The values of the statistical indicators required for the development of these forecast indicators were determined (see Table 2).

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[6] compiled from International Tourism data, the number nailed. https://knoema.ru/atlas/topics/%d0%a2%d1%80%d0%b8%d0%b7%d0%bc/%d0%9a%d0%bb%d1%8e%d1%87%d0%b5%d0%b2%d1%8b%d0%b5-
%d0%bf%d0%be%d0%ba%d0%b0%d0%b7%d0%b0%d1%82%d0%b5%d0%bb%d0%b8-
%d1%82%d1%83%d1%80%d0%b8%d0%b7%d0%bc%d0%b0/%d0%a7%d0%b8%d1%81%d0%bb%d0%be-
%d0%bf%d1%80%d0%b8%d0%b1%d1%8b%d1%82%d0%b8%d0%b9

Table 2: The value of statistical indicators on the composition of the forecast on the volume of foreign tourists to Uzbekistan

Statistical indicators	The value of statistical indicators
Alpha	0,10
Beta	0,00
Gamma	0,00
MASE	0,82
SMAPE	0,43
MAE	1,48
RMSE	2,03

Our pessimistic forecast is based on factors such as the re-introduction of quarantine measures in countries, the adoption of programs to temporarily restrict the flow of tourists, as well as the concern of tourists about their health, given that the global coronavirus crisis is still ongoing. According to the results of the correlation-regression analysis, the correlation between the listed factors and the volume of tourist flows to our country was weak, and the correlation coefficient was 0.1. The low level of internal connectivity is due to the periodic nature of crises such as the Covid-19 pandemic. According to the calculations, the number of foreign tourists visiting our country could reach 4.1 million if the gradual easing of quarantine measures by 2025, the resumption of the flow of tourists between the countries of the world (see Figure 1). The pessimistic forecast formula is based on the following equation 1:

$$y = -0,0371x^2 + 0,5611x + 1,7109 \qquad (1)$$
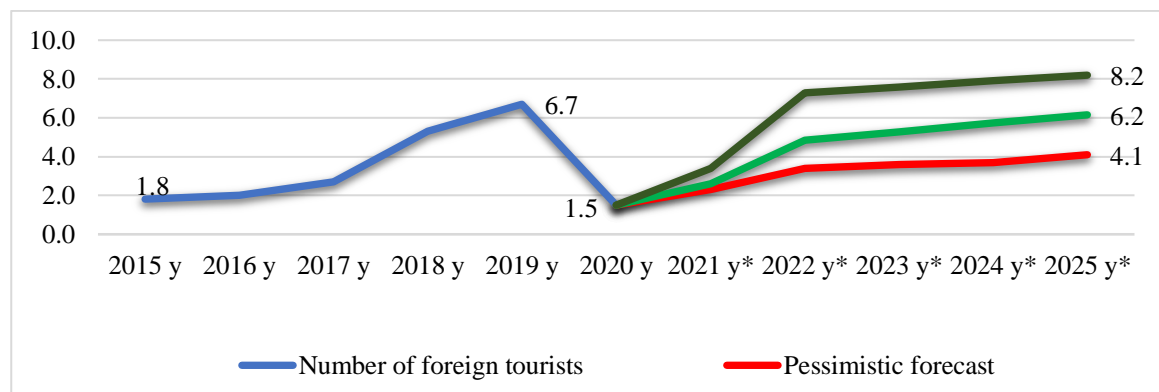
Figure 1. Forecast indicators for the increase in the number of foreign tourists visiting Uzbekistan[7]

While maintaining the positive trends in the flow of foreign tourists to our country in 2015-2019, inertial forecast indicators have been developed based on the resumption of tourist flows in the context of easing of quarantine measures. The analysis shows that the correlation coefficient characterizing the internal correlation between the priorities of the reforms implemented by the state to increase the number of foreign tourists visiting our country was 0.36. This indicates that the reforms being carried out in our country to develop the tourism industry, including the attraction of foreign tourists, are not perfect enough. According to the forecast, the number of foreign tourists visiting our country may reach 6.2 million by 2025, if in the coming years there will be a resumption

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[7] Created by the author

of tourist flows in the world (see Figure 1). The practice of calculating these forecast indicators is based on the following 2 equations:

$$y = -0,0023x^2 + 0,3856x + 1,8465 \qquad (2)$$

Based on the analysis of foreign experience in the development of tourism, the implementation of measures aimed at the transition of tourism services in the country to innovative development, as well as the development of innovative marketing programs for tourism at the international level, the organization of tourism services based on innovative technologies This will lead to a sharp increase in the number of foreign tourists visiting our country in the future. According to the results of the analysis, the internal correlation between the above factors and the number of foreign tourists visiting the country was significantly stronger, and the correlation coefficient representing this correlation was 0.63. According to the analysis of the forecast indicators, the optimistic calculations show that by 2025 there is a possibility to increase the number of foreign tourists visiting our country to 8.2 million people (see Figure 1). The developed optimistic forecast indicators are based on the following 3 equations:

$$y = 0,0205x^2 + 0,3993x + 1,6061 \qquad (3)$$
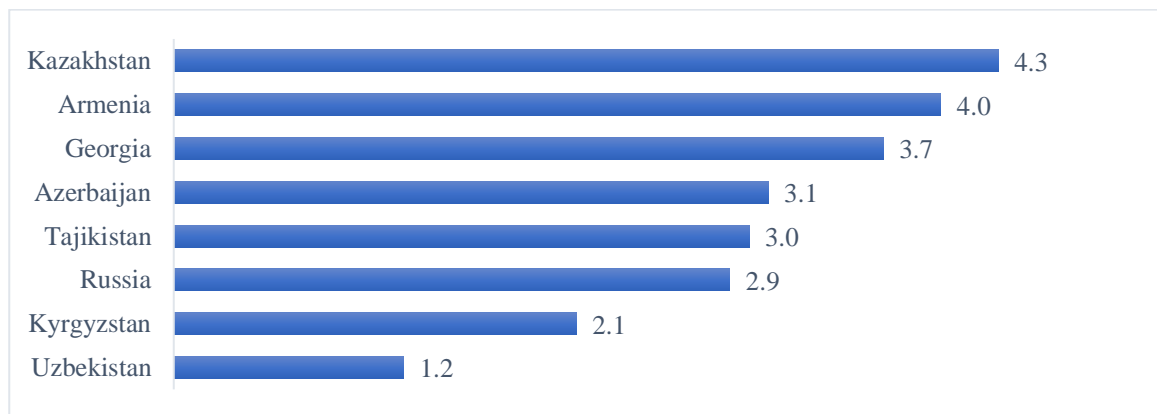
Figure 2. Average expenditures on state support for tourism development in 2015-2019 (as a percentage of GDP)[8]

Based on the results of our research, we can say that in recent years in our country it will be possible to achieve high economic efficiency by improving the practice of international tourism services, including by supporting the innovative activities of economic entities operating in this area. In particular, we believe that it is necessary to develop state programs aimed at supporting the innovative development of tourism in Uzbekistan, to establish the practice of subsidizing innovative tourism activities from the state budget. The analysis shows that in 2015-2019, Uzbekistan ranks 145th out of 173 countries in the world in terms of state financial support for tourism. In particular, in terms of public spending on tourism, Kazakhstan (4.3%), Armenia (4.0%), Georgia (3.7%),

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[8] compiled from Tourism, state expenditure
(share,%)https://knoema.ru/atlas/topics/%D0%A2%D1%83%D1%80%D0%B8%D0%B7%D0%BC/%D0%A2%D1%83%D1%80%D0%B8%D1%81%D1%82%D1%81%D0%BA%D0%B8%D0%B5-%D0%B3%D0%BE%D1%81%D1%83%D0%B4%D0%B0%D1%80%D1%81%D1%82%D0%B2%D0%B5%D0%BD%D0%BD%D1%8B%D0%B5-%D1%80%D0%B0%D1%81%D1%85%D0%BE%D0%B4%D1%8B/%D0%93%D0%BE%D1%81%D1%83%D0%B4%D0%B0%D1%80%D1%81%D1%82%D0%B2%D0%B5%D0%BD%D0%BD%D1%8B%D0%B5-%D1%80%D0%B0%D1%81%D1%85%D0%BE%D0%B4%D1%8B-%D0%B4%D0%BE%D0%BB%D1%8F-percent

Azerbaijan (3.1%), Tajikistan (3.0%), Russia (2 , 9%), CIS countries such as Kyrgyzstan (2.1%) have a higher rate than Uzbekistan (see Figure 2).
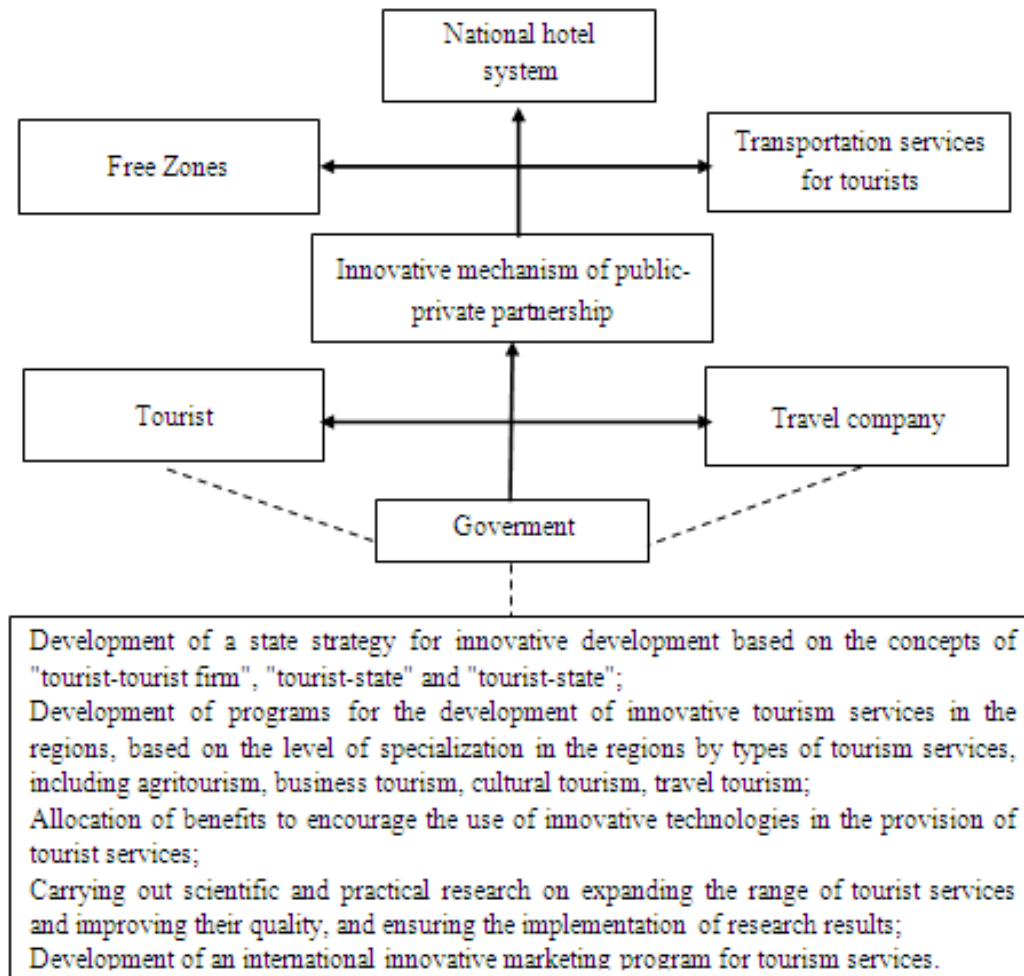
Figure 3. An innovative mechanism of public-private partnership that encourages innovative activities in the field of tourism services[9]

In our opinion, in the coming years it will be necessary to develop an innovative mechanism of public-private partnership to increase the flow of foreign tourists to our country (see Figure 3). At the same time, it is expedient to rely on the world practice of tourism development. In particular, it is expedient to form a "national hotel system of Uzbekistan" in the provision of accommodation and meals for tourists. In the formation of such a hotel system, it is necessary to deepen the process of cooperation between them, using the Spanish practice (Paradores system, which consists of 83 hotels). It will also be necessary to develop technologies for providing high-quality services to tourists on the basis of the principle of "smart hotel".

Conclusions and suggestions

An innovative mechanism of public-private partnership for the development of the proposed tourist services will be the establishment of "Free-Zones" in tourist-rich areas. In particular, the increase in the number of free trade (duty free), tax-free zones (taxi free), free Wi-Fi zones is important for

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[9] Created by the author

tourists today. It is advisable to require drivers to know a foreign language when providing transport services to tourists. It is also advisable to provide free Wi-Fi in buses, minibuses and taxis for foreign tourists.

In our opinion, taking into account the above, the development of the tourism sector in our country in the medium term will provide an opportunity to achieve the above optimistic forecast. In addition, in the long run, along with the steady growth of the flow of foreign tourists to the territory of our country, the role of tourism in the country's economy will be further strengthened. As a result, rapid socio-economic development of the country, improvement of social welfare indicators will be achieved.

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