

**Czech University of Life Sciences Prague
Faculty of Economics and Management**

Department of economics



Bachelor thesis

Economic Analysis of Incoming Tourism in Azerbaijan

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Economics and Management

Thesis title

Economic Analysis of Incoming Tourism in Azerbaijan

Objectives of thesis

Evaluate incoming tourism industry in Azerbaijan. Propose specific measures to improve quality of tourism infrastructure in Azerbaijan.

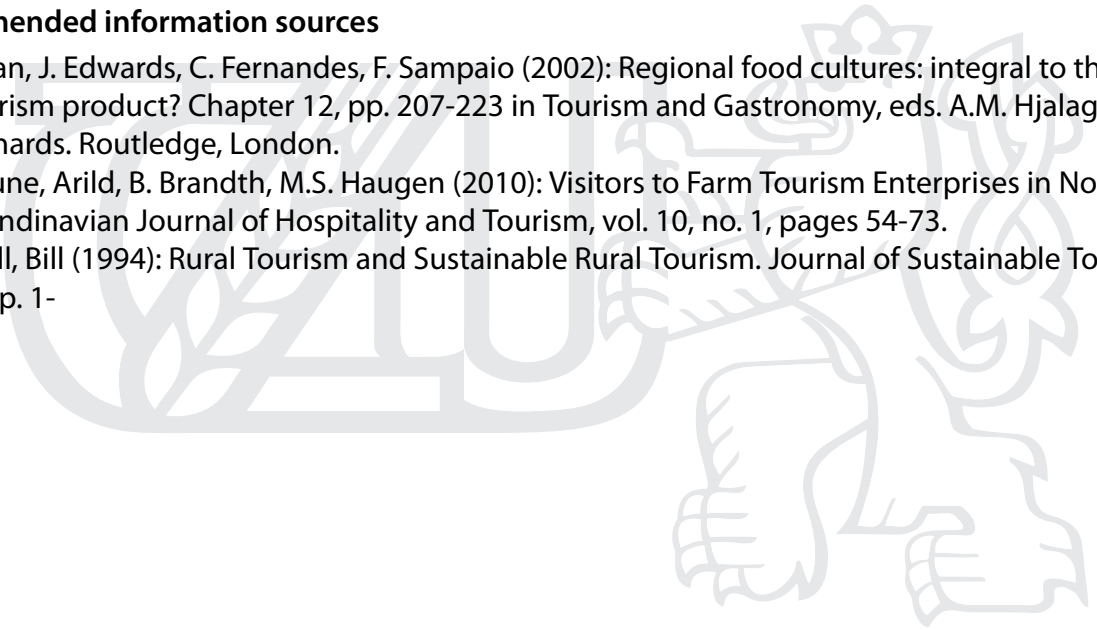
Methodology

Literature review is done using methods of synthesis, deduction, induction and extraction. Analytical section makes use of various tools of quantitative and qualitative data analysis.

The proposed extent of the thesis

35-40 pages

Recommended information sources

- Beer, Sean, J. Edwards, C. Fernandes, F. Sampaio (2002): Regional food cultures: integral to the rural tourism product? Chapter 12, pp. 207-223 in *Tourism and Gastronomy*, eds. A.M. Hjalager and G. Richards. Routledge, London.
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Declaration

I declare, that my bachelor thesis “Economic Analysis of Incoming Tourism in Azerbaijan” I have written on my own under the supervision of my academic adviser. All academic literature and information sources that are used in the work are listed in bibliography. Furthermore, I declare that, as the author of bachelor thesis, I did not infringe the copyright of third parties.

Prague

Acknowledgement

I would like to thank all of the people who support me during this time. Special thanks I would like to show to my family. I would like to thank my supervisor Petr Procházka for guidance, advice and for his assistance during thesis.

Economic Analysis of Incoming Tourism in Azerbaijan

**Ekonomická analýza příjezdového cestovního ruchu v
Ázerbájdžánu**

ABSTRACT

Tourism is growing globally. During the last years, the development of tourism in Azerbaijan especially in the city of Baku, has been positive. The research is important due to the fact that at the moment in the literature there are no studies about tourism in the Azerbaijan Republic as well as about an efficient way of positioning country in the market of tourist services.

The main objective of this study is to evaluate the context, the structure and functioning of the tourism in the world and in Azerbaijan. Some of the issues highlighted in the study include the structure of the tourism industry, the history of international tourism development and in Azerbaijan, place and modern condition of tourism.

Key words:

Tourism, Azerbaijan, infrastructure, investment, economy, potential, market, information, culture, competitive, industry.

Souhrn

Obliba cestování celosvětově roste a v posledních letech se tento trend nevyhnul ani Azerbajdžánu. Oblíbenou destinací turistů je jeho hlavní město Baku a přilehlé okolí. V současné době není mnoho studií o turismu v Azerbajdžánu, ani o tom jak by se měl místní trh připravit na přibývajícím turismus. Hlavním cílem této práce je zhodnotit vliv a strukturu turismu ve světě a Azerbajdžánu. Hlavními tématy práce jsou struktura turistického průmyslu současného Azerbajdžánu, historie turismu a Azerbajdžán jako moderní a oblíbená turistická destinace.

Klíčová slova:

Cestovní
ruch, Ázerbajdžan, infrastuktura, investice, ekonomika, potenciál, trh, informace, kultura,
konkurenční, průmysl.

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Chapter 1. Introduction

In the modern society tourism – is one of the main sectors of economy, including set of directions – just as at the level of direct contact with travelers (tourist firms, vehicle, systems of accommodation and meals, cultural-entertainment and sanatorium-resort complexes) so indirectly participating in the formation of complex tourist services (car industry and production of other means of transport, communication, building complex, souvenir industry). The role of tourist sector steady rises in economic development not only of world and national but also of regional scale. Development of tourism provides increasing of budget revenues; diversify the sources of currency proceeds to the country; to raise employment status in tourist places of destination, to ensure flow of foreign currency and investment money into region and to improve infrastructure that will be used also by local population, to maintain traditions and customs of local population. So tourism exerts a significant impact on the economical and social development of the country. Timeliness of the research topic is conditioned upon that at present there are lack of full researches in the literature about formation of outstanding innovational character of the Republic of Azerbaijan among rivals and about effective method of positioning of the country in the market of tourist services. Development of tourism in the Republic of Azerbaijan is characterized by definite trends caused by line of reasons. Civil war of the beginning of 90th years and non-stable situation on the boards, breakup of Soviet Union and later the profound economical crisis affected the reputation of the country that caused great lowering of tourist flow. If in 1994 number of foreign tourists visited Azerbaijan Republic made 43551 thousand people and 44934 in 1995, then in 1996 the flow of tourists in the republic sharply lowered up to 16350 thousand people and in 1997 these indicators were much lowered then the last – 6767 thousand foreign tourists. Although after coming to power of Heydar Aliyev in 1993 a number of attends were made for development of tourism in the Republic of Azerbaijan that affected at adoption of some laws and only within decade- in 2003 already under the power of the next president Ilham Aliyev tourism became one of the preferred directions in state policy. Integration of the Republic of Azerbaijan into world touristic society run and going on running by active temps. In addition the number of citizens of Azerbaijan wishing made touristic trip, especially to foreign countries increase year by year. So during the recent years an average number of Azerbaijani tourists travelling to former Soviet Union and other foreign countries increase. It is evidence that touristic activity after coming through the period of chaotic development passes the stage of formation of qualitative product.

Chapter 2. Goals and methodology

The aim of this work is investigation of international tourism and development prospects of touristic industry in the Republic of Azerbaijan.

Object of investigation: international tourism and tourism in Azerbaijan.

Subject of investigation: International tourism: history, modern conditions, development prospects and tourism in Azerbaijan.

In accordance with target aim, object and subject of investigation, we need to settle the following tasks:

- To look through the history of development of international tourism.
- To determine the place of international tourism in modern society.
- To find out the essence of the concept of international tourism, to determine its types.
- Analyze the development prospects of tourism in the certain regions of the world.
- To analyze trendy marketing of the Azerbaijan Republic
- To look through the history of Tourism in Azerbaijan
- To analyze modern state of tourism sector in the Republic of Azerbaijan
- To look through the current state of tourism sector in Baku
- Analyze the current state of tourism sector in Baku
- Analyze the features of the infrastructure of Baku city
- To look through potential of the Republic of Azerbaijan, on the example of the city of Baku

For an analytic review of the selected object of study were formed by sources and information

base work that consists of several groups.

- Statistical materials , allowing to make the characteristic modern tourist market in the world , especially in Azerbaijan Republic
- Empirical material obtained by the author in the course of this study, namely the social survey on the topic: “ Trendy marketing of the Azerbaijan Republic “(a survey conducted among students 20 to 23 years in Prague)

The greatest amount of information about the Republic of Azerbaijan as a tourist site contains articles , essays , notes that provide an opportunity to learn about the culture , economy, politics and traditions Republic and its people firsthand.

The work was also used theoretical, educational and specifically, analytical literature.

In connection with that this thesis is a specific practical significance for the potential of tourism as a factor of economic, social and social and cultural development of the Republic of Azerbaijan.

In accordance with the object and purpose of the work is structurally divided into three chapters.

In the introduction raises the problem is analyzed available on literature and attracted to its consideration sources.

The first chapter analyzes the history of development of international tourism, to determine the place of international tourism in modern society, to find out the essence of the concept of

international tourism, to determine its types, analyze the development prospects of tourism in the certain regions of the world.

In the second chapter the analysis of statistical data international arrivals around the world, as well as on the basis of the Internet – survey conducted by the author, determined fashion marketing Republic Azerbaijan. Then briefly but succinctly analyzes the history of the development tourism in the Republic of Azerbaijan, the current state of tourism sector, as well as interactions with other states of the republic. The author also pays special attention, in terms of development of tourism, the most promising cities of Azerbaijan Republic – Baku.

In conclusion, the work contains brief conclusions and results study. The work is complemented list of sources and literature used to address the goal and objectives. In the thesis work are diagrams charts, tables that clearly show the data on tourist sector of the Republic of Azerbaijan.

Chapter 3. Theoretical part

1.1. History of international tourism development

History of tourism – is the science, concerning with travels (journeys, excursions), beginning from the simplest, more elementary in the deep ancient and till the present.(ref. *The History Of Tourism*. Minsk: Shapoval, 1999. p.7)

Prehistory of tourism –period of tourism development till the beginning of XIX centuries- includes the following stages of development:

International tourism began from the middle of XIX centuries (ref. *Tourism: Evolution, Structure, Marketing*. Axis-89: Saprunova, 1997.), i.e. from the time of strengthening of capitalist regime in more developed countries of the world. International tourism develops closely interrelated with other sides of international life and reacts not only on the common political and economical conditions in the world but in separate countries. It`s explained by non-stable development of tourism in different years.

Europe became the birthplace of tourism, about 2/3 of foreign tourist fall to its share, such share in the world tourist flow make Europeans, who, as a rule, leave out of the bounds of their continent very rarely.

England was one of the first countries where bourgeois revolution won and capitalism began to develop. This is the place where appeared the first tourist organizations that firstly developed their activity inside the country and then outside of it.

Thomas Cook was first famous tourist agent who in June 1841 on easy terms bought by wholesale 570 tickets for temperance society on rail trip from Leicester to Laboro.

Active development of tourist business inside the country motivated Cook to organization of overseas trips. The first trip was made to France in 1855 (ref. *International Tourism: Development Policy*. V.A Kvartalnov, A.A Romanov, 2000. p.8),because Exposition Universelle (International Exhibition) began work in Paris.From 1856 he began to organize tourist trips to other European states.

In 50-70th English population formed major part of foreign tourists who visited Europe. Big role in tourism development in Europe in the second part of XIX centuries fell on increasing of railways length. 500 thousand tourist from England visited European continent in 1888. From the middle of 60th tourism between USA and England began to develop. This merit is belonged to Thomas Cook, who in 1865 organized trips from America to England and from England to America. In 1866 first group of English tourists visited USA.

A few later tourist firms and agencies appeared in France, Italy, Switzerland and other countries of European continent. In 1885 first Tourist Company of L. Lipson began its activity in Petersburg.

First World War of 1914-1918 very negatively affected on development of international tourist relations. It can be said with confidence that tourism stopped its operation during this period. However it should be noted that war needs led to improvement of railway and automobile means; furthermore aviation began to be explored for people transportation. End of First World War laid foundation to the new stage in development of international tourism. First of all it related with raised role of USA in the world arena and activation of American capital in Europe. Flow of Americans to West European countries greatly increased and exceeded the number of English tourists. Rather quickly the volume of international tourism and travels achieved prewar level, and after three-four years left it behind in most countries.

In 20th years geographic space of international tourism visible expanded. So, before the war most part of tourists headed towards Italy and Switzerland, but after it's ending practically all states of Europe were included in the sphere of tourism.

Just after several years later after ending of Second World War international tourism in Europe began to revive. Prewar level was achieved at the end of 40th years. At this time tourist exchanges and travels achieved broad-scale development in USA and Canada.

Tourism in Mexico, Panama, and Cuba developed very successfully (main part of tourist were Americans). In 1950 total number of foreign tourists, registered in the world, began to exceed prewar level and achieved 25 million people.

50th years was marked by recovery of international tourism. To 1960 the number of tourists leaving abroad achieved 71 million people, in other words increased in 3 times.

Period from 1961 till 1970 were accompanied by the further recovery of tourist business and increasing of the number of foreign tourist provided clear evidence of it, so in 1971 their number achieved 168,4 million people.

Growth of mean of international tourism in the activity of foreign policy and foreign economy in most states led to attracting attention of United Nations Organizations and it's specialized organs on this so quickly developed sphere of international cooperation. So in 1963 in Rome was held I Conference of UNO on tourism and travels. Wide range of issues concerning tourism was considered on it and recommendations promoting speeded development of this form of people communication.

Important resume of the Roman conference was entertainment of official definition of such items as "temporary visitor", "tourist".

80th years were concerning the period of tourist expansion. Per 30 years the number of participants of international tourist relationships raised in 11 times.

To this time tourism developed all over the world, but of course it was not the same in different regions. Increasing of the value of international tourist exchange in Europe, Africa and Latin America was at the level of worldwide average indicators, but in the countries of Near East it over passed it more than in 3 times, in countries of South Asia- more than in 5 times, in East Asia- more than in 10 times.

In 80th years states of Europe and North America were in leading positions as for reception of foreign tourists, so for sending of citizens abroad. In the number of countries that were “suppliers” of tourists were included Japan and Australia. States of North Africa and Asia became the main competitors of south-European countries of Mediterranean World, as their prices on tourists` products (sea-sun-beach) were for more obtainable prices.

In 80th years international tourism became the main part of international economical relationships. That is the time of growth in incomes from international tourist exchange. There was formed tendency to changing of structure of tourist demand; the world tourist market became more diversified. It may assuredly be said about its division on three parts: youth tourism, adult tourism and tourism for old age people (“tourism of the third age”). In this period great consequence for tourism development was the growth of urban population of industrial countries of the West. It promoted increasing of the value of inside and international tourism.

In social aspect 80th years are characterized by increase in demand for tourist services from the segments of people whose incomes are average or even not high. Such may be said about the change of structure of tourist demand.

The interest of group tourism was increased in these years, because the cost of the trip is lower due to discounts for group service, presented by hotel enterprises, and reduced tariff for transport.

1.2. Place of tourism in the modern society

Tourism industry is one of more dynamically developing forms in international trade of services. Importance of tourism in the world constantly increases, this is related with the increasing influence of tourism on the economy of each country separately.

In the economy of the country international tourism carries out the line of important functions(ref. *Organization Of International Tourism*. V.S Senin, 2003. p.34):

1. International tourism is the source of foreign exchange earnings for country and mean for ensuring the business.
2. International tourism expands contribution to external balance and internal revenue rate of the country.
3. International tourism promotes diversification of the economy by producing industry sectors servicing tourism sphere.
4. With growth of the business in tourism sphere increase the incomes of the population and raising the standards of nations` well-being.

International tourism includes in the number of three largest export industry sectors, trailing only oil-producing industry and automobile production, which relative share in the world export is 11% and 8,6%. International tourism in the world is extremely erratic, and first of

all it is explained by different levels of social and economical development of countries and regions. More range of development international tourism had in west European countries and countries of Near East. 70 % of world tourist market and about 60% of foreign exchange earnings fall on the portion of these regions. About 20% fall on the portion of America, less 10%- on the portion of Asia, Africa, and Australia all put together.

Tourism had visible place in international relationships(ref. *International Tourist Business*. E.P Puzakova, V.A Chestnikova, 1997. p.14). About 500 million people visit foreign countries every year as tourist. International tourism is not only a popular type of rest but is actively developed sphere of world economy.

So, international tourism which specific feature is that the important part of services is produced with minimal expenses at place and it has more significant role in world economy. Tourist industry sector included in the number of forwards that gives noble value of added cost.

However, the information about development of international tourism is not absolutely true, as it's very difficult to measure tourist flows. Because of the lack of single method of their counting the comparison of their statistic data between countries is complicated.

Today we recognize tourism as large phenomenon of XXI century, as one of the most remarkable events of our time that really perforates into all spheres of our life and changes the environment and landscape. Tourism became one of the important factors of economy, so we consider it not only as trip or rest. This item is much wider and is represented by assembly of relations and unity of communication and events that accompany people during travels. High temps of tourism development, big value of foreign exchange earnings actively influence on different sectors of economy, that promote formation of own tourist industry. Nowadays you can't go unnoticed such huge impact which is made by tourism industry on world economy.

The important feature of modern stage of tourism development and changing of its organizational forms is getting into tourist business of transport, trade, industrial, banking, insurance and other companies. Intense development of international tourist relations caused to creation of many international organizations and cooperation of the best organization of this sphere of international economical relations.

On the assumption of all above said, we can say main features of tourism development in future decade:

- 1) Future growth of indicators of international tourist activity.
 - 2) Constant impact of economical and political situation in the world on the tourist sphere.
- Drivers of tourism will be social- demographic changes, electron information and communication systems.

Popularization of tour operators` activity engaged into global and so into medium and small business.

The most popular regions for tourist visit actually will be South and South-East Asia. In the frame of this flow will be increased the role of Russian international sector as the centre of transit service from West Europe, and also of segment outbound tourism from Russia to the pointed regions.

Analysis of world tendencies of tourism development.

Modern economical science considers tourism as difficult social-economical system(ref. *The Economy Of Modern Tourism*. G.A.V. Karpova, 1998. p.56), where multi-industrial production complex, called tourist industry, is just of the compound components. Economic issues analyzed in the context of public and ecological aspect of tourism life-sustaining activities.

Tourism (from phrase Torisme< Tour – walk, trip) came up in the period of society development when the need of man in getting information about new places, in travel as the mean of getting this information became the objective law of development of human society. Travel makes pleasure to people and give an opportunity to rest.

On the determined stage of economy development, when the demand in travels sharply increased, appeared producers of this services. It leaded to formation of the good of especial type – tourism that may be bought and sold on consumer market.

Service producers, who were appointed for service of tourist (travelers), joined into industry “tourism”. Tourism is not the product of first vital necessity, that`s why becomes daily need of man only under the proper level of his income and under the proper level of wealth of society.

At present it`s pointed inside (inter-country) and international tourism, where inside tourism is dominated over international in capture rate. On the portion of inside tourism falls 75-80% of common number of tourists in the world, that`s clear that on financial results in most countries it visible overpasses the foreign tourism.

Modern experts investigations show that the condition of tourism world industry, despite the objective difficulties of the recent years, in total demonstrate the stability and maintain positions of the greatest, highly remunerative and fast developed sector of world economy. It explains the high interest to tourism sphere of governments of most countries of the world that have affluent structures of executive power for providing effective state policy of its development. In future tourist markets of developed industrial countries will stably growth in the result of increasing of tourism facility for much wider social class and frequency of tourist trips. New and developing tourist market are characterized by tendencies of maintenance of dynamical growth and appropriate increase of budget income in future decades (ref. *Publishing House "Finance And Statistics"*. V.M Kozyrev, I.V.M Zorina, 2001.).

It`s expected gradual moving of stress in tourism development from traditional markets of West Europe, USA, Japan and Canada to alternative markets, such as Central and East Europe, including Russia, China, South Korea, Mexico, and some countries of Near East (ref. table 1)

One of the most important tendencies of world tourism development is sharp enhance of competition in the market of tourist suggestion on the back of appearing of number of developed countries with ambitious plans of tourist attracting and also glut in the market of same type tourist suggestion.

In the result the countries aiming to maintain or strengthen their positions in international market, carry out planning of tourism on the bases of the principles of stable development, forecast long-term investments into this sphere and have clear state strategies of tourism development.

Main component strategies that are used in the world practice: detailed analyses of own markets with assessment of relations of traditional and perspective directions, measure of common world tendencies and multiplicative effect from tourism development, carrying out annual international companies under definite memorable slogans and also wide using of opportunities of progressive informational technologies as base platform of communication with consumers of tourist services.

Tourism sphere under the successful development may become one of the key elements(ref. *Economy And Entrepreneurship In The Socio-Cultural Service And Tourism*. 2004. p.67), allowing creating conditions for achievement of strategic goals of country development that is increase of population well-being on the base of dynamic and stable economic growth, providing of population employment, increasing of the level of satisfaction of social and spiritual requirements, creation of potential for future development of the state and strengthening of international positions of Russia. Under the conditions of carrying out of effective governmental policy tourist industry ensures growth of services quality, stimulate the development of human capital, improve the quality of life, create and improve infrastructure.

1.3. Matter and types of international tourism

Tourism as a matter of rest (ref. *International Tourism*. A.Y. Alexandrova, 2001. p.36)

This type is consisted of short-term or more continuous rest with the purpose of physical or psychological recovery of the organism. Moreover, also we can include resort rest to this group when natural properties of the soil, climate and sea water are used for treatment or recovery of powers.

Tourism as a matter of culture studying

Tourism, directed on study of alien culture, is identified on informative and pilgrim. Informative tourism is characterized by visiting of historical, cultural or geographic items of interest. Tourists, traveling with informative purpose, often interest with social and economical relations of the countries they visited. Purpose of pilgrim tourism is visiting places with special religious importance.

Public tourism

Is considered as travel with purpose of visiting of relatives, familiar people, friends (in international terminology are non as visiting friends and relatives –VFR), and also as club tourism. Club tourism is differed because travel is consciously integrated into groups. Joining into groups occurs with the availability of people interesting entertainment or sport program.

Sport tourism

Sport tourism includes trip with the purpose of active participation in sport events, also trips that have passive character of participation in sport competitions.

Economical tourism

This type combine people who make trips of professional and commercial interest: visiting of stock markets, exhibitions, fairs and so on.

Congress (political) tourism

Identified on diplomatic tourism, participation in congresses, and tourism related with political events and arrangements.

Sometimes the need of specification of tourism on its forms of appearing in view of different term of travels (continuous and non-continuous travels). In this case as the main criteria of such classification was chosen the term of travel. If travels are differed on such external criterion as term of visit, so it can be said that this travels are related to various forms of tourism.

There are many opportunities allowing separating forms of tourism on external criteria: on tourists` origin, on organizational form, on term of travel, on age, on transport means, on seasons.(ref. *International Tourism*. A.Y. Alexandrova, 2001. p.58)

At first sight you can consider that there is no so big difference between forms and types of tourism. In the both cases travels are grouped on the assumption of certain point of view. The difference is that types of tourism differed by motivation of travelers, that is by internal factors, but forms of tourism- by external reasons and impacts, and it`s very important for manager.

Forms of tourism according to tourists` origin

According to travelers` origin tourism is identified on internal and international. In this case the word “origin” considered not to nationality or place of birth of traveler, but to place of his accommodation and work.

Forms of tourism according to its organization

According to the form of organization tourism differs on lump-sum (provision of complex services form one cost) and individual. Lump- sum tour- is standardized, preliminary organized complex of tourist services. Individual tour has the characteristics when tourist organizes and carries out it independently. Such tours also called single, but it doesn`t mean that you must travel single, you can do it with your family, group, but even then the travel will called single.

The item «individual tourism» often contrasts to item “mass tourism”. At first mass tourism meant that many people participate in tourism. With the course of time this item obtained negative meaning. At present with mass tourism associate negative impacts, and first of all of lump-sum, and that`s why such items as individual tourism and mass tourism are not suitable for separation form of tourism on the number of participants.

Forms of tourism according to term of visit

Very important classification of the form of tourism is its classification according to term of travel.

Term of travel related to time, that is spent by tourist in trip or staying in that place of visit or country. One-day travels classified by the following: less than three hours; tree-five hours; six-eight hours; nine-eleven hours; twelve and more hours.(ref. *The Structure Of The Tourist Market*. A.Y. Alexandrova, 2002. p.46)

Travels with overnight stop may be classified by the following: 1-3 nights; 4-7 nights; 8-28 nights; 29-91 nights; 92 – 365 nights.

Continuous travels, as a rule, are accompanied by not continuous trips.

Not continuous trips include trips, one-day trips and short-term tourism.

Transit tourism — is stops of tourists on the way to point of destination.

One-day tourism- is tours continued in daylight hours: they not suggest stop for night. Very important form of non-continuous tourism – is short-term tourism.

Short-term tourism includes into itself business tourism and trips on holidays. No matter are these trips of business or personal purposes, their average continuation is 2-4 days that is minimum – one day, maximum- three night stops.

Forms of tourism according to the age of travelers

Under the classification of forms of tourism is considered the age of travelers. The following groups of tourists are identified on the age scale:

- Children, travelling with their parents;
- Youth (tourists at the age of 15-24);
- Fairly young, economically active people at the age of 25-44;
- Economically active people of middle age (45 – 64) (travel, as a rule, without children);
- Pensioners (65 year old and older).

Forms of tourism according to transport means

According to transport means, used for tourist transportation from one place to another, the following forms of tourism are identified: air tourism, bus, railway, and automobile and sea tourism.

Forms of tourism according to seasons

According to seasons are identified on winter and summer tourism. Season classification of tourism forms shows swings in demand on tourist services during the year. Period of maximal number of trips is called tourist season; the period of fall of travels- is called inter-season. Tourist seasons may be not concurred in the different regions.

Besides the suggested six criteria there are exist other points of view, allowing classification of travels on the forms. Worldwide tourist organization suggests more total classification of tourism on the following types:

- **Internal tourism** — travels of inhabitants of any region in this region;
- **Entry tourism** — travels in any country of people, who are not its inhabitants;
- **Departure tourism** — travels of any country people to another country. These main types of tourism may be connected in different ways by forming categories of tourism.

These categories of tourism may refer not only to any country but also to the region; expression “region”- is considered as name to any region inside the country or group of countries. Definition of the expression “tourism inside the country” includes internal and entry tourism; “national tourism” includes internal and departure tourism; “international tourism” includes entry and departure tourism.

Tourist classification (ref. *Introduction To Tourism*. V.S.Senin, 1993. p.128)

When studying of tourist business it's very important to answer the following question: who uses tourist services and which ones are used? And you should think if the members of different families will rest at the same conditions and if their need in tourist product will concur. The answer is unambiguous- that is No. In this regard all tourists may be classified on the following characteristics:

- According to their activity;
- According to their life style.

Traditionally there are identified six groups among the tourists on their activity during holidays:

Lovers of calm rest

The representatives of this group go on holidays to be free of daily stresses and to rest in calm and joyful conditions. They avoid strangers and heavy accumulation of people. Calm holiday-makers are attracted by sun, sand and sea.

Lovers of enjoyment

This is the type of very adventurous tourists, who concerns with search of various enjoyments and prefer high society atmosphere. More often here are used such words as flirt, farther walks, nightlife.

Lovers of active rest

These tourists love nature and make active load to their body.

They prefer distance walk and being at fresh air. Their holidays may be combined with treatment.

Lovers of sport rest

Alternatively to actively resting the attention of tourists-sportsmen are concentrated on competitions. Sport as their hobby is very important for them. They are not afraid of physical load.

Resting with the purpose of education, study

This type of tourists is interested in increasing of their educational level, experience of something new.

Lovers of adventures

Only a few lovers of adrenaline buzz go on travel alone and moreover put themselves at really serious risk. To type of adventurers may be considered such tourists who seek for unusual impressions with appropriate risk rate. Risk for them – is an opportunity to try themselves.

Classification of tourists on groups according to their life style supposes more profound approach to type assignment as it considers human view and his behavior disconnectedly, but according to his life position, attitude to various things and his wishes.

In the process of assignment of tourist groups according to their life style is taken as a basis not any separate criterion, but common attitude of human to his life. It's very hard to do, as the tendencies and economic situation in society are testified by very strong changes in time. According to life style identified four groups of tourists(ref. *Introduction To Tourism*. V.S.Senin, 1993. p.156-158): lovers of enjoyments, tendentious, family and only resting tourists.

In the process of this classification should be taken into consideration that identified groups permanently change and divisions between them are very muzzy.

Lovers of enjoyments

Representatives of this group specify very severe requirements to the quality of rest. Travel for them is the method of self-expression. They wish to get enjoyment from this rest and let themselves some penchants or make a sport load.

Tendentious tourists

For tourists of this group the rest is the opportunity to find and approve themselves as person. These are holiday-makers with severe requirements, but alternatively to “people enjoying life”, they don't need luxe class conditions. They seek for unity with nature, silence and

opportunity of psychological load. They realize the problems of environment, interest in policy and culture of the region intended for visit.

Family tourists

This group includes only families with children. Family tourists like to spend their holidays in the bosom of the family, friends, and relatives. They rest in calm and comfort conditions, and don't like when someone disturb them. Most often they use self-service.

Resting wholehearted

The main condition for tourists of this type is opportunity to rest. This group includes comparatively passive tourists, who spend their holidays by traditional method: enjoy silence, have long sleep, like to eat well and much, make short walks or not far trips. Lovers of such rest feel pleasure if during the holidays they may maintain their favorite habits, as they don't like to experiment.

So, on the basis of the presented in the first chapter of this work, it's possible to draw the conclusion that from year to year the international tourism plays more noticeable role in the world economy and becomes one of its most important factors, as it brings significant income in GDP of the country. Year by year the international tourism take more leading positions in the world arena.

1.4 Analysis of world tendencies and perspectives of tourism development in separate parts of the world.

Separate regions of the world are needed to be considered for investigation of international tourism development and its impact on the world economy.

United Nations World Tourism Organization identified five main regions of the world: America, Africa, region of Asia and Pacific Ocean, Near East, Europe (ref. Mitf.ru., N.p., 2015.).

Tourism got greater international development in east-European countries. About 60% of world tourist market and about 50% of foreign exchange earnings fall on the portion of this region. More than 18% of world tourist market and 20% of foreign exchange earnings fall on the portion of region of Asia and Pacific Ocean, less than 17% of world tourist market and 24% of foreign exchange earnings fall on the portion of America, and about 8% of world tourist market and 5% of foreign exchange earnings fall on the portion of Africa and Near East taken one with another.

In classification of United Nations World Tourism Organization are distinguished countries that first of all are the suppliers of tourists (USA, Belgium, Denmark, Germany, Holland, New Zealand, Sweden, Canada, and England), and countries that first of all are the acceptors of tourists (Australia, Italy, Switzerland, France, Cyprus, Greece, Mexico, Portugal, Spain, Turkey) (ref. Who.int., 'WHO | World Health Organization'. N.p., 2015..).

France and Spain are leaders on international tourist arrivals by making together more than 18% of all international tourist arrivals. USA holds the third place. Despite the fact that China holds the fifth place in the ranking, but this country certifies the importance of this industry sector, with annual growth in 5-6%.

On the incomes from the international tourism the leading place is held by USA, and this indicator is 67 milliard dollars despites the recession in 2001-2004. Incomes of Spain, France and Italy are fluctuates from 34 to 27 milliard dollars.

From 90th year of XX century international tourism began tumultuously develop. This time the phenomena of tourism reached the breadth. So, the number of arrivals from 1190 till 2009 increased almost in 10 times.

There are existed the exchange of such products in the tourism sector, for example in the sector of cultural tourism. As a rule, there are exchanges of traditional types of tourism. For example, the inhabitants of north countries of Europe mainly spend their holidays in resort countries of Mediterranean world, but the inhabitants of warm south prefer holidays on mountain skiing resorts.

Recession of the portion of Europe market in the international tourism is occurred on the background of increasing of arrivals to the region and earnings from tourism. Tourist flows mainly directed to the rest centre of West and South Europe.

Probably, this tendency is presented on the reason of good infrastructure and variety of suggestions. In the South and West Europe France, Spain and Italy are the main tourist centers. Great Britain is traditionally famous for its educational tourism. North countries of Europe, especially Scandinavian countries and Ireland, are specialized on ecotourism.

Region of Asia and Pacific Ocean continues to develop by rapid leaps.

It downed American region on the third place and get almost 19% of world tourist market. Because of unexpected explosion of atypical pneumonia the stable economic growth in this region came to a temporarily standstill and as the result arrivals to many tourism centers of this regions was down more than in twice as comparison to the ordinary level. Leading countries of this region are China, Hong Kong, Korea, Taiwan and Singapore.

Let`s consider the international arrivals and incomes from tourism in the region of Asia and Pacific Ocean (ref. table 4)

The number of international tourist arrivals in 2003 increased almost in 2 times relatively to the previous year and made 9 million people. Incomes from international tourism made 12 milliard dollars or in average 405 dollars for tourist arrival.

Tourist flows between African countries are still weak and essentially control the development of tourism in the region. Main tour organizing region is Europe.

More than half of total amount of guests in the region are accepted by countries of North Africa such as Morocco and Tunis. In the East Africa the leading place are held by Kenya, Mauritania, Tanzania, Seychelles and Zimbabwe that successfully use their nature recourses.

Some of them, for example Mauritania, Seychelles are specialized on the best beach tourism and develop high class hotel industry.

Near East not affected from the unfavorable situation in the world and showed the best results between the regions, achieved the growth that made 10% on the estimation of worldwide tourist organization.(ref.table 5)

Continuous fluctuation in the development of region tourism may be explained by political non-stability, but total recession of tourist flow to this region during the last years was the result of the war in Persian Gulf, which affected not only on Iraq, but on some neighbor countries.

Viewing countries with transit economy it can be pointed that at present tourist industry in this countries goes through its fledging period as independent sector of economic management.

Countries with the transit economy (countries of Former USSR) capture the great territory, the sixth part of the terrestrial parts of the world. Of course, the region has the hugest nature and recreational resources for development of tourism industry. The richest nature, culture monuments of various nations, settled the large territory and professes different religions, historical places and monuments; created by nations; lived in ancient, make advantageous conditions for development of this industry sector of economy.

In historical plan, tourism development in the former USSR began from the day of state foundation(ref.*The History Of Tourism In Pre-Revolutionary Russia And The Soviet Union*. G.P Dolzhenko, 1998.). In the result of such policy very few people went abroad, mainly they were diplomats, people, going by invitations to their relatives and friends, who stayed abroad on different reasons, and limited number of people, going as the tourist groups, as a rule, to socialistic countries.

There also were limited number of foreign tourist in the composition of organized tourist groups in USSR (on some estimations, 80%)

However, it should be noticed that in USSR developed internal, social tourism on the line of profusions, the cost of which was one tenth part of the price, suggested to foreign tourists.

Tourism in USSR wasn't preferred sphere of economy, and the role of non-productive industry was intended to it.

That's why capital investments to the infrastructure of international tourism were very low, though the state subsidized the development of interior tourism, as the part of its national policy. The results of such policy were limited number of foreign tourists, arriving to the country. The condition begins to change with the beginning of Reconstruction period in 1985. In 1986 the level of arrivals downed relatively to 1985 because of Chernobyl accident. However the growth of arrivals in USSR continued till the end of 80th, but the greatest number of foreigners, visited the country was in 1989.

In 2003 the arrival of tourists from abroad to countries with transit economy was 76,8 million people, besides to CIS states was more than 21 million people(ref. *International Economic Relations: Marketing In Tourism*. G.A Papiryan, 2000. p.45).

This indicator noticeably increased from 2004, when it was 43,8 million people (in 1,7 times) in the countries with transit economy and 5,9 million people (in 3,4 times) in CIS states relatively. (ref.table 6)

Activity in regions. Worldwide tourist organization

Regional representatives of United Nations World Tourism Organization hold direct events, directed on strengthening and support of the activity of tourist administrations.

Each of these world regions- Africa, America, region of East Asia and Specific Ocean, Europe, Near East and South Asia- are in the centre of attention of appropriate regional representatives, based in head quarters of worldwide tourist organization in Madrid.

The activity is directed on improvement of status of national tourist administrations in its own country and at the same time improvement of awareness on the future steps on tourism development and perfection of technical and operative skills.

In the context of the special focus to development of tourism in the countries of tropic Africa, United Nations World Tourism Organization developed specific program of technical events for the period of 2003-2004.

Not less than once a year United Nations World Tourism Organization holds meetings of 6 regional committees for discussion of activity of Organization and determining of priorities for future. Joined members, representing the regions, are invited to participation in conferences and seminars.

Projects of regional development

Unique position of United Nations World Tourism Organization let it to fulfill special projects on promotion of tourism in the groups of countries- members of Organization.

Project "Silk Way"

Started in 1994, directed on revival of tourism on the ancient road, which was passed by Marko Polo.

Silk Way spreads for 12 thousand km from Asia till Europe, and 22 countries joined together to its implementation: Armenia, Azerbaijan, China, DPRK, Egypt, Georgia, Greece,

Iran, Italy, Israel, Japan, Kazakhstan, Kirgizstan, Mongolia, Pakistan, Korea, Russian Federation, Syria, Tadjhikistan, Turkmenistan, Turkey and Uzbekistan.

Project “Slave Way”

Started in 1995 in the frame of International year for tolerance, declared by United Nations Organization and directed on stimulation of tourism development in west-African countries. It's important goals were restoration of monuments, enrichment of historical museums and organization in elected leading markets of cooperative advertising companies.

World Tourism Day

From 1980 members of worldwide tourist organization(ref. World-tourism.org,. 'World Tourism'. N.p., 2015.) annually celebrate World Tourism Day on September 27. Dedicated to celebration of the event include parades, concerts, tourist fairs, seminars, ceremonial dinners, dancing evenings and free museum visits, and other events, that attract attention of society to important role of tourism in the life of local community.

Working group on management of tourist centers

Taking into consideration of delving decentralization of tourist administrations, United Nations World Tourism Organization formed working group, specializing on settlement of issues facing to tourist centers. These issues include: management of overload tourist centers in inshore zone, economical estimation of tourism on local level, marketing of urban tourist centers, risk and crises situations management in separate tourist centers. Working group on management of tourist centers hold regular meeting and fulfill functions of informal consulting body of United Nations World Tourism Organization with the purpose of encouragement of new initiatives in these direction and promotion of the current projects of United Nations World Tourism Organization related to the activity of tourist administrations on tourism centers management.

United Nations World Tourism Organization published the forecasting of tourism development till 2020.

China will take the first place on visits. The most dynamically developed country- Turkey.

In 2000 the world incomes from tourism were 621 milliard dollars.

In 2020 they will increase till 2 trillion dollars.

First travel to Moon from Greece tourism firm “Manos Travel” was held on December 01, 2001 from base SIETL (USA) and cost 105 thousand dollars.

In the beginning of new millennium the number of tourist in the planet increased in trice: and were 1 milliard 600 million people.

Tourism became the special form of people transportation. It developed on the basis of travels and discovering, made by seamen, investigators, historians, geographers and representatives of business world, who collected many scientific researches, supervisions, description, literature, historical and geographic materials, reports and dairies.

The author considered that, for development of effective tourism required:

- Project planning and arrangement of their goals in the scale of world economy. There is a specific in planning of such projects, as there are attracted not significant means of tourist firms but state budget;

-Strengthening of material and technical base of placement, improvement of level and culture of services;

- Good development of the economy of the country in total;

- Correct correlation between quality and prices on suggested services and so on..

Tourism is acts as “invisible” product. The characterized feature and unique denomination of tourist services as the product is that the significant part of these services is produced with minimal expenses on place.

In recent times tourism achieved the value of social phenomena. It exceeded from the category of elite product to category of product which is open to consumer. At initial stage of

it development tourism was considered as the element of social and cultural impact. Nowadays it's deemed as economical and mass social phenomena.

Its forecasting the growth of tourism on 45,8% in future.

On the ground of the temps of tourist road growth and wishing to participate in this process, inference should be drawn that tourism will develop by high temps that are higher than development of main industries of national economic.

So, international tourism passed long way in its development and nowadays is one of more successful developing industries of world economy.

At present more than 60% of all arrivals of international tourist and 70-75% of all trips made in the world fall on industrially developed countries.

Whereby 40% of tourist arrivals and foreign exchange earnings fall on the portion of the countries including in European Community.

1.5. Trendy marketing of the Azerbaijan Republic

Trends of the country are formed on the basis of geographic, national, economic, social and demographic components of the state. Trends of the country can be divided into two groups: the internal trend of the country – the perception of the image of the country of its citizens; external trend of the country – the perception of the country's trend by other states. It is possible to mark out the main elements of trend of the country:

- geopolitical factors – geography, natural-resource potential;
- the historical component of the country (period of the development of statehood);
- national and cultural heritage, when countries should seek to preserve their cultural heritage during the era of globalization and standardization;
- forms of state system and governance structures;
- institutional and economic factors (economic development, finding of new economic niches); the country's reputation in the minds of the world community;
- external and internal state marketing orientation.

Referring to the first factor by Philip Kotler (ref. *Marketing Seats. Attracting Investment, Business People And Tourists In The City, Communes, Regions And Countries Of Europe*. Kotler, 2005. p.383) –about need to achieve superiority of this territory over the rest, the provision of such resources, opportunities of this country, so that it could pretend to attention of tourists. As the author highlights the F. Kotler's fourth factor as forming the concept for this work, in order to its concretization in terms of themes of research, the author was personally developed and carried out a survey on the topic "Marketing Trendy marketing of the Azerbaijan Republic". The author held a public web in order to clarify the possible demand for such a tourist destination as Azerbaijan. The survey was held on the social network "Vkontakte". The data was conducted among the students of 20 to 23 years in Prague.

Community members were asked the following questions:

- Full name;
- Age;
- Place of study / work
- Do you know where Naftalan and Sheki are located?
- Do you know where Baku is located?
- Do you know anything about Azerbaijan?
- Do you know that the Republic of Azerbaijan develops tourism?

- Have you ever seen advertisement about tourism in the Republic of Azerbaijan on television or on the Internet?
- Have you ever read articles in magazines / newspapers about tourism in the Azerbaijan Republic?
- Do you think that Azerbaijan has a chance to become a popular tourist destination?
- Would you visit the Azerbaijan Republic in the next 2 years or a year?
- If you decide to visit the Republic of Azerbaijan and found out that only flight Prague-Baku-Prague will cost 10 million kroons per person, would your decision have changed? At the end of the survey photos of the tourist attractions of the Azerbaijan Republic were accompanied to make more vivid picture of this direction to the respondents. The author wants to bring results in the following table (ref. table 10)

Meanwhile Republic of Azerbaijan is popular just for business goals. To develop low-cost mass tourism it is necessary, first of all, to reduce prices on airline tickets, to simplify the visa regime for foreigners, to build economy – class hotels, to improve and modernize the infrastructure, to give more available information about tourism in Azerbaijan, for example, to attract popular site Vkontakte, Instagram, Facebook, where information will be available to ordinary users, fans of tourism, rather than people from the business world. From this point of view, tourism in Azerbaijan will get a new direction and orientation on the “ordinary user” – mass customer.

The Republic of Azerbaijan is faced with the need of finding various strategies that would highlight this country on tourist market filled with a lot of competitors.

One of such strategy, which will highlight the Republic in the market of tourist services, is a participation in The Great Silk Road program, the caravan road leading from China to the countries of Central and Southwest Asia (ref. *Encyclopedic Dictionary*. F.A Brockhaus, I.A Efron, 1990. p.204), a part of which took place on the territory of the modern Republic of Azerbaijan.

Currently wide-quality professional marketing companies of the Silk Road on the territory of the Republic of Azerbaijan can lead to the following:

- The Silk Road will stimulate collaboration campaigns and create public-private partnerships between the Republic and other countries;
- a high quality tourism infrastructure will be created on the territory of the Republic of Azerbaijan on the route of the Silk Road;
- tourism development on the Silk Road will serve as a driving force for strengthening peace and cultural understanding between the Republic and other participating countries;
- The Government of the Republic of Azerbaijan will receive significant return on their investment, supporting the tourism sector. CONCLUSIONS: in the XXI century tourism of Azerbaijan with an ancient history may get a new qualitative development.

1.6. The history of Tourism in Azerbaijan

The Republic of Azerbaijan – Tierra del Fuego (ref. *Encyclopedic Dictionary*. F.A Brockhaus, I.A Efron, 1990.), is a state located in the eastern part of the Transcaucasian region. It borders on Russian Federation in the North, Georgia and Armenia in the West and South-West, Turkey and Iran in the South. Its eastern part is washed by the Caspian Sea. The territory’s area is 86.6 thousand sq km. Besides its continental part Azerbaijan has numerous small islands in the Caspian Sea (Baku archipelago and Absheron Peninsula). The territory of Azerbaijan is characterized by all kinds of relief: mounts and lowlands, plains and depressions. About half of the Republic of Azerbaijan is occupied by mountains: the Major

Caucasus ridge in the north, the Minor Caucasus ridge in the south-west (ref. *Economic, Social And Political Geography: World Regions, Countries*. I.A Rodionova, 2008. p.421).

The official language – Azerbaijani, as the population of the Republic is fluent in Russian. The official language – Azerbaijani, well as the population of the Republic is fluent in Russian language. Religion is Islam. The population of Azerbaijan identifies as Muslim of whom most are adherents of Sunni branch with a minority being Shia Muslim.

Baku is the capital and the largest city of the country. Also it is considered as the largest seaport in the Caspian Sea . The name Azerbaijan comes from the Persian language “Badkubeh” – “wind blow”, probably because of strong winds, hence “Baku – the city of winds”.

From a tourist point of view, the monuments of culture represent greatest interest. On the territory of the Republic of Azerbaijan have been found valuable specimens, relating to objects of life and culture of the first inhabitants who lived in it. It served as a key to inclusion the territory of the Republic of Azerbaijan in the list of the areas of first human formation, and these unique natural complexes have become objects of natural and cultural heritage of UNESCO . For example, the Gobustan reserve. Gobustan is primarily famous for its vast collection of rock art in the open air, and there are ancient settlements of people.

On the territory of the Republic of Azerbaijan preserved even unique forests – a monument to the Cenozoic era (ref. *Soviet Encyclopedic Dictionary*. AM Prokhorov, 1985. p.204). There are a lot of medical, mineral and thermal springs, medical mud and oil in Azerbaijan. In the Azerbaijan city of Naftalan, 320 kilometers north-west of the capital Baku, where people use oil treatment, more precisely, naftalan (ref. *Naftalan - A Magic Gift Of Nature In The Depths Of Azerbaijan // IRS Heritage. Series "History"*. N. Badalov, 2007. p.26.). Naftalan is a viscous black-brown or brown liquid in appearance differs very little from conventional oil, which has medicinal properties. (ref. *Naftalan - A Magic Gift Of Nature In The Depths Of Azerbaijan // IRS Heritage. Series "History"*. N. Badalov, 2007) In the city of Naftalan there are six resorts that offer to tourists from different countries the treatment.

Today Shahdagh ski resort is functioning in the territory of the Republic of Azerbaijan. It is situated in 200 kilometers from Baku and four hours flying by plane (ref. *Shahdag.az*, 'Resort Shahdagh // Official Site Of The Resort Shahdagh'. N.p., 2015.). Only in 2013 Ski resort Shahdagh opened the first four star hotel Zirva, in which 43 hotel rooms (ref. *Azerbaijan.tourism.az*, 'Tourism In The Republic Of Azerbaijan // Azerbaijani Official Travel Guide [Electronic Resource]'. N.p., 2015), which adopted a large number of tourists. Tourism began to develop in the Republic of Azerbaijan, as a mass phenomenon in the post-war years. During these years, sports, amateur, family and children tourism began to be a wide scoped.. In the period of time from 1950 to 1963 tourist bases began to appear in the cities of the country.

In tourism development Azerbaijani tourism had achieved the highest level in 1987. In the same year 50 thousand from foreign countries and 250 thousand tourists from different regions of the Soviet Union visited the republic (ref. *International Tourism And Tourism Development In Azerbaijan Republic*. Baku. Eganly SG, 2003. p.80). In view of the increasing flow of tourists to the republic it was begun the construction of new tourist hotels for 300 people Lankaran and Mingachevir each, and in the town of Shusha for 200 people.

After the dissolution of the Soviet Union, Azerbaijan was under conditions of martial period and in a deep economic crisis. With the restoration of an independent and sovereign state Republic of Azerbaijan was able to overcome the crisis, become stronger and develop hereinafter due to public policies aimed mainly at the production, processing and export of oil and oil products to the world. The national economy was basically always depended on the export of hydrocarbon resources. But it should be noted the important fact that on the prices

in world market for hydrocarbons are quite not stable and subject to constant economic fluctuations. Now there are alternative sources of energy in the world.

President Heydar Aliyev could improve tourism in the country. The number of tourists visiting Azerbaijan was 43551 in 1994 and 44934 – in 1995. In 1996 the number of tourists visiting Azerbaijan decreased a little. That year 16350 tourists visited Azerbaijan. For the first quarter of 1997 this number was 6767 (ref. Azembassy.in., 'Embassy Of The Republic Azerbaijan In India [Electronic Resource]'. N.p., 2015). When in 1993, Heydar Aliyev became president of the Republic of Azerbaijan, the state legislative and executive authorities of the country in order to promote tourism in the country from 1994 to 2011. Was adopted 60 laws in the field of culture and tourism (ref. Mct.gov.az., 'Tourism // Official Site Of The Ministry Of Culture And Tourism Of Azerbaijan Republic. [Electronic Resource]'. N.p., 2015.). The main content of these laws was aimed at determination of principles of state policy, to establishing of legal norms of the tourism market, at regulation tourist relations in the Azerbaijan Republic. One of priority directions of the Azerbaijani state tourism policy is the development of multilateral cooperation. In the years of independence number of important measures have been taken to create a multilateral and bilateral cooperation in the field of culture and tourism with more than 70 countries in Europe, Asia, America and Africa, in particular Germany, France, Austria, Switzerland, Russia, Saudi Arabia, Egypt, China, and others.

The disclosure of Azerbaijan's tourism potential and formation of the image of a tourist destination are the main purposes of the expansion of international relations of the Ministry of Culture and Tourism of Azerbaijan Republic. In this direction, active work was held by the Ministry. For example, in the open-air museum Minimundus, which is located in the Austrian city of Klagenfurt, was exhibit miniature of Maiden Tower, which is located in the capital of Azerbaijan, Baku. The author also wants to note the great importance of cultural relations between Azerbaijan and the Czech Republic, which has a long history that contains many interesting facts, replete with names of great musicians, artists, poets, dramatists.

At the current stage the cultural cooperation between the two countries is an efficient tool for creating long-term and trusting relations, for rapprochement and understanding of the positions of the two nations.

1.7. Modern state of tourism sector in the Republic of Azerbaijan

Currently, tourism in the Republic of Azerbaijan is increasingly developing. Implementation of state programs on tourism development is bearing fruit in the form of rapid development of this sector in Azerbaijan. According to the State Statistics Committee of Azerbaijan Republic, if in 2010 the number of foreigners who visited the country was 1 962.9 thousand (1 279.8 thousand people came for tourism), but in 2012 the figure was 2 484.1 thousand (1 985.9 thousand people came for tourism) (ref. Stat.gov.az., 'Statistics // Official Recourse Of Tourism And Services. The State Statistical Committee Of The Republic Of Azerbaijan.'. N.p., 2015.). (ref.table 11)

In the rating by World Economic Form (WEF) on the competitiveness of the travel and tourism sectors, in 2012 the Republic of Azerbaijan stood in the 78th place among 140 countries in the competition (ref. Reports | World Economic Forum., 'Azerbaijan // The 2013 Travel & Tourism Competitiveness Index (TTCI) [Electronic Resource]'. N.p., 2015.). Through in comparison with 2011 Azerbaijan stood in the 83rd place.

Over the past few years, the Republic of Azerbaijan has achieved great success in the integration into the global tourist space and expansion of international relations in this field. In order to develop tourism in the country state legislative and executive authorities of

Azerbaijan were adopted 60 laws in the field of culture and tourism from 1994 to 2011 (ref. Mct.gov.az., 'Tourism // Official Site Of The Ministry Of Culture And Tourism Of Azerbaijan Republic. [Electronic Resource]'. N.p., 2015.).

The main goal of the “State program of tourism development in the Republic of Azerbaijan in 2010-2014”, is the formation of Azerbaijan and its regions of modern tourism industry meeting high economic, social and environmental requirements and its transformation into one of the main pillars for the development of the national economy (ref. Mct.gov.az., 'State Program For Development In The Republic Of Azerbaijan In 2010-2014 Years // Official Site Of The Ministry Of Culture And Tourism Of Azerbaijan Republic. [Electronic Resource]'. N.p., 2015).

In spite of the attention of the government, there are still many social and economic problems in the tourism sector in the Republic of Azerbaijan. Firstly, it is underdeveloped hotel industry. In the majority of cities of the Republic with tourist potential, there is no hotel that could be compared in their infrastructure and a set of services with European hotels. One of the criteria is a low quality of service. The reason of it is a lack of qualified personnel and tourist services. Tourists, arriving from Europe and other countries in Azerbaijan, faced with discrepancy of price and quality services. The low quality of service in all sectors of the tourism industry is due to the low level of training. It is happening especially in the regions. However, first of all it is necessary to create cadres involved in the service, and attract professional personnel to this sphere. There is no such an element of the tourist industry, as scientific tourism services, organization for training and professional development of personnel of the tourism industry in Azerbaijan. There is no fully developed programs and appropriate methodological support, professional and educational standards in the field of tourism. In 2006, a tourist Institute was opened (Azerbaijan Tourism Institute). They prepare specialists for the tourism industry. But it should be noted the factor that such training should not be apart from science-based forecasting needs of tourist services. If it is possible to get independent structure and establish communication it will be a greater contribution to the development of tourism. Secondly, it is the high cost of hotel services. Average statistical tourists, who visited the country not for one day, just barely will be able to afford to stay at a hotel, paying for overnight stay in 5000 thousand kroons or 200 euro for 5 days (data for 2014), taking into account the cost of food, transport and excursions(ref. <http://www.tripadvisor.ru>) I should note that 3 star Empire Hotel offers 1000 thousand kroons per night. (ref.table 12)

Going to the problems, thirdly it is the high cost of airline tickets to Baku per person (data for 2014) (ref. Aviasales.ru., 'Price Tickets // Aviasales [Electronic Resource]'. N.p., 2015). The high cost of tickets for the flight is one of the reasons why foreigners prefer to spend their holidays in other countries, but not in Azerbaijan. After all, it is closer and cheaper to travel, for example, to Spain, Italy, France, Turkey, Egypt and other countries than to fly to Baku. It is expensive not only to fly to Azerbaijan, but also move within the country to other cities. Most regions of tourist interest are located at 100, and even 300 kilometers from the capital. For example, to reach the historic town of Sheki, in 305 kilometers from Baku, you have to travel 8 hours by train, or to order a tour already in place at local travel agencies. The Government of the Republic of Azerbaijan has repeatedly stated that it is ready to reduce prices on airfare, but the price of air tickets has not been reduced yet.

Fourth, there is lack of development of social, transport, information and infrastructure in country. There is no general information about tourist facilities and tourist infrastructure. For example, there is no adjusted bus network, for example, to get from the airport to the centre of Baku, so you need to take a taxi (25 euro) because public transport does not drive to the airport. In order to increase tourist arrivals it is necessary to produce guidebooks of new generation of the capital of Azerbaijan and its regions.

Fifth, it is a lack of a common tourist base. In order to come and travel within Azerbaijan, it is necessary to seek information, prepare an itinerary that not everyone is a potential tourist can or want to do. Here it is possible to develop card file of tour itinerary with support of GPS, various applications on the phone, which can help tourists traveling.

Sixth, it is a lack of event-projects that could attract tourists.

Seventh, it is a weak marketing promotion of the country on the world tourist market. Successful regional tourism development is impossible without widespread use of marketing instruments. Experts in the field of tourism are convinced that the marketing territory should begin by creating a recognizable image of the country, which will be recognizable among tourists.

Eighth, it is their safety. There is a perception in the media travel that the Republic of Azerbaijan, although politically stable state, but it is not particularly safe tourist destination. The State should act in two ways in this situation – to take measures to ensure the safety of tourism, and measures to create a more positive image of Azerbaijan as a safe destination to visit.

Conclusion: it is worth noting that sphere of tourist activity in the Republic of Azerbaijan in comparison with other countries for several reasons, is not sufficiently developed, but, despite this, Azerbaijan has a high tourist and recreational potential. It is important to note that a country like Azerbaijan should not exaggerate the importance of the raw wealth of the republic in the export gas, oil, of which there is a large amount in the country, and it should develop more perspective branches, and to pay more attention to this sector of the economy such as tourism (ref. *International Tourism And Tourism Development In Azerbaijan Republic. Baku. Eganly SG, 2003. p.9*).

1.8. The current state of tourism sector in Baku

What can Baku offer for the foreign tourists? First, you need to present the image of a tourist, draw a picture about the target audience of tourist visiting the Republic of Azerbaijan. For this purpose we need to refer to the statistics published on the official website of Tourism and Service of State Statistical Committee of Azerbaijan Republic. “The number of arrivals from abroad to the Republic of Azerbaijan for tourism in 2012” (ref. Stat.gov.az, 'Statistics // Official Recourse Of Tourism And Services. The State Statistical Committee Of The Republic Of Azerbaijan. Association [Electronic Resource]'. N.p., 2015.).

The old city, which is located in the heart of modern Baku, is already formed over the years the image of the city, which has its own unique history, and to prove it, I'll describe in detail what are the most famous tourist destinations in Baku. Inside the Old City there are a large number of ancient architectural constructions of different times, which is part of the cultural heritage of Azerbaijan. It is a place of pilgrimage for foreign tourists and the local population. There is an ancient fortress – the ensemble of ancient architectural monuments surrounded with thick walls. In the building were survived many monuments, which clearly show different number of periods in the development of Azerbaijani medieval architecture. The most magnificent and at the same time the most mysterious monument of Baku and, in particular, the “Old city ‘133 ancient fortress, is” Giz Galasi “-“ Maiden Tower “.

It consists of gray limestone, and it tapers to its upper part. But now inside of the tower houses a museum. Ancient utensils, carpets, amusing installations which were showing the life of XVIII – XIX centuries were exhibited as expositions (ref *Baku Architectural - Artistic Monuments. Bretanitsky LS, 1965. p.23-24.*). The tower was restored repeatedly. Nowadays the large market square and surrounded arcades were restored. Since 2000, the Maiden's Tower is included in the list of UNESCO monuments.

The second most important architectural monument of the Old Town and the part of an ancient fortress palace is ensemble of Shirvanshahov (ref. *Baku Architectural - Artistic Monuments*. Bretanitsky LS, 1965. p.40). It is the largest monument of Azerbaijani architecture.

There is another, attractive from the tourist point of view, architectural structure in the Old City – Mosque of Muhammad, also known as the Mosque Synygakala, the title of the minaret of the mosque – Synyk- kala (“Damaged Tower”) (ref. *Baku Architectural - Artistic Monuments*. Bretanitsky LS, 1965. p.15-16). This is the first building on the territory of Azerbaijan related with Islam, dated to the 1078-1079 years (ref. *Baku Architectural - Artistic Monuments*. Bretanitsky LS, 1965. p.15-16).

There are a few prototypes of the first inns – caravanserais inside the Old City. It is a place of tourist attraction, traveling with cognitive purposes.

Cultural and educational (excursion) tourism is developing here due to the existing monuments in Baku, international and national importance, local color and traditions, national holidays and national cuisine. Cultural and educational tourism requires certain infrastructure besides of the corresponding historical and cultural sites and traditions of the people. In addition to mandatory for all types of tourism means of accommodation and catering companies, this includes exhibition halls, sightseeing tour agency, tourist information centers, special signs (stands, showing the location of objects of tourist show within a separate ensemble and settlement), ring line bus tourist routes, rental centers (bicycles, cars).

Modern Baku is a symbiosis of buildings of XII and XXI centuries. Here are harmoniously combined ancient constructions of the Old Town with its innovative new, we can even say, cosmic buildings of the present century. This combination has been conceived by the Government of the Republic of Azerbaijan. Plan envisaged the construction of new hotels, museums, entertainment centers near the historic buildings and not in their place. Plan envisaged the construction of new hotels, museums, entertainment centers close to the historic buildings but not in their place. The state conducts a policy of preservation and maintenance of the historical heritage of Azerbaijan in an accessible form. Therefore, foreign tourists visiting Baku can notice the beauty of its architecture.

An incredible construction boom in Baku was observed in the last ten years – new hotels, office buildings, skyscrapers, modern art museums, shopping centers, parks and boulevards, it is all wonderful! This is an example of how it is possible organically to present contemporary art and architecture to the century-long course of richest history.

In continuation of this research it will be considered modern sights of Baku, which may attract to the country new streams of tourists. If the Maiden Tower in old City is the first and the ancient symbol of Baku, the new symbol of this city can be considered the cultural Center of the Heydar Aliev. On 10 may 2012 the Center was opened in Baku. The Center resembles a frozen wave and consists of three connecting parts. The park was built in the adjacent area. It has several hectares. On a plan of the authorities, this architectural monument should symbolize the modern developing Azerbaijan.

The following object worth seeing is the modern Carpet Museum. Azerbaijan since ancient times famous for the art of carpet weaving, and therefore it is not surprising that exactly here in Baku, Carpet Museum was opened.

In Baku during the Soviet times in 1960 funicular was built for the tourists and the local population. Funicular raises everyone to the top with a breathtaking view over the entire city. This event costs about thirty crowns.

One of the most recognizable buildings of modern Baku, and probably whole the Republic of Azerbaijan is a complex of three towers in the form of three tongues of fire- It is the Flame Towers. The huge tongues “flames”, took to the sky, located on a hill overlooking the Baku

Bay. Three high-rise buildings include a residential complex, a business center and hotel. The Towers completely covered with LED- screens that show movement of fire, foreseeable from the farthest points of the city (ref Azerizv.az., 'Azerbaijani News // Fire Tower Baku [Electronic Resource]'. N.p., 2015..). It is also important to note that the draft of Flame Towers in 2013 took the first place in the nomination “The best hotel and tourist center” at the prestigious international exhibition of innovative projects investment real estate MIPIM-2013, held at the Palace of Festivals in Cannes (ref. Azerizv.az., 'Azerbaijani News // Fire Tower Baku [Electronic Resource]'. N.p., 2015.). It should be noted that this is not the first recognition in the international level of success of the new Baku modern architectural design.

On May 2011 in Dusseldorf, Germany, the Republic of Azerbaijan won the right to host the Contest “Eurovision” in their country. Consequently, the 57th “Eurovision” Song Contest was held in the spring of 2012 in the capital of Azerbaijan, Baku. On the occasion of this event the Government of the Republic of Azerbaijan in short terms organized the construction of the concert palace of Baku Crystal Hall (Crystal Hall). It took the tourists from 43 European countries. It is about eleven thousand tourists. Before the song contest in Baku there was taken measures to improve the roads, were bought new cars – this is an exact copy of British cabs, just left-hand drive (ref. Azerizv.az., 'Azerbaijani News // Fire Tower Baku [Electronic Resource]'. N.p., 2015.). Famous Baku Boulevard was ennobled, it was stretched to the State Flag Square, and the famous landscape designers were involved (ref. Azerizv.az., 'Azerbaijani News // Fire Tower Baku [Electronic Resource]'. N.p., 2015.). On the occasion of Baku “Eurovision-2012”, on 10 February 2012, President Ilham Aliyev signed a new decree: The Decree of the President of the Republic of Azerbaijan on the simplification of visa procedures for foreigners and persons without citizenship visiting the Republic of Azerbaijan in connection with the Baku Eurovision Song Contest “Eurovision-2012” (ref. Azerizv.az., 'Azerbaijani News // Fire Tower Baku [Electronic Resource]'. N.p., 2015.).

1.9. Features of the infrastructure of Baku city

In recent years, the economy of Azerbaijan Republic demonstrated sustainable growth, but its authorities, realizing the country’s dependence on oil business, undertake more efforts to diversify, considering tourism (including business) one of priority directions. Baku is a confirmation of this fact. Trying to develop tourism in general, the Azerbaijani authorities put emphasis on a few of its tracks, one of which is MICE-tourism, which received priority in Baku. Baku is the largest city in the country and one of the centers of oil production. It hosts to people coming on business for a long time. Data of the Ministry of Culture and Tourism of Azerbaijan Republic say that at least 80% of the tourists begin their acquaintance with Azerbaijan begins with Baku, and in the case of the MICE segment, this figure approaches 100%. Most of the guests of Baku from abroad coming just for business purposes: it is about 66% of customers located in the city hotels are business travelers (ref. Azerbaijan.tourism.az., 'Business - Tourism // Azerbaijani Official Travel [Electronic Resource]'. N.p., 2015.).

If most of tourists coming to Azerbaijan are business travelers, so most of the hotels in the capital of Azerbaijan, are a luxury hotels, which in their turn, have a high price per night.

A lack of interactive whiteboards in the city or just attractions cards in the form of small billboards is the main disadvantage for the orientation of tourists in Baku and in the regions. More ideas are required for the development of monotonous designations and routes linking the main cultural tourist destination. The Government of the Republic of Azerbaijan should establish optimal conditions for available travel to the country in order to avoid reducing flow of tourists to the country. They need to create such a service that would allow the attendance of foreign tourists year by year. Without the implementation of the radical measures in these

areas Republic of Azerbaijan will not be ready for the tourist “boom” because of the low level of infrastructure and tourism industry as a whole. Availability of unique natural resources and rich cultural heritage is not a sufficient condition for the successful development of tourism.

1.10. Potential of the Republic of Azerbaijan, on the example of the city of Baku

Nowadays development of this region as Baku is one of the most urgent problems of urban development of the Azerbaijan Republic. On the modern stage of Baku is the only metropolis in the country and the core of Baku agglomeration. There is more than half of the population, the majority of the socio-cultural buildings, educational institutions, and industrial complexes of Azerbaijan. More than 70% of the industrial potential of the country is located in the Absheron economic region. This exceptional position of the city and the Absheron peninsula has developed historically. Today under the existing favorable investment climate Baku experiencing a new birth as a major economic and cultural center of the Caucasus.

There are already implemented some of the most ambitious projects in the world (Flame Tower, Heydar Aliyev Cultural Center, Crystal Hall), and it is planned to create an even more ambitious projects, which later will largely determine the tourist attraction of the region of Baku and Azerbaijan as a whole. Today in Baku has started the construction of artificial islands – “Caspian Islands”. The construction began in 2010. It is planned to build a variety of comprehensive recreational facilities on the islands that will meet the different needs of people in their leisure. The usage of high technology – computer systems, laser and light installations, digital projection, allowing creating all kinds of optical effects are necessary factors in the functioning of the islands and the buildings on them. The main goal of the islands is a creation of favorable conditions for the life of local residents and amusement and recreation for tourists of all ages. On the islands will be constructed tracks for competitions, “Formula 1”, that in the future will be able to provide large inflow of tourists into the country, sports fans. Therefore there will be the inflow of foreign currency in the economy of country. Another ambitious project on the islands will be the highest hotel in the world of 185 floors (1,050 meters), which is higher than complex of high-rise buildings built in Mecca, Saudi Arabia, and a skyscraper in Dubai, United Arab Emirates. The price policy of this hotel still unknown, but it is assumed that only wealthy people could be stay at this hotel. The created brand of the islands where hotel will be situated would imply luxury – vacation. Which, in turn, is not a plus for the development of mass tourism and affordable, which is so often mentions the Government of Azerbaijan. This in its turn is not a plus for the development of mass and accessible tourism, about which so often mentions the Government of Azerbaijan. However, in the Republic of Azerbaijan, with the completion of the islands and all the objects on it, there will appear a new bright and memorable image, and the country is now more than ever, will have a characteristic image, and will be unable remain unnoticed in the market of tourist services.

Another factor in attracting of potential tourists in the Republic of Azerbaijan will be the first European game in 2015 in the capital of Azerbaijan in Baku. This event should improve the country’s image and attract more foreign tourists. Preparation for it will cause the improvement of transport and hotel infrastructure. It will help the development of event tourism in the region. Among the advantages of event tourism is the off-season interest and a high level of profit. Event tourism in the Republic of Azerbaijan requires a serious development. Its economic effectiveness depends on the skillful promotion and advertising.

On the occasion of «I European Games 2015” was launched official web – site www.baku2015.com, which became a source of official news on the event. The official web – site provides people from all over the world the opportunity to receive information about sports, venue and scale of the first European Games.

Visitors of the website will be able to find out more about the geography, history, economy, culture of Azerbaijan. This was done for tourism purposes, to inculcate a greater interest in this event and to the country in particular. It is expected that as the next global events «I 2015 European Games” or under construction “Caspian Islands” in Baku, will also contribute to tourism development. Baku is becoming a popular holiday destination, but after European games and construction of on one of the artificial islands of the highest hotel in the world, will become more attractive destination for a holiday. Also, it can contribute to improving country’s image and attract more foreign tourists.

Conclusion: The competitiveness of the Republic of Azerbaijan is not high in the field of tourism, which currently takes one of the places in the global economy. It is not high because of the fact that the tourist infrastructure is not at a high level, and the prices of tourist services do not meet the price and quality. A natural wealth, varied climate, rich historical and cultural heritage – all this is important factors to create an attractive tourism product. Important role played that the state of Azerbaijan has announced tourism development as a priority direction of non-oil sector of economy. The implemented work in recent years in the country on the promotion of tourism, the ongoing reforms adopted government programs, improving regulatory framework it prove once again the attention of the Azerbaijani state in this area. The adoption in 2010 of the State Program “On the development of tourism in Azerbaijan in 2010-2014”, and the announcement by President Ilham Aliiev in 2011 in Azerbaijan “Tourism Year”, approval and implementation in connection with the wide Plan of measures are further proof to support the development of tourism in the state level (ref. Azerbaijan.tourism.az, 'Tourism Of Azerbaijan Official Travel Guide [Electronic Resource] .' N.p., 2015.).

Culture and Tourism Ministry provides focused efforts on the development of tourism in the Republic of Azerbaijan to the propaganda the rich tourism opportunities of the country abroad. Due to the propaganda work carried out by the Ministry of (the country’s participation in international tourism exhibitions, placement of advertising filmlet, reflecting the tourism potential of the republic, on the leading TV channels of the world, the organization of infotours to the country by tourism and the media in different countries), as well as close cooperation with international organizations of the Azerbaijan Republic has recognized as a new tourist space in the world.

The achieved successes are evidence of enhance the authority of the Azerbaijan Republic in the world. Also this is confirmed by the statistics in the field of tourism. According to the data for 2012 and the first half of 2013, if the increase in the number of tourists in the world and Europe was 5 percent, in Azerbaijan this figure was 10 percent.(ref.164) All this opens wide opportunities for Azerbaijan’s integration into the international tourist market, the further development of international cooperation in the field of tourism, enhancing dialogue between the two countries and further cooperation.

CHAPTER 4. Practical Part

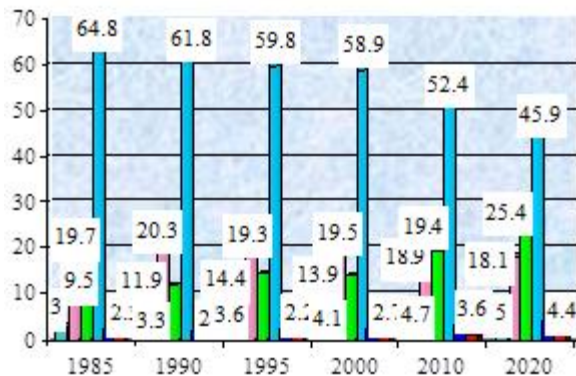
2.1. Forecasting of distribution of value of world region-wise entry tourism

Table 1

Forecasting of distribution of value of world region-wise entry tourism (international tourist arrivals, million people)

World regions	Arrival				Forecasting	
	1985	1990	1995	2000	2010	2020
Total	327,1	457,2	565,4	667,7	1006,4	1561,1
Africa	9,7	15,0	20,2	27,4	47,0	77,3
America (North and South)	64,3	92,8	108,9	130,2	190,4	282,3
East Asia (Region of Pacific Ocean)	31,1	54,6	81,4	92,9	195,2	397,2
Europe	212,0	282,7	338,4	393,4	527,3	717,0
Near East	7,5	9,0	12,4	18,3	35,9	68,5
South Asia	2,5	3,2	4,2	5,5	10,6	18,8

You can see the portion of regions in common world market on the diagram 1.



From diagram 1 you can see that to 2020 year according to forecasting Europe will maintain its leading positions, anyway countries of East Asia stable progresses on the tourism market, the portion of the countries of this region growth in every five year.

2.2. Tourism classification

Table 2(ref. *International Tourism*. M.A. Ananov, 1998. p.56-62)

Tourism classification

Tourism classification	Short characteristic
On goals	rout-informative; sport-healthful; business and congress-tourism; resort, medical; mountain skiing; festival; hunting; shop-tourism; religious; educational and so on.
On the degree of mobility	mobile; stationary; mix
On the form of participation	individual; group; family
On the age	adult; youth; children; mix
On continuation	One-day; multi-day; transit
On use of TM	automobile, railway; airplane; water; bicycle; horse; combined
On seasonally	Active tourist season, inter-seasonal, non-seasonal
On geography	intercontinental, international (interregional), regional, local, near-border
On the type of transportation	pedestrian, with using of traditional transport means, with using of exotic type of transport (rope way, funicular, dirigible, air balloon, delta plane)

We can use motivational factors as the characteristics allowing classify travels on type of tourism. Under such classification it should proceed from the main motive, promoted the man to start on a journey. Although the motives not always determined exactly, anyway we can separate six types of tourism in the system of its governance.

2.3. International arrivals and incomes from tourism

Table 3 (ref. Who.int., 'WHO | World Health Organization'. N.p., 2015.)

International arrivals and incomes from tourism in Europe

Country	International tourist arrivals				Incomes from international tourism			
	1000	Change, %		Portion, %	Million dollars	Change, %		Portion, %
	2002	01/00	02/01	2002	01/00	02/01	2002	
Europe	399,759	-0,5	2,3	100	240,490	-1,7	6,5	100
Australia	18,611	1.1	2.4	4.7	11,237	1.9	11.1	4.7
Belgium	6,724	-0.1	4.2	1.7	6,892	4.7	-0.2	2.9
Croatia	6,944	12.2	6.1	1.7	3,811	20.9	14.3	1.6
France	77,012	-2.6	2.4	19.3	32,329	-2.5	7.8	13.4
Germany	17,969	-5.9	0.6	4.5	19,158	-0.3	4.0	8.0
Greece	14,180	7.3	0.9	3.5	9,741	2.4	3.1	4.1
Hungary	15,870	-1.5	3.5	4.0	3,273	9.4	-13.2	1.4
Ireland	6,476	-4.4	1.9	1.6	3,089	7.0	10.7	1.3
Italy	39,799	-3.9	0.6	10.0	26,915	-6.2	4.3	11.2
Netherlands	9,595	-5.0	1.0	2.4	7,706	-6.8	14.6	3.2
Poland	13,980	-13.8	-6.8	3.5	4,500	-21.1	-6.5	1.9
Portugal	11,666	0.6	-4.1	2.9	5,919	4.2	7.5	2.5
Russia	7,943	5.3	7.3	2.0	4,188	3.8	17.6	1.7
Spain	51,748	4.6	3.3	12.9	33,609	4.5	2.2	14.0

Switzerland	10,000	-1.8	-7.4	2.5	7,628	-3.5	4.4	3.2
Turkey	12,782	12.5	18.5	3.2	9,010	-3.3	22.0	3.7
Ukraine	6,326	31.4	9.2	1.6	2,992	23.5	9.8	1.2
Great Britain	24,180	-9.4	5.9	6.0	17,591	-16.7	8.0	7.3

So, by examining of this table, we can make conclusion that more attractive tour for tourist is Europe. Europe saves its first place among other regions of the world on the number of accepted foreign tourists. In 2008 the international tourist arrivals made 400 million people. Incomes from international tourism increase up to 240 million dollars, and it's the number of 600 dollars for one tourist arrival, and we can look through these data.

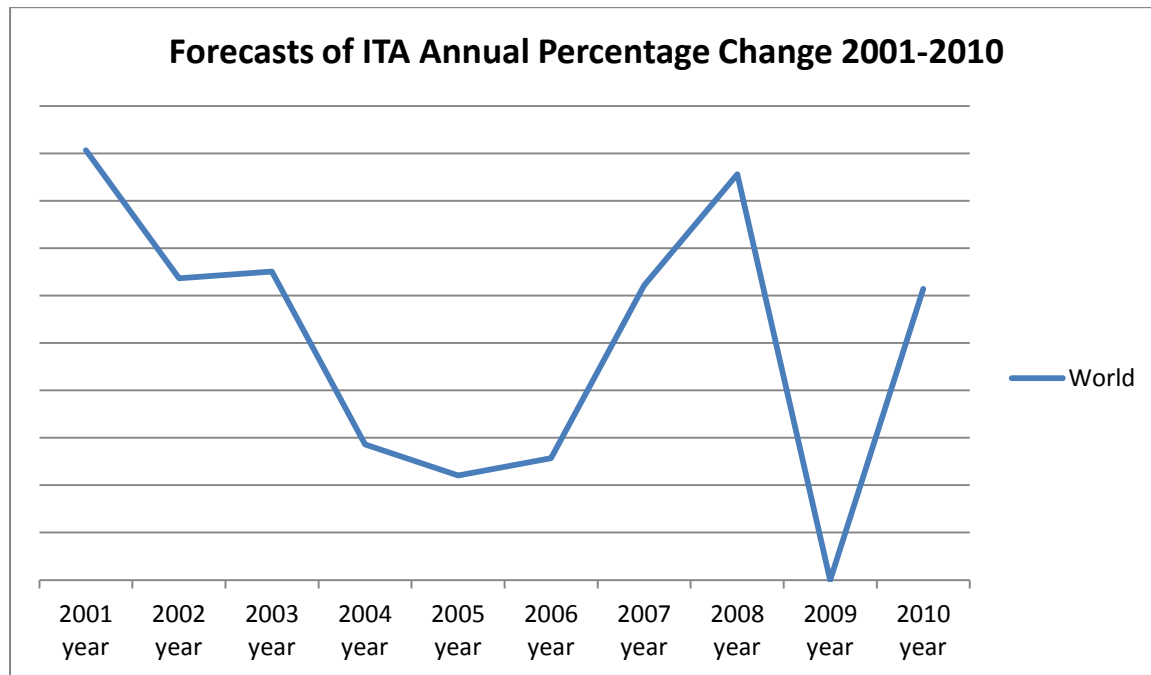


Table 4 (ref. Who.int., 'WHO | World Health Organization'. N.p., 2015.)

International arrivals and incomes from tourism in the regions of Asia and Pacific Ocean

Country	International tourist arrivals				Incomes from international tourism				
	1000	Change, %		Portion, %	Million dollars	Change, %		Portion, %	
		2002	01/00			02/01	01/00		02/01
Region of Asia and Pacific Ocean	131,295	5,1	8,4	100	94,697	1,2	7,7	100	
Australia	4,841	-1.5	-0.3	3.7	8,087	-9.8	6.1	8.5	
China	36,803	6.2	11.0	28.0	20,385	9.7	14.6	21.5	
Hong Kong (China)	16,566	5.1	20.7	12.6	10,117	5.0	22.2	10.7	
India	2,370	-4.2	-6.6	1.8	2,923	-4.0	-3.9	3.1	
Indonesia	5,033	1.8	-2.3	3.8	-	-5.9	-	-	
Japan	5,239	0.3	9.8	4.0	3,499	-2.1	6.0	3.7	
Korea	5,347	-3.3	3.9	4.1	5,277	-6.4	-	5.6	
							17.2		
Macao (China)	6,565	12.4	12.4	5.0	4,415	16.8	17.9	4.7	

Malaysia	13,292	25.0	4.0	10.1	6,785	39.7	6.4	7.2
New Zealand	2,045	6.9	7.1	1.6	2,918	4.2	25.0	3.1
Philippines	1,933	-9.8	7.6	1.5	1,741	-19.3	1.0	1.8
Singapore	6,996	-2.8	4.0	5.3	4,932	-15.6	-2.9	5.2
Taiwan	2,726	-0.3	4.2	2.1	4,197	6.7	5.2	4.4
Thailand	10,873	5.8	7.3	8.3	7,902	-5.5	11.7	8.3

Table 5 (ref. Who.int., 'WHO | World Health Organization'. N.p., 2015.)

International arrivals and incomes from tourism in Near East

Country	International tourist arrivals				Incomes from international tourism			
	1000	Change, %		Portion, %	Million dollars	Change, %		Portion, %
	2002	01/00	02/01	2002	01/00	02/01	2002	
Near East	27,594	-1,3	16,7	100	12,963	-5,2	10,0	100
Bahrain	3,167	15.2	13.6	11.5	–	9.9	–	–
Egypt	4,906	-14.8	12.6	17.8	3,764	-12.5	-0.9	29.0
Jordan	1,622	3.6	9.8	5.9	786	-3.0	12.3	6.1
Lebanon	956	12.9	14.2	3.5	956	12.8	14.2	7.4
Saudi Arabia	7,511	2.1	11.7	27.2	–	–	–	–
Syria	2,809	-6.9	–	10.2	1,366	–	–	10.5
UAE	5,445	5.8	31.7	19.7	1,328	5.1	24.8	10.2

In total in 2002 the region got 13 milliard dollars from international tourism that made about 470 dollars for one arrival.

Table 6

International tourist arrivals

International tourist arrivals (million people)					Growth (%)			Aver/annual growth (%)	
1990	1995	2000	2001	2002	00/99	01/00	02/01	90-00	
In the world	456,8	551,7	696,1	692,9	702,6	6,8	-0,5	3,1	4,3
Countries with transit economy	43,8	67,1	76,8	78,0	81,1	4,1	1,6	3,9	5,8

International tourist arrivals in countries with transit economy at the period from 2002 up to 2004 characterize the important growth in the industry of tourism sector.

2.4. Forecasting of arrivals of international tourists

Table 7 (ref. World-tourism.org., 'World Tourism'. N.p., 2015.)

Forecasting of arrivals of international tourists in the world and in the regions in 1995-2020 (million people)

In % to 1995	Years				
Region	1995	2000	2010	2020	2020
Europe	335	390	527	717	214,0
Pacific ocean	80	116	231	438	547,5
America	111	134	195	285	256,8

Africa	20	27	46	75	375,0
Middle East	14	19	37	69	492,9
South Asia	4	6	11	19	475,0
Total	564	692	1047	1602	284,0

Tourism development in the regions will be patchy. The highest temps of growth are expected in the countries of Asia and Pacific Ocean, in Europe and America they will be lower than common world. At the same time its expected increase of incomes from tourism- from 399 million dollars USA in 1995 up to 2 trillion dollars USA in 2020 or in 5 times. Also tourist expenses for one travel will increase from 707 dollars USA in 1995 up to 1248 dollars USA in 2020m or in 1,8 times.

2.5. Countries-leaders on tourist

Table 8 (ref. World-tourism.org., 'World Tourism'. N.p., 2015.)

Countries-leaders on tourist reception in 2020, tourist expenses

No	Country	Tourist arrival in million people	Portion in the world flow. %	Aver/annual growth (%) in 1995 – 2020 in %
1	China	137,1	8,6	8,0
2	USA	102,4	6,4	3,5
3	France	93,3	5,8	1,8
4	Spain	71,0	4,4	2,4
5	Hong Kong	59,3	3,7	7,3
6	Italy	52,9	3,3	2,2
7	Great Britain	52,8	3,3	3,0
8	Mexico	48,9	3,1	3,6
9	Russia	47,1	2,9	6,7
10	Czech Republic	44,1	2,7	4,0
Total		708,8	44,2	100

The most visited country will be China. High temps of growth are expected also in Hong Kong and Russia. The portion of China and Hong Kong will be 12,3% of common world flow. Very serious changes will occur in Russia: in 2020 the number of entry tourist will be in 1,54 time more than departure tourist. Czech will get great success among the European countries.

Table 9 (ref. World-tourism.org., 'World Tourism'. N.p., 2015.)

Countries-leaders on tourist departure in 2020

Countries	Departure of tourists in million people	Portion in the world flow in %
1	Germany	163.5
2	Japan	141.5
3	USA	123,3
4	China	100,0
5	Great Britain	96,1
6	France	37,6
7	Netherlands	35.4

8	Canada	31.3	2,0
9	Russia	30,5	1.9
10	Italy	29,7	1.9
Total	788,9	49.2	

The biggest tourist mobility of population is expected in Netherlands, Germany, Great Britain, Canada and Japan, where per one inhabitants will fall 1,5-2 trips abroad in a year. In most other countries, entering to top ten, tourist mobility will noticeably below the one.

2.6. Trendy marketing of the Azerbaijan Republic

Table 10

Questions	Answers
Do you know where Naftalan and Sheki are located?	Yes – 20% No – 80%
Do you know where Baku is located?	Yes -100% No -0%
Do you know anything about Azerbaijan?	Yes -92% No -8%
Do you know that the Republic of Azerbaijan develops tourism?	Yes -76% No -24%
Have you ever seen advertisement about tourism in the Republic of Azerbaijan on television or on the Internet?	Yes -44% No -56%
Have you ever read articles in magazines / newspapers about tourism in the Azerbaijan Republic?	Yes -42% No -58%
Do you think that Azerbaijan has a chance to become a popular tourist destination?	Yes -90% No -10%
Would you visit the Azerbaijan Republic in the next 2 years or a year?	Yes -74% No -26%
If you decide to visit the Republic of Azerbaijan and found out that only flight Prague-Baku-Prague will cost 10 million kroons per person, your decision would have changed?	Yes -42% No -58%

From the received data it is clear that:

- 1) Most of the respondents do not know where Sheki and Naftalan are located, although the government of Azerbaijan now develop tourism in these regions;
- 2) 100% of respondents know where Baku is located;

3) About 92% of respondents have any information about the Republic of Azerbaijan (mainly geographical position and that a country specializes in oil and gas production);

4) Only 76% of respondents know that the Republic of Azerbaijan develops tourism;

5) To the question: Have you ever seen advertisement about tourism in the Republic of Azerbaijan on television or on the Internet? 44% of respondents answered positively;

6) To the question: Have you ever read articles in magazines / newspapers about tourism in the Azerbaijan Republic? Only 42% of respondents answered positively;

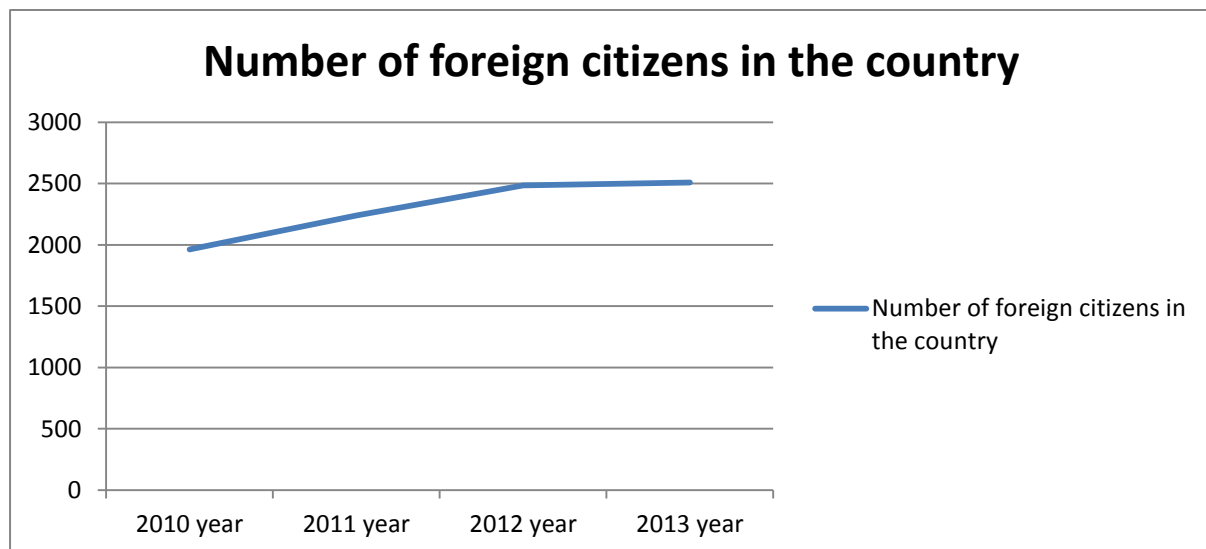
7) To the question: Do you think that Azerbaijan has a chance to become a popular tourist destination? Almost all of the respondents answered positively.

8) Only 74% of respondents would visit the Republic of Azerbaijan in the next 2 years, arguing their response that there is a more attractive country on the world map than the Republic of Azerbaijan. There were also replies about security, there is a fear of terrorism, but some of respondents mentioned that living in this country will be more expensive than for example in Europe;

9) About 42% of the respondents refused to visit the country, if they knew prices of airfare. They commented their reply saying that in addition to flight they will need to pay for housing, food, travel and tours.

Results of Internet - survey " **Trendy marketing of the Azerbaijan Republic**" compiled by the author.

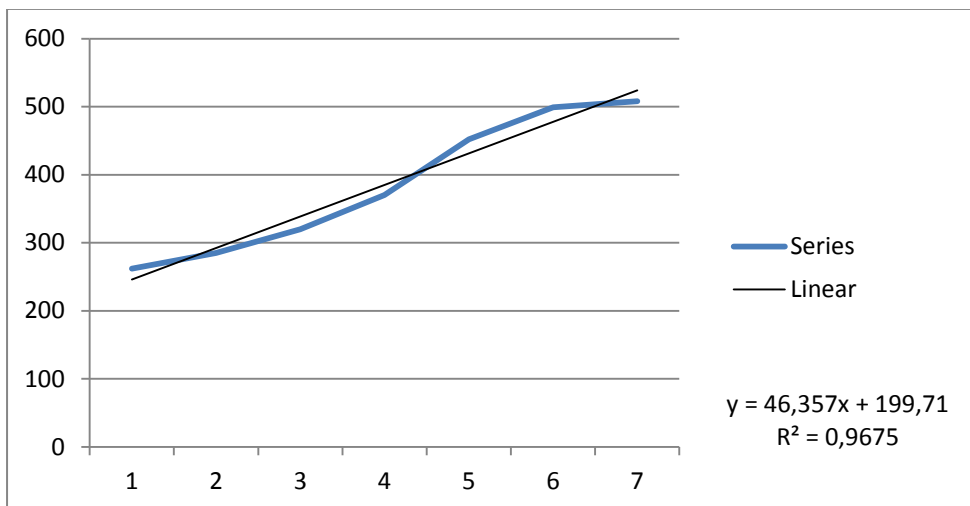
2.7. Modern state of tourism in Azerbaijan

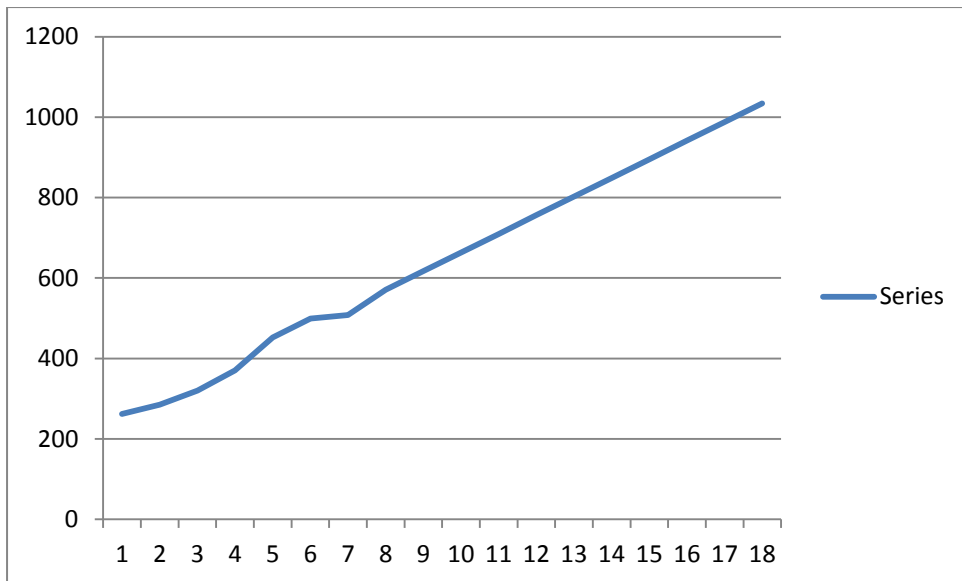


In this table author shows that the day-to-day in the Republic of Azerbaijan the number of foreign citizens increases. This shows that Azerbaijan is moving in the right direction of travel.

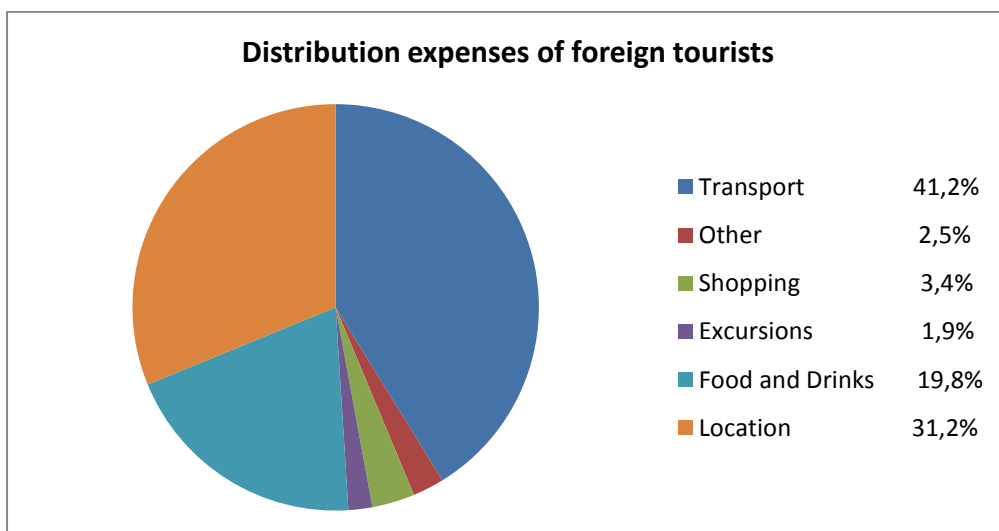


In the study, the author examined the prediction of the number of hotels:





For the supervision of the author, every year will increase the construction of hotels. More hotels, the more tourists. To this opinion leans author.



This is a very good indicator. Recently, the influx of tourists into the country increased, which is associated with a stable position in Azerbaijan. Author noted that the increased influx of tourists from more distant countries. In recent years we have seen an increase in the influx of tourists from Europe, the USA, the Far East, the Arab countries. Every tourist who arrives in Azerbaijan, spent mostly here to see prices for transport. This may be due to the fact that tourists are mostly travel in other cities. And it is primarily pleased that Azerbaijan spins not only their capital, but also its other cities.

2.8. Total number of foreign citizens in Azerbaijan

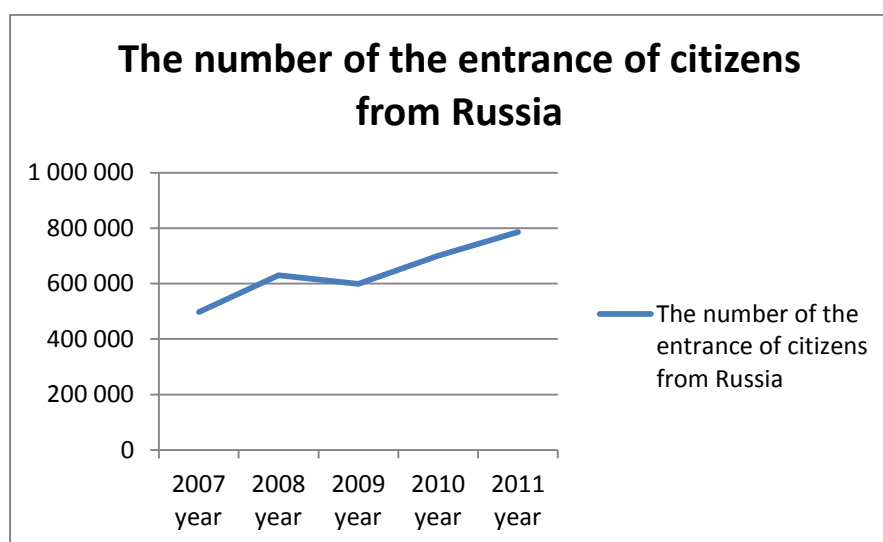
Statistics of entrance and departure of foreign citizens for the purpose of tourism in the Republic of Azerbaijan (by country)” (ref. Official recourse of Tourism and Services. The

State statistical Committee of the Republic of Azerbaijan. Association – URL: <http://www.azstat.org>).

Table 13

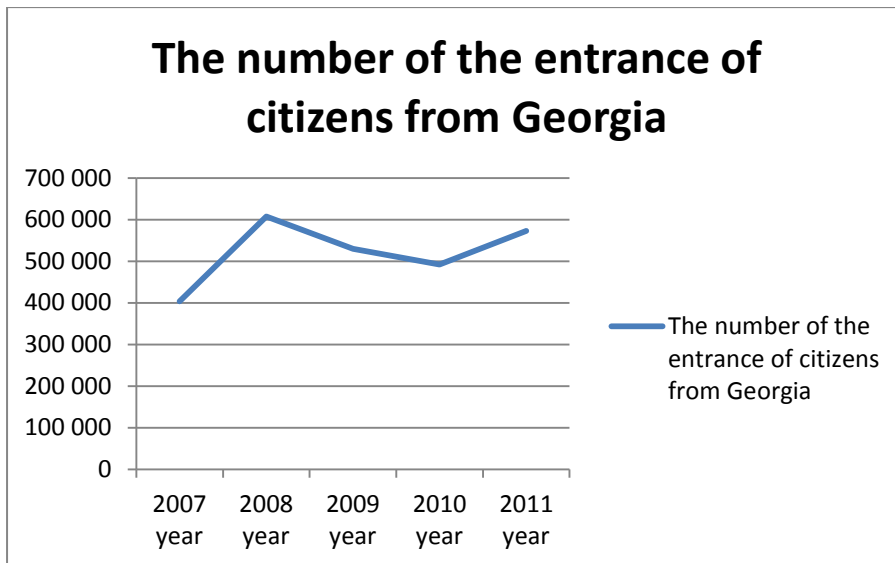
№	Country	Total number of foreign citizens (thous. People)
1	Russia	876,0
2	Georgia	763,2
3	Iran	283,7
4	Turkey	295,5
5	Ukraine	42,4
6	Great Britain	29,1
7	Kazakhstan	25,3
8	Germany	16,4
9	USA	13,7
10	Other countries	138,8

In 2006-2012 the number of foreign citizens visiting the country over the last 6 years was increased by 96.8% (ref. *IBID.*). The majority of visitors come from neighboring countries (Russia, Georgia, Turkey, Iran, and Kazakhstan). But despite all this, the interest of visitors from other countries and regions is increasing rapidly, for example, the number of EU citizens who visited Azerbaijan in the last 4 years has increased by 50%. This trend is justified by the increase in popularity of the country in different parts of the world due to an active foreign policy and conducive economic conditions.



The share of the tourism sector in Azerbaijan's GDP is 2.4%, or 1.3 billion manat. Over the past 5 years, Azerbaijan was one of the first places in the world on this indicator. It was difficult to hold on to this position, however, was the year when the influx of tourists has increased by 40%. Annual growth averaged 10-15%. The development of the tourism industry is under scrutiny the head of state, so the policy pursued in this direction will be continued. The figures show a large inflow of tourists to Azerbaijan from neighboring countries, such as Russia and Georgia.

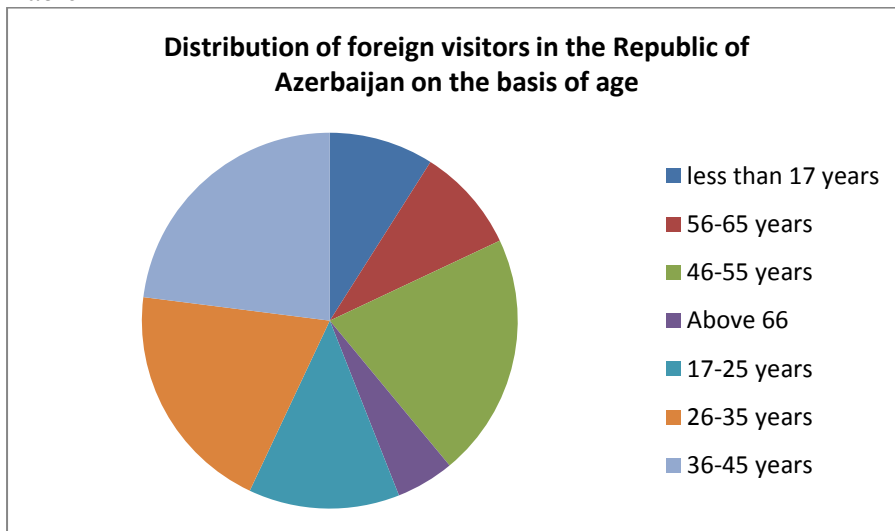
Azerbaijan is preparing to take in the future, a large number of tourists. Our task - primarily to acquaint Russia, Georgia and all neighboring countries with tourism potential of Azerbaijan, with the popular tourist destinations of the country and ensure that future increases in the influx of tourists to Azerbaijan.



2.9. Distribution of foreign tourists by gender

Statistics “Distribution of foreign tourists by gender”

Table 14



The age factor is the following factor of target audience determination, here the author will refer to Statistics “Distribution of foreign tourists arrived in Azerbaijan on the basis of age” and the separation factor for gender statistics “Distribution of foreign tourists by gender”,

which were given on the official website of Tourism and Service. State Statistical Committee of Azerbaijan Republic. Most of the foreign tourists are people from 36 to 45 years.

CHAPTER 5.CONCLUSION

Tourism is one of the priority sectors of the Azerbaijan Republic economy. It creates favorable conditions for the development of tourism infrastructure, determines and support priority directions of tourist activity, forms the idea about the Republic of Azerbaijan as a country favorable for tourism, provides support and protection, as well as applying of new technologies to the future development of the tourism industry.

The Republic of Azerbaijan has great recreational resources, very rich cultural heritage and it has favorable opportunities for the development of the tourism industry, in particular entrance and internal tourism. The development of tourist and recreational complex of the Azerbaijan Republic is carried out in line with global trends in the industry. Tourism development in the country is largely determined by government policy. Regulatory framework determines main goals, objectives, principles and directions of the state policy in the sphere of tourism. Thus, the integration of the Republic of Azerbaijan in the international tourist space is one of the most important strategic directions of the foreign policy of the independent Azerbaijan state.

Today, tourism is objectively one of the key sectors providing the density of cultural relations. With all its commercial attractiveness and profitability tourism also has an irreplaceable role in the cultural promotion and formation of the international image of the country. For all its commercial attractiveness and profitability tourism also plays an indispensable role in the cultural promotion and formation of the international image of the country. So, the author proved that the Republic of Azerbaijan has the opportunity to become a popular tourist destination.

The main purpose of the expansion of international relations of the Ministry of Culture and Tourism of Azerbaijan Republic is the disclosure of tourism potential of Azerbaijan and formation of the image of the tourist destination. In this direction, the Ministry carries out the active work. For example, there are regular meetings and close ties were established with the tourism departments of countries such as Turkey, Austria, Greece, Russia, Georgia, Ukraine, Uzbekistan and other. It is also carried out some work in scope of intergovernmental agreements of the Azerbaijan Republic in the field of tourism signed with Turkey, China, Uzbekistan, Kyrgyzstan, Poland, Italy, Ukraine, Georgia and Bulgaria. It holds regularly International industry exhibitions, and forums on various promising for the Republic of Azerbaijan 83 forms of tourism, there is an active work in creation of positive image of the country as a tourist destination. An important component of this image is that Azerbaijan is a participant of the Great Silk Road program, which in the future will help the country to distinguish among the competitors. Serious work has been done for the organization of the Eurovision Song Contest 2011 and the first European Games in 2015.

Thus, we can say that in recent years the tourism sector is developing by stable temps. Despite the great tourist potential of the Republic of Azerbaijan remains a country with a low level of its use. Formation of a qualitative tourism product, development of promotion strategy of internal tourism product, both in the internal and the international market, high-

quality program of advertising and information policy, creation of a system of professional personnel training, attraction of investments in the development of tourist and recreational infrastructure, provision of necessary certification and classification of tourist services by State, encourage of enterprises of the tourism industry are the necessary conditions for the successful development of internal and entrance tourism in the country. In general all those factors that will ensure the competitiveness of the tourism-recreation industry in the Republic of Azerbaijan. Thus formation, consumption and reproduction of tourist resources are directly related with the presence of elaborate infrastructure, industry of tourism and recreation.

Summarizing the results of given degree work, the author also wishes to note that currently the main task of the state of the Republic of Azerbaijan, is the development of strategies of tourist activity, determination of directions of development, creation of a modern highly effective and competitive tourist and recreational complex, providing wider opportunities to their meet.

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