

## PREREQUISITES FOR SUSTAINABLE DEVELOPMENT OF BUSINESS TOURISM IN UZBEKISTAN.

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**Аннотация:** В статье обсуждается текущее состояние рынка делового туризма в Узбекистане. Исследование включает в себя влияние развития делового туризма на экономическое развитие и международные контакты, анализ наличия предпосылок для его развития и пути интеграции в мире.

**Abstract:** The article discusses the current state of the market of business tourism in Uzbekistan. Research includes the impact of the development of business tourism in the economic development and international contacts, analysis of the presence of the prerequisites for its development and the way of integration in world.

**Key words:** globalization, business tourism, development, background, stability, investment, integration.

### Introduction

The development of the world economy, the emergence of new markets and partner networks in the various sectors gave a rise to the active growth of the scope of business travel worldwide.

In an era of increasing globalization of the process of business tourism has become an urgent need for business people, solving one of the global needs of the modern businessman - the question of effective time management, opening up the possibility of simultaneously and effectively implement the two target installation: professional-business (conclusion contracts, participation in the meeting, the decision of the company's strategic objectives, etc.) and socio-cultural(recreational and spiritual). Actually, this explains the increase in the proportion of business tourism in the total provided by tourist services (according to the World Tourism Organization, the growth over the last five years almost doubled). Therefore, the research questions of features of development of business tourism in Uzbekistan as one of the most promising areas of international tourism is relevant and in demand at the national level.

### Literature review and research metrology

In economic theory, efficiency is tourism considered to be based on the goals of the economy. Frankly speaking, the effectiveness is related to correlation of value of the result and costs of this sphere. According to the rating of authoritative World Economic Forum, Uzbekistan is among the five countries with the fastest growing economy in the world at the end of 2014-2015, and growth forecasts for 2016-2017.

Prerequisites for sustainable development of business tourism in Uzbekistan lies in the fact that business tourism today - it is housed with the effective travels for "pure"

business with various views of cultural recreation and ecotourism - mineral springs with healing water, a rich tradition of applied art and original culture. [3, p 6].

In this regard, Uzbekistan, having favorable investment policies, unique touristic-natural and historical potential is the most attractive region for business tourism in Central Asia ensuring state guaranteed safety conditions, political and economic stability.

Market of business tourism in Uzbekistan as a business – industry was recognized only in the last years and it is now in its infancy. However, it is today Uzbekistan is able to offer business travelers a unique combination of a high level of service and the national colors, complemented by rich cultural and historical resources.

Business in all its manifestations should be the money of investors, and in this regard, prospects for Uzbekistan are very positive. According to information made public in the framework of last year's Tashkent International Tourism Fair, in 2015, for the development of international tourism in Uzbekistan were sent more than \$ 580 million total investments (it is more than 19% higher than the previous year). [2, p 15].

The main development priorities of Uzbekistan in 2016 is expected to provide the GDP growth at 7.8 percent, production in industry - 8.2 percent, agriculture - 6,1 percent, retail trade - 14 percent, services - 17.4 percent, and also keep inflation at 5.5-6.5 percent.<sup>1</sup>, i.e. the largest increase is expected to be achieved in the services sector.

At the same time, Uzbekistan has received additional measures to attract the leading tourist countries in the sphere of tourism in Uzbekistan and to ensure intensive development of business tourism in the country. Prerequisites of development of business tourism in Uzbekistan serve for summits in high ranks such as a three-day visit of the delegation headed by Acting General Director of MEDEF International Philippe Gautier, which also included representatives of 20 French companies. The visit was organized within the framework of the Council of heads of the company's activities "France-Uzbekistan" movement MEDEF International. [1, p91].

### **Analysis and results**

Tourism contributes to the development of business with the help of Decree "On the Program of concrete measures for the implementation of the Concept for the Development of the Tourism Industry of the Republic of Uzbekistan in 2017-2021 " accepted by President of the country, covering gradual increase in the share of services in gross domestic product (Table №1.)

Analysis Table 1 shows that tourism industry is one of the most important and dynamic sectors of the national economy, as evidenced by the growth in the volume of tourist services by 2.3 times in the 2011-2016.

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<sup>1</sup>The newspaper "Narodnoe slovo» № 12 06.01.2017

Table 1.

**Target parameters**  
**Development of the main kinds of spheres of services in the Republic of Uzbekistan for 2012-2016 (in constant prices) in% of previous year**

N	Services	Forecast growth rates of services					2016 to 2011, %
		year 2012	year 2013	year 2014	2015	2016	
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
	The share of services in GDP (%)	52.0	52.5	53.0	54.0	55.0	
	Services – all	114.9	115.6	116.2	116.9	117.4	2.1 times
	including:						
1.	Services of communication and information (including mobile services, to ensure access to the Internet, a cable television connection, Posts and Telecommunications)	116.9	117.2	117.5	117.8	118.1	2.2 times
2.	Computer programming services (including e-learning and consulting services)	118.0	118.4	118.8	119.8	119.8	2.4 times
3.	Financial services (including banking, insurance services, financial leasing)	116.0	116.3	116.9	117.3	117.7	2.2 times
4.	Transport services (including logistics)	111.2	112.5	113.7	115.0	115.7	1.9 times
5.	Building services (including repair and construction of buildings and installation of engineering equipment)	115.9	116.7	117.4	118.1	118.4	2.2 times
6.	Services in repair and maintenance of process equipment	116.8	117.8	118.3	119.1	119.3	2.3 times
7.	Services in repair and maintenance of agricultural machinery	117.2	117.8	118.2	118.7	118.8	2.3 times
8.	Tourist services (including hotels)	116.1	116.6	117.5	118.9	119.1	2.3 times
9.	Services trade and public catering	118.4	118.5	118.6	118.8	119.0	2.4 times
10.	Domestic services	117.0	117.6	118.1	118.9	119.2	2.3 times
11.	Education Services	110.6	111.5	112.8	113.6	114.0	1.8 times
12.	Health Services	117.6	118.0	118.3	118.6	118.8	2.3 times
13.	Other services	115.5	115.9	116.1	116.6	116.9	2.1 times

**Source: Supplement to the "Program of concrete measures for the implementation of the Concept for the Development of the Tourism Industry of the Republic of Uzbekistan in 2017-2021".**

To fulfill the target parameters for the development of tourism, tourism companies are joining using innovative products in the field of business management, gaining a competitive advantage in the creation of new competitive products satisfying the needs of the business traveler and the ability to respond more quickly to changes in its external and internal environment of the tourist market, thus attracting new investors to the region.

However, the growth of inbound tourist traffic business the country needs to improve infrastructure that is beyond the recognized tourist centers, as well as in

addressing a number of other issues related to the cost of the flight and stay within the state.

The result of attention to the development of tourism in Uzbekistan is already there: the evaluation of the national chairman of the State Committee of the Republic of Uzbekistan for Tourism Development Sharapov Anvar, in the last three years the volume of tourist services in the country is growing annually by 17%

The number of operating tourist organizations in the 2015 is more than 800 units in the country, including more than 400 hotels and 500 tourism companies, "- said in the report F .Rizaev(Table №2).

*Table №2*

**Organizations involved in tourism activities in Uzbekistan 2013 -2015 years.**

№	Region	Organizations engaged in tourism activities		Travel agents and tour operators		Hotels and other accommodation facilities	
		2013	2015	2013	2015	2013	2015
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
1.	The Republic of Karakalpakstan	11	11	3	4	8	8
2	Andijan region	19	23	7	9	12	12
3	Bukhara region	75	80	12	15	63	80
4	Jizzakh region	5	7	2	3	3	3
5	Kashkadarya region	22	27	6	9	16	20
6	Navoi region	14	14	1	3	13	13
7.	Namangan region	13	15	3	4	10	10
8	Samarkand region	157	160	77	79	80	90
9	Syrdarya region	3	5	1	2	2	2
10	Tashkent region	22	25	5	8	17	20
11	Ferghana region	15	18	5	8	10	10
12	Khorezm region	35	40	9	10	26	28
13	Tashkent	459	625	370	396	89	292
	Total	865	1050	506	550	359	588

**Source: Author's study research on the materials "Uzbektourism" 26.02.2016 presented by F.Rizaev in the Oliy Majlis of Uzbekistan and the State Statistics Committee data for 2016.**

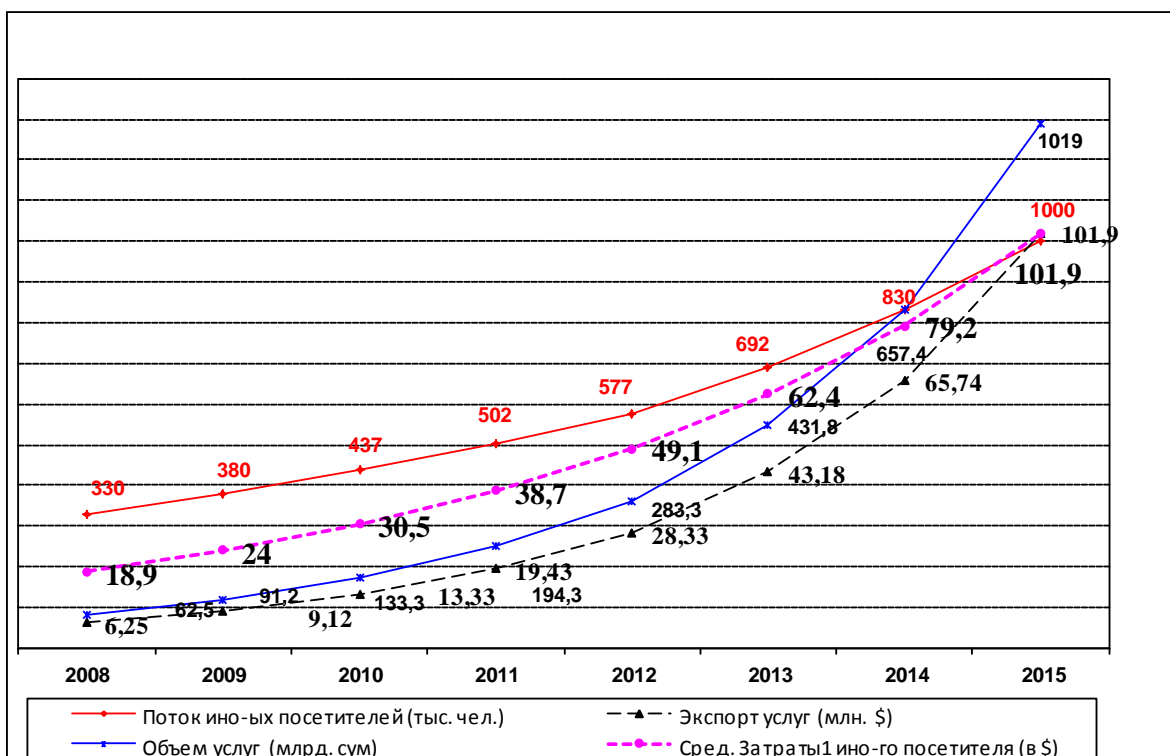
Our analysis of the statistical reporting of socio-economic indicators of the State Committee of the Republic of Uzbekistan for Tourism Development on organizations engaged in tourism in Uzbekistan, showed equity entities of the tourism industry: 53% are located in Tashkent, another 18% in Samarkand, this suggests that at the moment business tourism is concentrated in the capital. <sup>2</sup>

The greatest number of accommodation enterprises is concentrated in Samarkand, Bukhara, Khorezm regions, in areas with developed infrastructure and tourism potential. In these areas there are major hotels, business centers, historical and cultural attractions of the country. So in the year 2015 we found the city leaders on the

<sup>2</sup> NC Uzbektourism was reorganized into the State Committee of the Republic of Uzbekistan for Tourism Development in accordance with the Resolution of the President of PP-2666 dated 02.12,2016.

number of hotels - Tashkent – 89, in Samarkand and Bukhara 80 hotels and 63 respectively. In 2015, the number of hotels and other accommodation facilities increased significantly, as in Tashkent and Tashkent region - 292, Samarkand and Samarkand the area - 90, Bukhara and Bukhara region - 80, Kashkadarya region - 20.

On the basis of this econometric analysis of the development of business tourism, we calculated the forecast of socio-economic indicators of the development of business tourism in Uzbekistan to 2021. Dynamics of changes in the flow of business travelers reveals that during 2001- 2004 business travelers visiting the Republic of Uzbekistan is 2799 people, an average per year, for the 2005- 2007 years - 1355 people, for 2008- 2010 years- 4846 people, for 2011-2015 years - 5240 people (Figure 1).



**Figure 1. Parameters of development of tourism in Uzbekistan 2008-2015 year<sup>3</sup>**

In the forecast period to 2021, business travelers visiting the republic will range on average, 5944 people. This shows that our country comes to the forefront of the reception of business travelers and providing them with all sorts of tourist services, such as exhibitions, fairs, congresses, etc.

The flow of foreign tourists is increased by 20% in 2015. In the only the first quarter of 2015, Uzbekistan was visited by more than 422.9 thousands of foreign nationals, which 5.6% more than same the period 2014 year (more than 400.6 thousand). The volume of tourist services grew by more than 20% compared to 2014 year, and services exports grew by 22.7%. The number of operating tourist

<sup>3</sup>Report Chairman of "Uzbektourism" F.Rizaeva 26.02.2013 in the OliyMajlis.

organizations at the beginning of 2015 in the country exceeded 1000 units, including more than 550 hotel and 500 tourist companies<sup>4</sup>.

Despite the rise of investment attractiveness of Uzbekistan, the hotel business investment remains insufficient. The reasons for the unattractiveness of the hotel industry for domestic investors are the lack of information about the availability of the hotel business advantages and attractiveness of the business environment.

It should be noted that the tourism rating of the country is directly related to attracting investments in this sector. The development of business tourism in the country could increase the flow of investment, receipt of currency due to the increase in exports of services, to create new jobs, improve quality of service.

### **Conclusion**

A significant factor in the formation of investment attractiveness of tourism is the formation and operation in the territory of the Republic of FIEZ. In order to enhance the formation of a favorable investment climate, it pays great attention to the development of public utilities, tourist base and socio-economic infrastructure in the region. Considerable attention should be given to the development of natural resource protection programs in the region to maintain their ecological and pristine appeal.

A new stage in the development of the tourism industry is the adoption of tourism development programs in Khorezm, Surkhandarya, Tashkent and Kashkadarya regions, which provided for the development of more than 260 million US dollars.

The programs provides for the implementation of projects aimed at developing tourism infrastructure, including repair of roads leading to tourist inspection facilities, improving the engineering infrastructure of tourist centers, build hotels, restaurants, parks, bowling clubs and other objects of tourist entertainment. The program will provide a solid package of benefits for the project proponents.

As can be seen, from the forecast of socio-economic indicators, we can safely make an unambiguous conclusion that the preconditions for the development of business tourism in Uzbekistan are there, and in the effective management on the basis of structural changes and measures in industry, business tourism can make a huge effect on the national economy.

On the basis of the economic reality, expressed in a sharp increase of the economic factor in the implementation of business tourism in Uzbekistan, it can be determined that an essential and compulsory condition for its implementation at the regional level - the scientific study of development and promotion of business tourism industry of Uzbekistan as a cultural and historical center the world value.

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<sup>4</sup>Studies of the author's statements in 2016 for 2014 and 2015

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