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Priority Directions for Tourism Development in Uzbekistan

Arah Prioritas untuk Pengembangan Pariwisata di Uzbekistan

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Abstract

The tourism sector is becoming one of the most important strategic sectors of Uzbekistan. Presently, reforms are underway to develop strategies to solve many of the important social and economic issues such as job creation, expand the economy and hasten the development of the regional areas, as well as increasing earnings and quality of life of the country's population. The main priorities of the state government policy in the field of tourism includes supporting its status as a strategic sector of the economy, and as a powerful tool for sustainable development. Between 2018-2019 this strategy is a logical continuation of state policy. This has been pursued by the country's management and is aimed at maximizing the creation of an environment that includes economic, administrative and legal aspects which will contribute to the accelerated development of the tourism industry in Uzbekistan. Furthermore, this also includes expanding the economic potential of the regions and their revenue base, creating new jobs, increasing the number of tourists arriving in the republic, as well as actively promoting the national tourist product to world markets

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Introduction

Tourism has become one of the largest and fastest growing industries in the global economy [1] which is playing an important role as a driving force of economic development as a major provider of jobs, and as a source of export revenue and domestic value added (World Travel and Tourism [2]. Recent trends have provided clear evidence of tourism's continued growth and importance in Asian countries which continues to exceed the global average [3]. Governments are well placed to provide direction and support but it is being increasingly recognized that this must be delivered in an integrated way, based on structures that involve the private sector and the many agencies and bodies at all levels, whose activities can influence tourism performance and its impact.

Uzbekistan is a land locked country in central Asia that broke away from the Soviet Union in

1991. Because of Uzbekistan's unique history based on its cultural, archeological and natural attractions, it now presents considerable opportunities to open the country to become a major tourist destination. An integral part of the history of the southern region of the State was the

location of the most direct trade route between China and Europe, the 'Silk Route' which was first developed in early Roman times [4].

In 1992 the government of Uzbekistan established its first national tourism company,

'Uzbektourism' which made it possible to access tourism information relating to advertising,

information services, licensing, statistics, and the compilation of economic data from one united body. In 2013 the direct contribution of travel and tourism to Uzbekistan was 0.9 of the GNP

which has substantially increased to 3.4% in 2018 [5]. In 2016 a Decree from the President of the Republic of Uzbekistan supported the need for, "...measures to ensure the accelerated development of the tourism sector of the Republic of

Uzbekistan" which was adopted on December 2, 2016 [6]. As a result, the new State Committee of the Republic of Uzbekistan was established as the main authorized state body for the tourism industry to develop tourism infrastructure and a more efficient transportation system; the establishing of a number of touristic routes; to simplify visa procedures; and to promote the national tourist product to the global marketplace. The State Committee was directed to encourage the dynamic development of the tourism sector based on Uzbekistan's ancient civilization and cultures. Today, there are more than 7,000 rare historical monuments in the country, with many unique architectural monuments and mosques that have been included in the list of UNESCO World Heritage Sites. As a result,

the numbers of tourists visiting Uzbekistan has more than doubled from 2.6 million tourists in 2017 to 5.4 million visitors in 2018.

The aim of this paper is to inform readers about the current developments to promote tourism in Uzbekistan, so as to encourage more tourists to visit this country. In addition, we will discuss some of the initiatives that have been introduced in other countries that have been successful in attracting tourists. Finally, we will discuss whether these new initiatives could be successfully developed to promote tourism in Uzbekistan.

New Developments in Promoting Tourism in Uzbekistan

Since its establishment, the State Committee of the Republic of Uzbekistan for Tourism Development has provided assistance to tourism companies to help establish direct business contacts with foreign travel companies through the holding two major tourist events held in Tashkent titled the International Uzbek Tourist Exhibition "World of Rest," and the Tashkent International Tourism Fair with its theme "Tourism on the Silk Road". Furthermore, for the first half of 2017, a total of 118 new businesses began operating in Uzbekistan of which 60 focused on hotel services, while 58 concentrated on providing tourist services.

Between January and June 2017, the number of tourists travelling to Uzbekistan exceeded numbers that were attained in the same time period of the previous year. This included an increased growth rate for the first half of 2017 amounting to 113.5% [7]. In addition, study visits have been organized for representatives of the foreign media to the main tourist attractions that are of major interest. Based on the results from these trips, photos, videos and articles concentrating on cultural and heritage tourism presented the opportunities and potential of travelling to Uzbekistan. Presently, there is a national tourism portal titled "Uzbekistan.travel" where travelers view information about tourist centers in Uzbekistan that is written in eight different languages.

According with the State Program for the Implementation of the Strategy for the Five Priority Areas of Development of the Republic of Uzbekistan in 2017 - 2021, preliminary data was obtained from visitors to the border areas using communication technology. Furthermore, the simplification of registration procedures for foreign citizens was predicted in the future, such as the completion of on-line applications with a travel route that is equivalent to temporary registration. This will further contribute to the development of such niche areas as active tourism, eco-tourism and agro-tourism. Furthermore, a Working Group was

established to help prepare the simplification of visa and registration procedures for foreigners. This will enable the streamlining of the requirements for entry into the country, as well as to spread the tourist flow based on the requirements of the market and the interests of foreign nationals.

The developing market of information technologies that includes mobile apps has not been overlooked in the field of tourism in Uzbekistan. At this level, mobile apps have been developed to encourage the development of independent services for tourists such as taxi orders, restaurant reservations, as well as an alarm button application that ensures the safety of tourists, particularly those interested in natural outdoor areas and ecotourism. Furthermore, the

«Uzbekistan Pass» has been designed as a mobile guide with detailed information about historical places and sights of Uzbekistan. In addition, the tourism industry is introducing technologies to further improve services, including hotels and transport companies that are successfully using online booking systems through various mobile apps.

Another positive price reduction is by the National Airline Company 'Uzbekistan Airways' who has recently announced discounts for groups of travelers, that is now successfully functioning, and is encouraging increased travel to the most attractive and historic areas of Uzbekistan.

Tax Incentives for Tourism and Hospitality in Uzbekistan

From July 2017, enterprises that attract private foreign investment and specialize in the provision of hotel and tourist services have been granted tax incentives. These hotel and tourism services are exempt from a range of taxes including income tax, property tax, and single tax payment for micro-firms and small enterprises. In addition, a further decree stated that until January 1, 2022 hotels only needed to pay a single social payment from their payroll fund for qualified foreign workers specializing in management; and that income of qualified foreign specialists were also exempt from the payment of personal income.

Cooperative Tourism Agreement between Uzbekistan and India

Cooperative arrangements between the Uzbekistan and India in the field of tourism has been based on an Agreement between both countries in July, 2015 that have provided for multilateral cooperation between the two countries. Among the first initiatives was the participation of Indian travel companies in the International Uzbek tourist exhibition "World of Rest" and the Tashkent International Tourism Fair "Tourism on the Silk Road" in 2016. In addition, there has been ongoing exchange of views and contacts in order to further increase cooperation between Uzbekistan and India in the field of tourism. In 2016, the State Committee of Statistics for Uzbekistan noted that approximately 19,000 Indian tourists had visited Uzbekistan. However, this may not fully reflect the potential that the Indian outbound tourism market, which is likely to increase in size in the future.

Initiatives in Other Countries to Encourage Tourism Development

Countries in all parts of the world face common challenges in overcoming barriers to the competitiveness of the tourism sector and in strengthening its resilience and sustainability. Essentially this is all about improving the openness and flow of visitors, and the creation of knowledge and resources. Key priorities are reflected in the policies and actions on the ground, such as improving transport, strengthening accessibility in all its forms, improving quality, stimulating investment and business performance, and expanding skills, careers and employment opportunities in the tourism industry. Some of the tourism initiatives include:

1. **Digitalization in tourism:** is becoming crucial in the process of communicating with tourists. This includes all forms of web-based presentation of marketing messages and information; the effective use of social media in influencing choice and sharing experiences through personal exchange; the growing importance of customer generated ratings of tourist facilities; the increasing dominance of online travel agents in handling

travel purchases; and the rapidly growing use of mobile technology in delivering instant information to visitors during their stay. A further aspect of digitalization is that it provides the opportunity to present new and highly creative ways of enhancing the visitor experience, including the increasing use of virtual reality. This also includes newer dimensions to branding and marketing, such as the 4.25 million pounds global tourism campaign titled the 'Spirit of Scotland'.

2. **Effective marketing and promotion of tourism:** is generally a primary function of National Tourism Organizations. Marketing activity tends to be informed by general tourism policies and strategies although sometimes separate marketing strategies are prepared. Recent trends in the approach to marketing that are generally apparent but are specifically illustrated in different countries include:
 1. An awareness of the rapid growth and future potential of a number of emerging markets, especially China, but also other countries primarily in Asia. Almost all countries in all continents have identified opportunities in these markets and have built them into their strategies.
 2. A recognition of the need to maintain diverse source markets in order to avoid over dependency and risk from unexpected downturns in certain markets. This is specifically referred to in the marketing policies in Turkey and the Philippines but is widely applicable.
 3. There is a growing interest in seeking to identify and attract high-end, independent markets. Spain, for example is focusing on the "cosmopolitan" segment that has been described as having an interest in culture, art, unique experiences, gastronomy and shopping. Korea is targeting new independent Chinese travellers, with simplified visa processes.
 4. In Luxembourg the focus has been on a comprehensive approach to the MICE market That is, the government of Luxembourg has highlighted the importance of conference and business tourism for the Grand Duchy, and the need to improve coordination of this segment and to raise its external visibility. The government is working with the sector to implement a number of development projects including a timetable for MICE events, business quality guidelines, and a Green Meetings project designed to promote and showcase ecologically responsible events.
3. **Culture and Natural Heritage.** Many countries point to their cultural and natural heritage as the basis for their visitor appeal. Policy demands that these precious assets are conserved in their own right as well as in the interests of tourism. Various actions have also been taken to gain further market advantage, especially to allow more evenly spread visitor spending on a geographic basis throughout the year. A recurring theme is the need for the development of greater opportunities that focus on nature based tourism, wilderness areas and outdoor activities. A number of countries such as Canada and Chile have active programs to strengthen their destination image through links to their national parks [8].

Walking and cycling are also seen to provide important market opportunities in many countries with very different terrain and landscapes. Projects include the extension of Nga Haerenga, the New Zealand Cycle Trail, and additions to that country's set of Great Walks, the promotion of an award-winning walks network in Luxemburg, the development of cycle trails in Israel, and the continued development of the European cycle route network called Eurorvelo which is a network of 16 long distance cycling routes that crisscross Europe, which are in various stages of completion.

Nature-based tourism has proven to be successful as a sustainable development tool in rural parts of Romania and other countries in Central and Eastern Europe and it is strongly supported in their policies. More widely, rural and community-based tourism has been encouraged in various destinations, partly to create distinctive alternative visitor experiences but also to support local livelihoods. In Peru, another initiative has focused on strengthening the use of local produce and handicrafts in the tourism supply chain and in South Africa the Department of Tourism is developing a framework for "precinct development" with an emphasis on townships and rural tourism (OEDC Tourism Trends and Policies, 2018).

Has Tourism a Future in Uzbekistan?

There is little doubt that tourism in Uzbekistan has a bright future. Recent initiatives by the State Committee for Tourism Development in Uzbekistan has initiated ambitious reforms to transform the country into an attractive destination for tourists by relaxing the visa restrictions for visitors from 65 countries; attracting private foreign investment, and the granting of tax incentives to hotel and tourist services.

We are seeing the beginnings of modern ICT and software to assist travellers. Almost all hotels in Uzbekistan are now using automated booking systems, however at this stage there is no unified system in the Republic. We have also seen the establishment of the Republican tourist portal bringing together all tourist organizations into a virtual information space.

With its unique culture and natural attractions: Uzbekistan has gone to great efforts to preserve and promote their cultural legacy: with many of their ancient architectural monuments and mosques being preserved and restored, town-planning structures are being improved, archeological, ethnographic, and art expeditions are being formed, and a special fund 'Oltin Me'ros' (Golden Legacy) and its regional branches has been established.

However, there are still major obstacles to overcome such as the high prices for air transportation and the low coverage of potential tourist markets by domestic and international airlines; the poor development of transport and

engineering infrastructure and the underdevelopment of road surfacing; as well as a lack of trained personnel.

Conclusion

It is becoming widely recognized that tourism when built upon broad stakeholder engagement and sustainable development principles can substantially contribute to more inclusive growth through the provision of employment and economic development opportunities in both urban and rural areas. The government of the Republic of Uzbekistan is beginning to raise global awareness about their cultural and heritage values through tourism policies, to help protect and manage and protect outdoor natural areas, and to preserve their unique architectural monuments and mosques. The tourist industry in Uzbekistan is now increasingly focusing on digital strategies, with digital platforms opening up new partnership opportunities and routes to tourism marketing with reduced costs compared to traditional marketing approaches.

Uzbekistan is a country with vast opportunities for tourism with its location on the corridors on the Great Silk Road, and its major cities being central points for trade, make them attractive destinations for global tourists. The fact that UNESCO has included many of the unique architectural monuments and mosques in Uzbekistan on their list of World Heritage Sites makes the region a 'must visit' for the tourist who has travelled widely, and who is still looking for new and exotic tourism experiences.

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