

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Bachelor Thesis

Economic analysis of tourism in Uzbekistan

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Thesis title

Economic analysis of tourism in Uzbekistan

Objectives of thesis

The main purpose of this work is to assess and characterize the geographical natural-climatic, cultural, historical, economic and other factors and conditions for the development of tourism in Uzbekistan. The theoretical part consists of all basic definition and terms. Overview of the Uzbekistan was described. Furthermore, there was examined information about economic tourism, types of tourism and then the importance of the tourism. The second part of the bachelor thesis is analytical part.

Methodology

The statistical data was used to identify how the tourism in Uzbekistan was increased. Problems and prospects of tourism development in Uzbekistan were studied by the SWOT analysis. In the analytical part was chosen the SWOT analysis. The use of SWOT analysis allows maximize their strengths, minimize their weakness. The thesis also uses comparative and descriptive methods to reach its all of targets.

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Declaration

I declare that I have worked on my bachelor thesis titled "Economic analysis of tourism in Uzbekistan" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 28.11.2019 _____

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Ekonomická analýza cestovního ruchu v Uzbekistánu.

Souhrn: Cílem této bakalářské práce je zhodnotit cestovní ruch v Uzbekistánu. Určit slabiny a silné stránky ekonomiky cestovního ruchu v Uzbekistánu. První část je věnována vymezení cestovního ruchu a dopadu cestovního ruchu na ekonomiku. Druhá část je praktická, kde byla použita SWOT analýza identifikovat výhody a nevýhody cestovního ruchu v Uzbekistánu. Byly vyhodnoceny výsledky založené na kvalitativním a kvantitativním výzkumu založeném na stupni korelace mezi vybranými proměnnými cestovního ruchu se vypočítá regresní analýzou.

Klíčová slova: Uzbekistán, Swot analýza, cestovní ruch, statistické údaje, regresní analýza

Economic analysis of tourism in Uzbekistan

Summary: The aim in this bachelor thesis is to evaluate the tourism in Uzbekistan. To determine weaknesses and strengths in the economy of tourism in Uzbekistan. First part is dedicated to the definition of tourism and impact of tourism on the economy. The second part is a practical part, where the SWOT analysis was used to identify advantages and disadvantages of tourism in Uzbekistan. And, there was evaluate results based on qualitative and quantitative research based on the degree of correlation between chosen variables of tourism is calculated by regression analysis.

Keywords: Uzbekistan, Swot analysis, tourism, statistical data, regression analysis

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List of abbreviations

SWOT – Strengths Weaknesses Opportunities Threats

UZS- Uzbek SOM

UNESCO - United Nations Educational, Scientific and Cultural Organization

UNWTO - United Nations World Tourism Organization

WTTC - World Travel & Tourism Council

GDP – Gross Domestic Product

1. Introduction

In the Republic of Uzbekistan, the influence of the tourist industry on the country's economy is insignificant so far; tourism is financed on the basis of a residual basis. The actual absence of the full-fledged functioning of the tourism industry leads to the fact that Uzbekistan is losing billions of sums, which could go to the country's budget in case of an increase in tourist flow. Despite its enormous tourist potential, the country occupies a very modest place in the global tourist market.

The price level prevailing in the domestic tourism market is significantly higher than in the outbound tourism market, which implies consumer choice not in favor of the domestic producer. In addition, the low quality of tourist services in the Uzbek market predetermines their lack of competitiveness in the world. This Circumstances hinders the dynamic development of services, as the most promising direction of diversification of the economy of Uzbekistan. Scaling up the export of services and replacing them with imports requires the state to pursue an activity policy in certain sectors, particularly in the field of tourism.

This problem is particularly relevant for regions with unique natural, historical and cultural tourist resources. In the regard, it is necessary to adopt a set of measures for state support of the development of the tourism industry in the framework of republican and regional programs, as well as the allocation of significant funds, both in the form of direct investment and in the form of tax incentives.

The reason why I have chosen the topic ‘ ‘ Economic analysis of tourism in selected tourism’ ’ is because the tourism nowadays is the most popular part of world economic. By the Allan M. Williams; ‘ ‘ Tourism has been identified as one of the potential growth sectors in the mature economies.’ ’ And the importance of tourism is increasing every day. Tourism today plays a significant role in the foreign exchange earnings to the country, the formation of its gross national income and the provision of employment for its population. The increase in the flow of tourists has a significant impact on the development of such sectors of the economy of the country as a hospitality industry, transportation, public catering, and some certain branches of agriculture construction and industry.

2 Objectives and Methodology

2.1 Objectives

The main purpose of this work is to assess and characterize the geographical natural-climatic, cultural, historical, economic and other factors and conditions for the development of tourism in Uzbekistan. The theoretical part consists of all basic definition and terms. Overview of the Uzbekistan was described. Furthermore, there was examined information about economic tourism, types of tourism and then the importance of the tourism. The second part of the bachelor thesis is analytical part.

2.2 Methodology

The statistical data was used to identify how the tourism in Uzbekistan was increased. Problems and prospects of tourism development in Uzbekistan were studied by the SWOT analysis. The use of SWOT analysis allows maximize their strengths, minimize their weakness. The thesis also uses comparative and descriptive methods to reach its all of targets.

3. Literature Review

3.1 Definition of tourism

The definition of tourism varies from person and from source to source. There is no one certain definition in the world. The first one appeared in 1905 and was made by Guyer and Fueller. They defined tourism as “ A phenomenon unique to modern time which is dependent on the people’s increasing need for a change and relaxing, the wish of recognizing the beauties of nature and art and the belief that nature gives happiness to human beings. Kamado wrote in the book "Introduction to Tourism" that tourism is an invention. The word was unknown in the English language until the last century. The World Tourism Organization "Tourism" includes the activities of persons who, for leisure, business or other activities, which are not related to the exercise of a locally remunerated activity, do not travel not out of their usual environment more than a year in a row and visit there visited "

According to the 1982 "Mathieson and Wall" book, the definition of tourism was: "The temporary transfer of persons to destinations other than their place of work or usual place of residence, the activities undertaken during their stay in those destinations and the Another Oxford dictionary definition (2015) suggests that tourism is "the commercial organization and execution of vacations and sightseeing

In 1976, the Tourism Society of England defined tourism as: "the temporary, short-term movement of people to destination outside the places where they normally live and work and their activities during the stay at each destination. It includes movements for all purposes"(Beaver,2002)

In Uzbekistan, since tourist and spa facilities are managed by different systems, the concept of "tourist" has been limited to participants in tours and hikes and has been separated from the concept of "recreation" in sanatoriums and nursing homes. In other countries, different types of leisure activities are often defined differently.

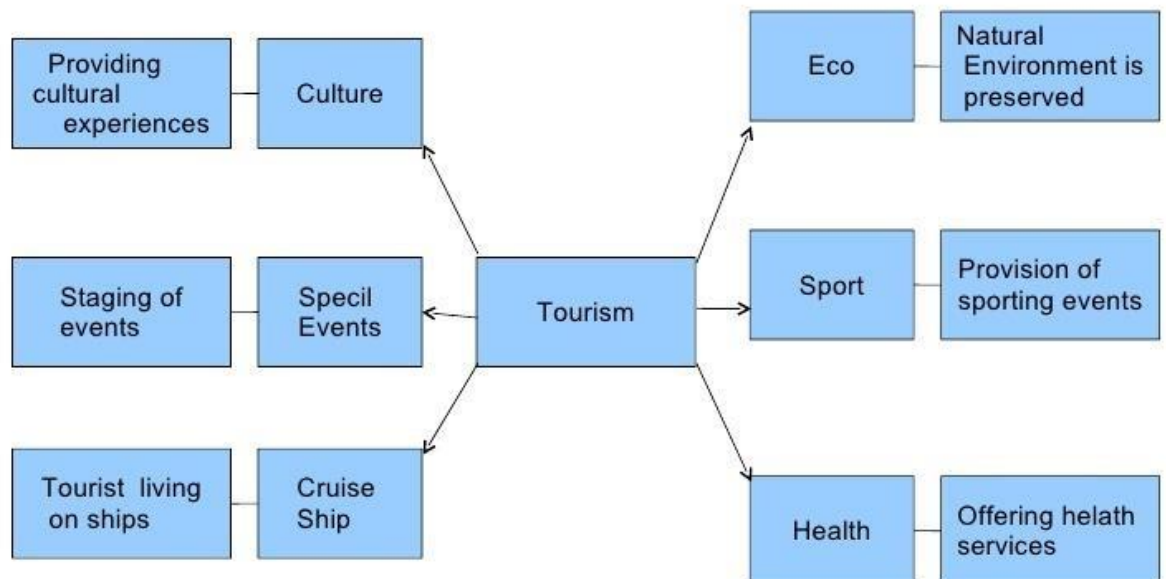
For many centuries, humanity has traveled to develop new countries, develop commercial, educational, religious and health goals. Despite the active development of the tourism sector, there is still no consensus on the interpretation of the nature of educational tourism and its conceptual apparatus. This problem is inherent in some types of tourism, which also shows the positive development dynamics. Among them is educational tourism, which is divided according to the main purpose of the trip.

There are many definitions for the term tourism. We can also divide tourism into several categories. For example: It can be international if you are traveling abroad or in the country, when tourism is supposed to travel in the country. Another category of tourism refers to the length of stay. Term stay. Depending on the type of organization, it may be an individual visit or a group. Another category depends on the type of transport: roads (cars, buses and motorbikes), railways (regular and irregular connections), air (regular and irregular connections), water (fluvial and maritime), others (hiking tourism, cycling), nautical tourism), The following category depends on the purpose of the trip: purpose of the leisure trip: leisure or business.

3.2 Types of tourism

Figure 1: Types of tourism

Types of Tourism



Source: Tourism classification, oer.nios.ac.in, 2015

There are a lot of classification of tourism. The first classification of tourism was appeared in Poser in 1939. Poser distinguished several types of tourism: tourism by transit, summer relaxation, winter sport and short distance relaxation. The United Nations (2008) identified three forms of tourism:

- Domestic tourism, involving residents of one country traveling only within that country

- Outbound tourism is activity of traveling to a foreign country by the residential citizen
- Inbound tourism is non-residents traveling in the given country Generally, there can be distinguished types of tourism:

Ecotourism is a type of nature-based tourism activity in which the visitor essential motivation is to observe, learn, discover, experience and appreciate biological and cultural diversity with a responsible attitude to protect the integrity of the ecosystem and enhance the well-being of the local community.

Sport tourism is a sport and the excitement and enjoyment it offers, as its basic. It can be either active or passive in nature, which means one can either travel to another to participate in sport, or just to watch it being played

Health tourism constitutes the travel of patience from one place to the other to acquire proper medical care and treatment.

Cultural tourism is a type of tourism activity in which the visitor essential motivation is learn, discover, experience and consume the tangible and intangible cultural attractions in a tourism destination.

Religion tourism involves followers of faiths visiting locations that some people regard as holy sites.

Business tourism is a type of tourism activity in which visitors travel for a specific professional or business purpose to a place outside their workplace and residence with the aim of attending a meeting an activity or an event.

3.3 The current state of the tourism industry in Uzbekistan

For an accurate analysis of the current state of the tourism industry, it is necessary to identify all the positive and negative aspects of the development of this industry that have a direct impact on the activities of Uzbek tourism.

It should be noted that currently the infrastructure in Uzbekistan can receive foreign guests at the proper level. There are several series problems that impede the free movement of foreign tourists in Uzbekistan. The main problems of infrastructure in the republic include the following:

The sharp reduction in the flow of tourists from neighboring countries. The absence of condition for the normal movement of foreign tourists in the CIS countries. Existing visa and customs requirements hamper the development of the tourism industry in Uzbekistan. The lack of normal conditions for the acceptance of foreign tourists at airports in the republic. It is known that the first impression of guests from Uzbekistan is far from positive due to poor conditions at the airport and not unfriendly attitude of the staff.

High operating costs of hotels and restaurants facilities (65-70% of costs), which dictate a higher cost of living in the hotel industry than in the private sector (10 times expensive)

Lack of travel agencies in major cities of Uzbekistan and abroad for the implementation of tourist services of all households and their advertising, the number of visitors and accordingly, the volume of foreign exchange earnings is unrealistic. Consequently, the state of infrastructure directly affects the level of development of tourism and the formation of the country's image. And it should be noted that the tourism infrastructure in Uzbekistan is distributed very unevenly. In the city of Tashkent and the Tashkent region concentrated 36% of the total tourism potential. More than 73% have three regions (Tashkent, Samarkand, Bukhara) and the city of Tashkent, the Ferghana region should have a 19% of tourism infrastructure.

3.4 Types of tourism product intended in the Republic of Uzbekistan

Today, many travel agencies offer their clients a wide range of tours to Uzbekistan, covering various parts of this interesting country, the ancient culture, traditions, monuments and historical heritage which attract tourists from all over the world. Effectively applying in their work, the principles of providing fast, high-quality and low-cost services travel agencies are trying to dispel the myth that a tour to Uzbekistan is always expensive. With the right choice of a professional tour operator, your trip will be pleasant, rich and quite affordable. Thanks to cost control, high professionalism of our employees, effective organization of work with local partners, creative and individual approach to each request, we provide competitive prices, excellent service and several interesting tourists offers for Uzbekistan and Central Asian countries. Historical tours to Uzbekistan. On the territory of Uzbekistan there are beautiful cities with hundreds of architectural monuments of different

eras. Among them are Samarkand, Bukhara, Khiva and Sharia. These cities, the same age as the most ancient civilizations of the world, like Greece, Rome, China, India, were centers of science and culture. Luxurious palaces, slender minarets, elegant mosques and strict mausoleums were created by famous architects all over the world. Many of these masterpieces, alas, have not survived to the present. But! Even those monuments of architecture and art that have survived to this day perfectly recreate the picture of the distant past of this amazing, unique, ancient and at the same time eternally young region, whose name is "Uzbekistan." Adventure and extreme tours to Uzbekistan. With this type of tours travel company makes you an offer that is impossible to refuse. Hike, trekking, horseback riding, camel and extreme tours in the mountains and deserts of Uzbekistan, which are accompanied by interesting programs.

Tour to sunny Uzbekistan, acquaintance with its historical heritage and modern sights, warm meetings with the inhabitants of this friendly country, acquaintance with local culture and customs, famous Uzbek cuisine, delicious, sweet, like nectar, natural fruits and rest, worthy of caliphs and padishahs - this is more than enough to consider travel to Uzbekistan unforgettable, and the oriental tale is just beginning ... Most often, tourists are remembered when they find themselves in the picturesque Ugo tract -Chakalaka National Park or look down from the top of Big Chaman to widely extend the valley ... the travel company offers to spend a wonderful vacation in the mountains of Uzbekistan, which is home to some of the best ski resorts in Central Asia "Chaman" and "Balderas". Talk about their virtues can be infinite. Day trips in Uzbekistan. For real fans and lovers of travel every new trip, excursion, tour is another opportunity to discover something new. This is an opportunity to replenish the piggy bank your knowledge, impressions and, if you like, victories. It is for such inquisitive, active, inquisitive and restless natures that the excursions are held

Uzbekistan is turning into one of the most attractive places for descents from mountain peaks on skis and snowboards through virgin snow. For such occupations, the mountains of the Western Tien Shan, just an hour away by car from the capital of Uzbekistan, Tashkent, are considered by freeride enthusiasts to be an exceptionally favorable combination of snow cover quality, terrain relief and climatic conditions. Freeride in

Uzbekistan is one of the youngest, but rapidly developing extreme types of recreation

3.5 International tourism in the world economy

3.5.1 International tourism arrivals by region

The map below demonstrates the international tourist arrivals in country: United States, Europe, Asia Pacific, Middle East, and Africa in 2017. If we compared to the last year in 2017 the international tourists increased by around 8% It is a good indicator than last year. This indicator will increase very high in near future.

The map below (picture 2) demonstrate that the most popular direction for tourists was Europe in the world. About 671 million tourists visited the Europe in 2017. And the second largest direction was Asian Pacific it is about 324 million tourists visited the Asian Pacific in 2017 by the world tourism organization (UNWTO).

Figure 2 International tourist arrivals (2017)



INTERNATIONAL TOURISM 2017

International tourist arrivals: 1,323 million
International tourism receipts: US\$ 1,226 billion*



* 2016 data

Source: © UNWTO Barometer 2018 - World Tourism Organization (UNWTO), April 2018

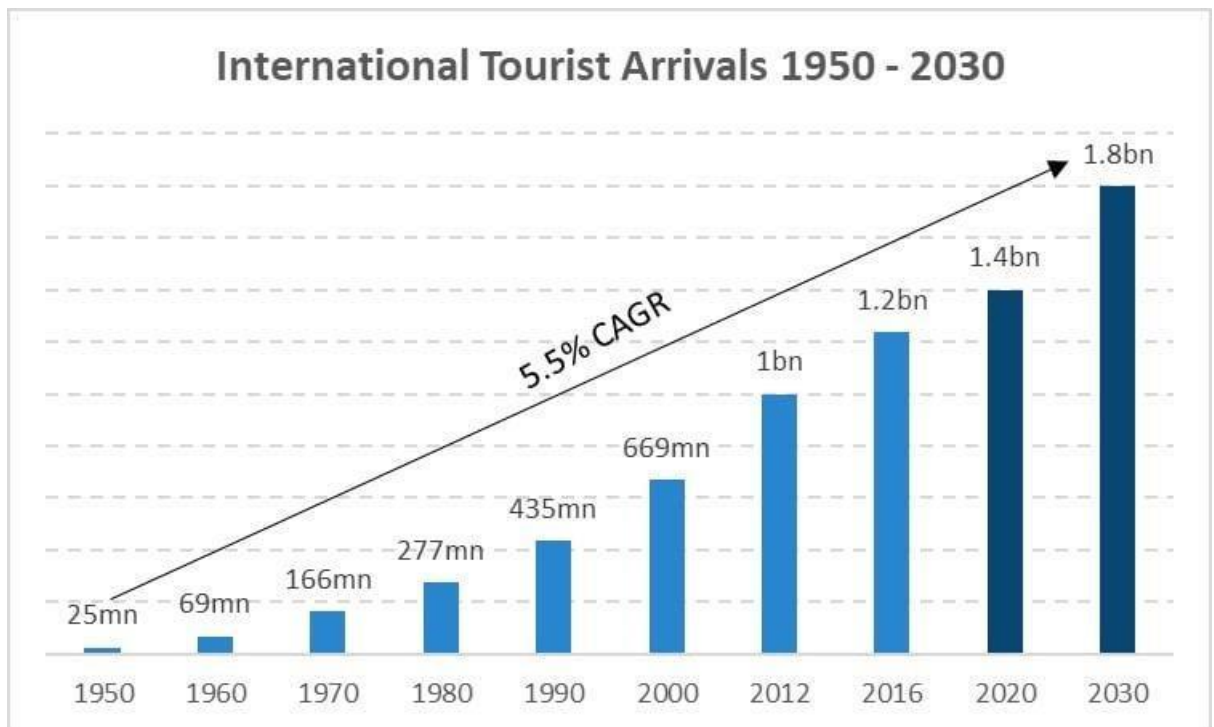
Source: WTO (2017)

3.5.2 International tourism arrivals

The graph below (figure 3) demonstrates that International tourists' arrivals from 1960-2030 the indicators are increased and will continue to increase sharply with a high

success. If we see in 2020 it will reach about 1.4 billion compared to in 2016. This indicator will show in 2030 the number of international arrivals will increase up to 1.8 billion.

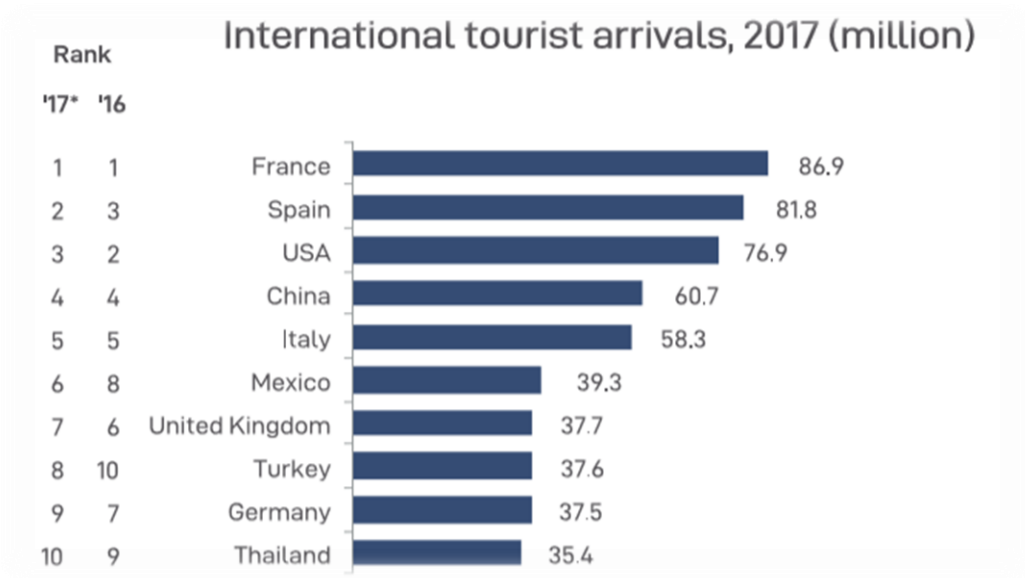
Figure 3. International tourist arrivals: 1950 – 2030



Source: UNWTO World Tourism Barometer

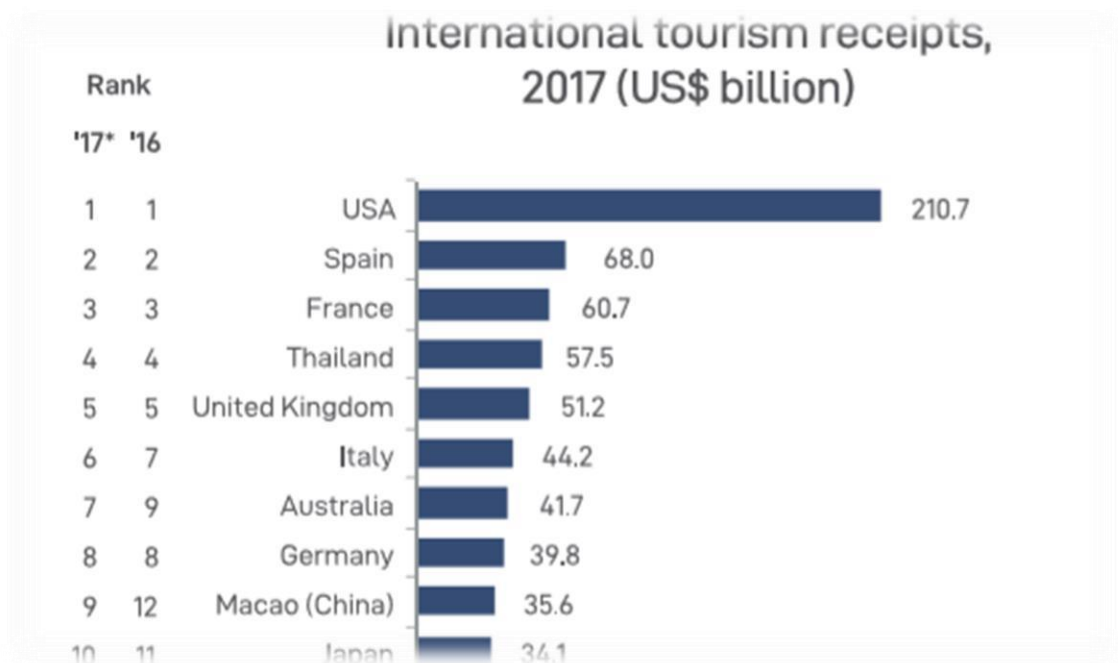
3.5.3 International tourism destinations and receipt

Figure 4 International tourist arrivals



Source: World Tourism Organization (UNWTO)

Figure 5 International tourist receipts



Source: World Tourism Organization (UNWTO)

In 2017, some changes took place that four destinations moved up in the top ten ranking by international tourism receipts and three in the ranking by international tourist arrivals. Spain climbed from third to second place in arrivals and held on to second position in receipts to become the world's second largest destination by the international tourist arrivals and receipts. And Japan entered the top ten of receipts after six straight years. However, from this picture (4) we can be noticed that France was the most visited country in the world in 2017.

3.6 Tourism in Uzbekistan

Uzbekistan is in Central Asia, The country borders with Tajikistan to the southwest, Turkmenistan and Afghanistan to the southwest and Kyrgyzstan to the northeast. Uzbekistan is one of the largest Central Asian states and the only Central Asian state to border all the other four. Uzbekistan is a dry landlocked country. It is one or two double landlocked countries in the world. Uzbekistan has an area of 447,400 square kilometres. The capital of the Uzbekistan is Tashkent. Tashkent is one of the most touristic Place in the country. In Uzbekistan have more historical regions: Bukhara, Samarkand, Chores, Khiva. The climate in Uzbekistan is moderately continental, with four seasons, winter, autumn, spring, and summer, the population in Uzbekistan is about 34 million people. The largest regions are Naoi, Samarqand, Andijan. The official language in Uzbekistan is Uzbek language and Uzbekistan have some different minerals such as gold, silver, gas, coal and gasses. Uzbekistan is country with potential for an expended tourism industry. Many of its Central Asian cities were main points of trade on the Silk Road, linking Eastern and Western civilizations. Today he museums of Uzbekistan store over two million artifacts, evidence of the unique historical, cultural and spiritual life of the Central Asian peoples that have lived in the region. Uzbekistan attracts tourists with its historical archeological, architectural, and natural treasures

3.6.1 Tourist attractions in Uzbekistan

In Uzbekistan have more attractions to visit such as: Tashkent, Samarkand, Bukhara, Tashkent is the capital of Uzbekistan, is the most beautiful city of the country. The city is linked with well-developed streets and avenues, which are decorated with gardens, fountains and green parks. There are several tourist attractions in the wonderful city such as its historical monuments namely Architectural Complex Zeng-Ata. Arts and Crafts shops like Alay ski Bazaar and drama theatres. There are a lot of attractions to visit. Lake Carval Tashkent is a popular resort in Tashkent and several holiday makers from all over Uzbekistan and neighbouring countries visit the reservoir. Villages on the banks and surroundings offer wide range of hotels, dachas, houses to accommodate tourists. Chaman Mountain is popular ski resort of Uzbekistan, located 80 km from Tashkent on slopes, of Chaman Mountains, the part of Chital range of western Tian- Shan, Tourist complex Chaman includes the number of high-rise buildings, hotel, cottages, cable rail road, shops, bars, restaurants and other recreation institutions. One city stands as being “the Heart of Great Silk Road” that is Samarkand. It is UNESCO World Heritage site and many unique monuments and architectural constructions in these towns remain genuine and are samples of an era that played a significant role in history. The best Places to Visit in Samarkand is Gur-e Amir Mausoleum is named after Asian conqueror Tamerlane, also known as Timur in Samarkand. Bukhara, first time visitors can find numbers of Architectural monuments in Bukhara dating back to the Middle Ages. Fortress Ark one of the oldest monuments of Bukhara is in the heart of the city, which one was place of rulers and their servants of that time. The Great historical Silk Road is passing through Bukhara. Some worth watching attractions of the city are Bukhara museum, theatres and galleries.

3.6.2 Accommodation facilities in Uzbekistan

In Uzbekistan there are almost 4000 accommodation establishments as of 2018. The number of accommodations lowers compared to previous years due to low standard accommodation facilities such as camps, pensions, guesthouses. In Uzbekistan more than 700 hotels are four or five-star and they offer the room that costs up 80000 UZS per night.

The cheapest room can be rented at a price from 15000 UZS depending on a discount which is often put on accommodation (Uzbek statistic office)

3.7 Economics of tourism

3.7.1 Demand

Tourism demand is a broad term that covers the factor governing the level of demand, the spatial characteristics of demand, different of types of demand and the motives for making such demands (Cooper,2004) There are three main types of demand are an actual, suppressed and latent demand. Actual demand is effective demand comes from tourists who are involved in the actual process of tourism. Suppressed demand consists of the people who are not travelling for some reason. And third one is latent demand.

It relates to the spatial and temporal expression of demand at a specific site,

The most major tourism demand determinants are price (exchange rate) and income the exogenous determinants are general business trends, development in use of technologies and communication, economic growth, the social and political issues of a destination, and finally the advancement and availability of supply sources (Ioannides, and Debbage,1998)

3.7.2 Supply

Tourism is the aggregate of all tourism-related sectors whose activities provide good and services required to meet tourism demand. Components of tourism supply are infrastructure, superstructure, attractions, promotion and destination image (Ioannides and Debbage,1998)

3.7.3 Multiplier Effect

The multiplier effect when new demand is added into the circular flow. New demand generates extra income that lead to more spending and thus it creates more income. The multiplier income demonstrates the increase in final income which was created by change in the spending (Economics Online 2019).

The total multiplier effect of 1USD in tourism accounts to 3.2 USD whereas in other economics it generates about 2.7 USD. The multiplier effect in the tourism industry is

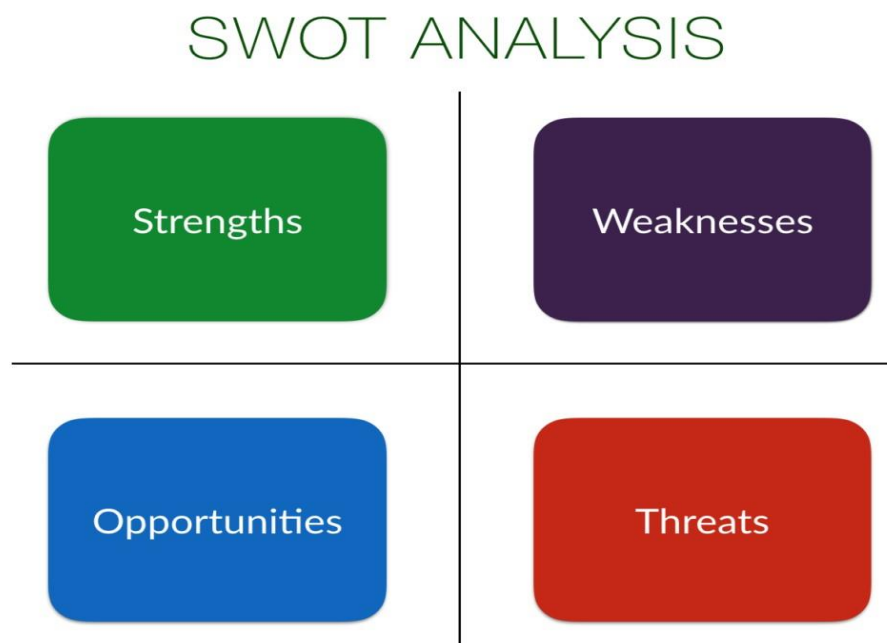
considered the third most important after the chemical and automotive industries (Palatkova,2011)

4.Practical Part

4.1 The SWOT analysis

In 2006, International tourist arrivals to the Uzbekistan amounted about 4,2 million people. Revenues from tourism in 2016 in Uzbekistan amounted to 2,6 billion dollars. Uzbekistan has a great potential in the tourism, as a coin two sides, there are some weak sides exist. For the analytical part was used SWOT method. Which consists of four categories: strengths, weaknesses, opportunities, and threats.

Figure 6. SWOT analysis



Source: Research Methodology

4.1.1 Definition of SWOT analysis

The acronym of the SWOT analysis was first introduced in 1963 at the Harvard conference on business policy issues by Professor Kenneth Andrews. Initially, the SWOT analysis was based on the scoring and structuring of knowledge about the current situation and trends.

Since SWOT analysis in general does not contain economic categories, it can be applied to any organization, individual people and countries for building strategies in a wide variety of areas of activity.

The procedure for carrying out SWOT analysis in its general form is to fill the matrix, which reflects and then compares to strengths and weaknesses of the enterprise and the opportunities and threats of the market. This comparison allows to determine what steps can be taken to develop the enterprise, as well as what problems need to urgently to be solve.

4.1.2 SWOT analysis of Uzbekistan

SWOT analysis allows to identify the key success factors there are advantages of the region, the most conducive to tourism industry. According to the data below shows that there are targeting evaluation of weak and strong sides of the Uzbekistan.

Table 1 Swot analysis

Strengths	Weaknesses	Opportunities	Threats
Variety monuments of tangible and intangible cultural heritage	Uninteresting, boring Soviet- type buildings, it seems that cities and towns are very boring.	There are many unexplored tourist places in Uzbekistan	. The main threat now is the devaluation of the dollar against the som. In the past two years, there have been huge leaps in the exchange rate.
The presence of a Large number of Architectural monuments	Poor transport accessibility of tourist destinations.	With many mineral sources and spring in the mountain region, Uzbekistan has huge potential for recreational tourism.	Political instability in the neighboring republics of Tajikistan and Afghanistan
The rich and interesting history of the region	There is a low quality of additional services in tourism	. There are also a lot of potential for other forms of tourism- medical, business and adventure.	Increasing prices every year and tourists visit other countries such as: Tajikistan, Turkmenistan
Friendly and hospitable Uzbek people	Expensive hotel rates and transport services	Accessibility of other monuments, entry in the UNESCO list	.

The cities of Uzbekistan are known to be calm and peaceful, often loved by cultural lovers and senior tourists.	Across the world there is perception that Uzbekistan offers only cultural, archaeological sites to visit.		
It has plethora of archaeological sites and natural beauties.	. Lack of Knowledge about Uzbek monuments		

Source: Own Processed by MS Excel

4.1.3 Strengths

In Uzbekistan is one of the best directions for tourists with it's beautiful and attractive historical places in Central Asia. Nowadays, Uzbekistan have a good connect with neighbor and most of tourists can travel to Uzbekistan by train, bus, minibus, or car. The Uzbek people is very friendly and hospitable not only for tourists but also, it's population.

4.1.4 Weaknesses

As a coin two sides, every country has also some disadvantage sides, Uzbekistan is not exception, Uzbekistan has a lot of Soviet type of buildings in the cities and also in urban Areas that is very boring for that country tourists who was Soviet Union. And some services In Uzbekistan the tourism is developing every year, but there are exist some problems with poor transport accessibility of tourist destinations.

4.1.5 Opportunities

In Uzbekistan, there are many historical monuments and places to visit for tourist but also many unexplored tourist places exist that it will be big potential for Uzbekistan in near future.

There are also a lot of potential for other forms of tourism- medical, business and adventure. Uzbekistan is surrounded with many mineral sources and spring in the mountain region, Uzbekistan has huge potential for recreational tourism.

4.1.6 Threats

The increasing of prices for accommodation and meals and other in Uzbek capital. It is one of the most important tourist centers of the country, as a result outflow of tourists to neighboring cheaper country such as: Tajikistan, Turkmenistan.

The main threat now is the devaluation of the dollar against the som. In the past two years, there have been huge leaps in the exchange rate.

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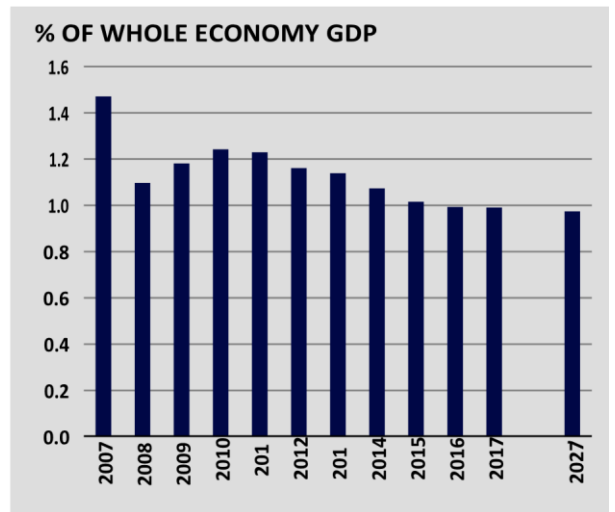
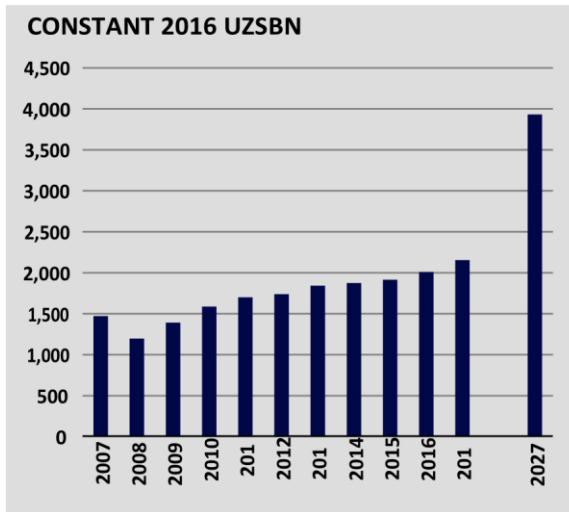
4.2 Analytical part

4.2.1 Contribution of tourism to the GDP in Uzbekistan

Figure 7 below shows that the direct contribution of tourism to GDP in 2017 made 2.220.1 billion Sumy (0.9% of GDP). According to forecast, in 2018 this indicator will grow by 4.5% up to 2,319.8 billion Sumy. It first reflects the economic activity created by such industries as hotels, travel agents, airlines, and other passenger traffic. The activity of the restaurant industry and industry of rest which is directly supported by tourists.

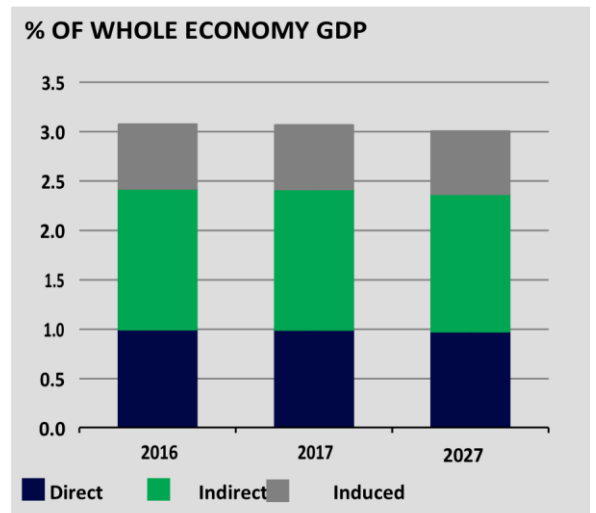
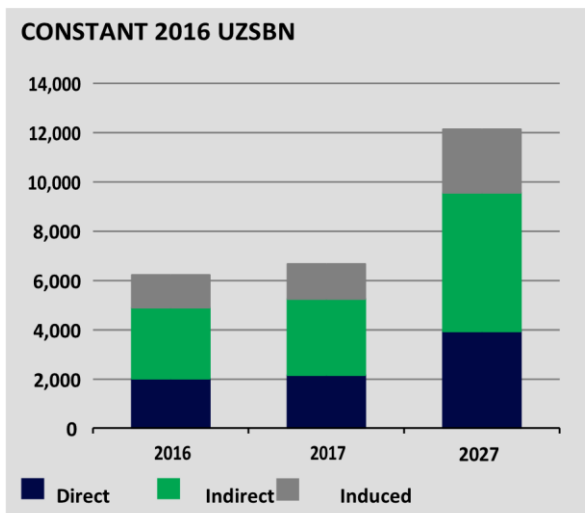
It is expected that the direct contribution of tourism and tourism to GDP will grow by 6% a year up to 4,155.4 billion Sumy (0.9% of GDP) by 2028.

Figure 7 Uzbekistan: direct contribution of travel & tourism to GDP



Source: own construction based on World Travel & Tourism Council

Figure 8 Uzbekistan: total contribution of travel & tourism to GDP



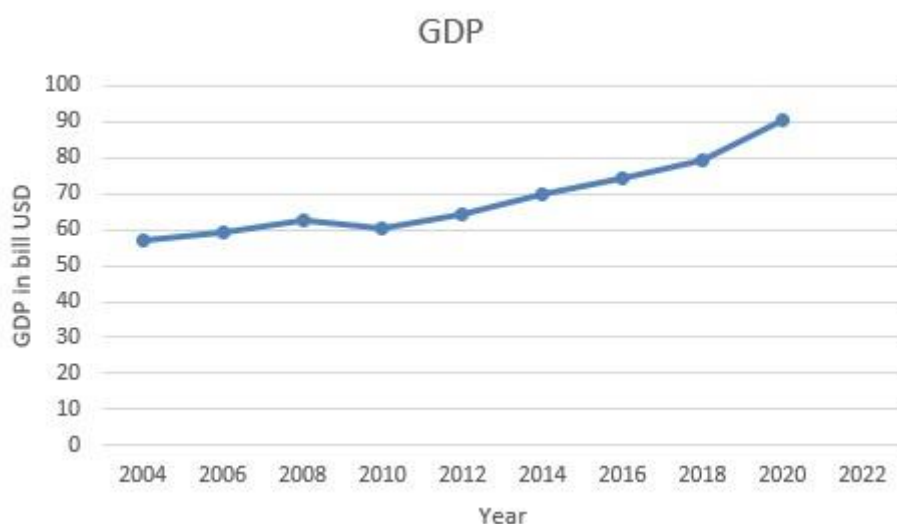
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Source: own construction based on World Travel & Tourism Council

Figure 8 above shows that the total contribution of Travel and Tourism to GDP including wider effects from investment, the supply chain and induced income impacts was US\$ 6,203.0 billion in 2016 (3.1% of GDP) and is expected to grow by 7.2% US\$ 6,651.1 billion

(3.1% of GDP) in 2017. It is forecast to rise by 6.2 to UZS 12,113 billion by 2027 (3.0% of GDP).

Figure 9 Prediction of development of GDP in Uzbekistan (in billion USD)



Source: own processed by MS Excell

Figure 9 above shows that from the period from 2004 and 2008, GDP of Uzbekistan increased slowly as seen on the chart. By the prediction, in 2020, the GDP will increase and will reach the peak in 2020 about 49.07 million dollars. By the data, which was created by the MS Excell, the forecast is just predicted, because the development of GDP is depend on the character of government of Uzbekistan.

Table 2 Prediction of Development of GDP in Uzbekistan

Year	2017*	2018**	2019***	2020****
GDP (billion) USD	42	48.03	48.77	49.07

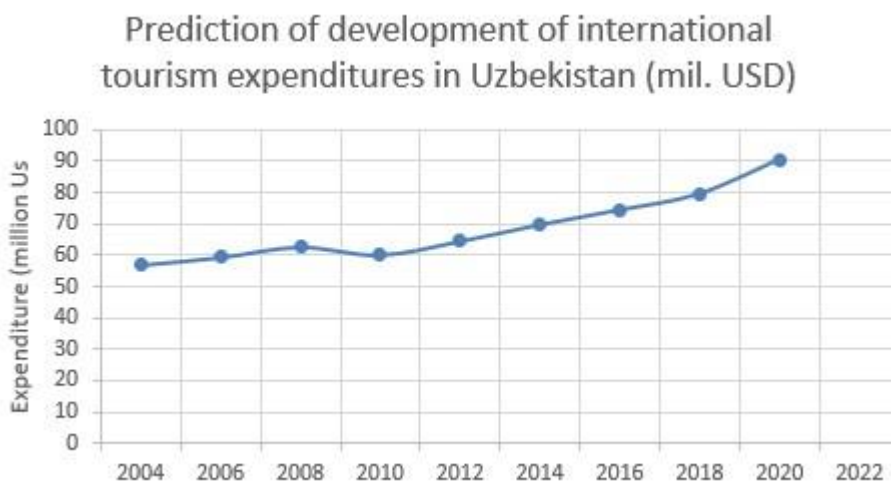
Source: knoema.com own proceed

International tourism expenditures are expenditures of international outbound visitors in other countries, including their payments to foreign carriers for international passenger

transport. It may include any other payments or payments afterwards made for goods and services received in the country of destination.

Figure 10 below shows that international tourism expenditures were reached in 2016 about 75 billion USD after this year, the expenditures will increase. In 2020 it will reach 90.5 billion Dollar.

Figure 10 Prediction of development of international tourism expenditures in Uzbekistan (mil. USD)



Source: own processed by MS Excel

Table 3 prediction of development of international tourism in Uzbekistan

YEAR	2017*	2018**	2019***	2020****
Expenditure (mil. USD)	78.7	79.6	87	90.5

Source: knoema.com own processed

Figure 11 Dependency of international tourism expenditures on GDP

Source: generated by SAS own processed

In this calculation of dependency of international expenditure on GDP in in the Republic of Uzbekistan

Linear Regression Results

The REG Procedure
 Model: Linear_Regression_Model
 Dependent Variable: GDP

Number of Observations Read	12
Number of Observations Used	4
Number of Observations with Missing Values	8

Analysis of Variance					
Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	1	16.80665	16.80665	2.02	0.2914
Error	2	16.66783	8.33391		
Corrected Total	3	33.47447			

Root MSE	2.88685	R-Square	0.5021
Dependent Mean	46.96750	Adj R-Sq	0.2531
Coeff Var	6.14649		

Parameter Estimates					
Variable	DF	Parameter Estimate	Standard Error	t Value	Pr > t
Intercept	1	12.32377	24.43811	0.50	0.6641
Expenditures	1	0.41267	0.29059	1.42	0.2914

Generated by the SAS System ('SASApp', Linux) on 11 March 2019 at 7:25:12 PM

Uzbekistan SAS statistical program and its linear regression were used. There is an equation:

$$Y = 12.32337 + 0.41267X$$

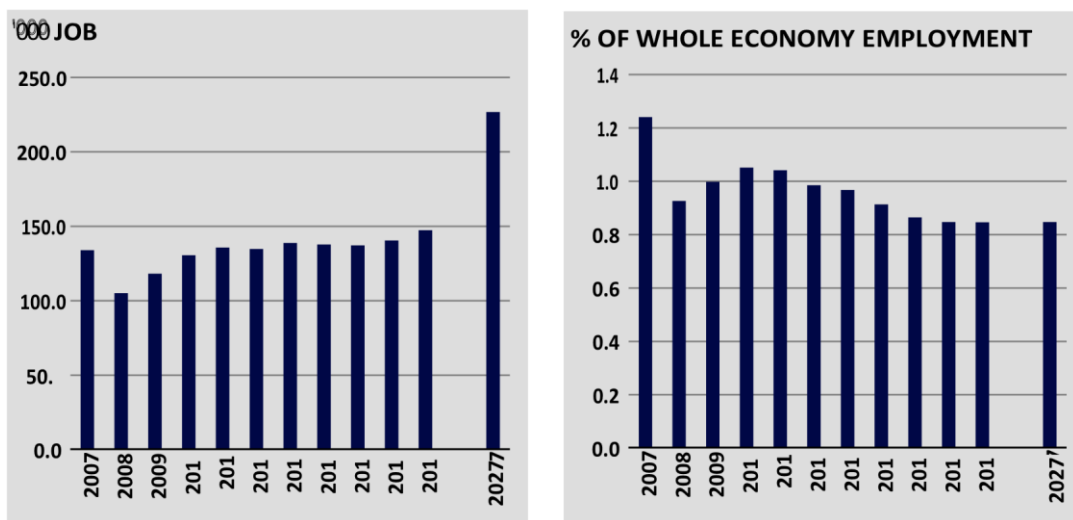
Where Y represents GDP and X represents tourism expenditures. According to the equation, if the tourism expenditures will increase by 1 unit, total GDP of the Uzbekistan will increase by 0.41267 units. By the result, which shows it is not statistically significant. In this calculation, the GDP is influenced by many factors that tourism expenditure a little bit part of the GDP.

By the calculation says the R-squared represents 50 percent which means the result of calculation is probably satisfies and most likely it is right.

4.2.2 Contribution of tourism to employment in Uzbekistan

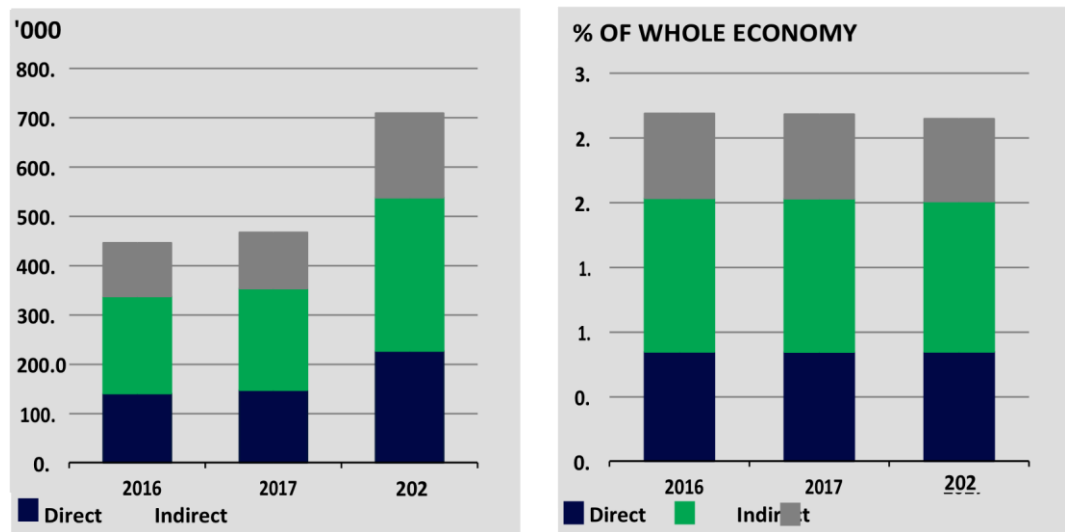
Figure 12 below shows that travel and tourism generated 140,000 jobs directly in 2016 (0.8% of total employment) and this is forecast to grow by 4.8% in 2017 to 147,000 (0.8% of total employment). This includes employment by hotels, travel agents, airlines and other passenger transportation services. By 2027, travel and tourism will account for 226,000 jobs directly an increase of 4.4% over the next ten years.

Figure 12 Uzbekistan: Direct contribution of travel & tourism to employment



Source: By World Travel and Tourism Council (2018)

Figure 13 Uzbekistan: Total contribution of travel & tourism to employment



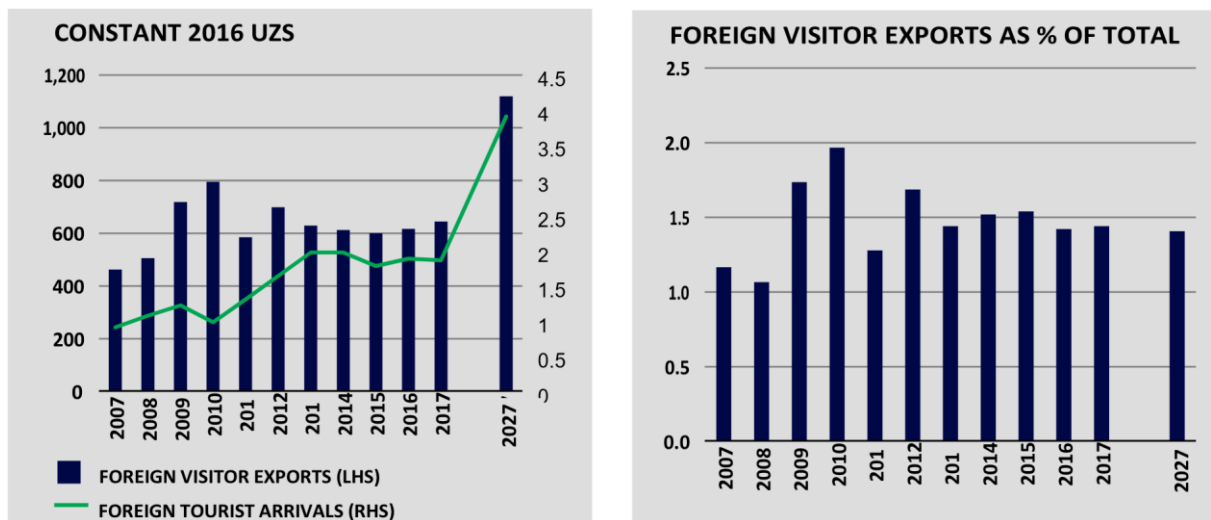
Source: By World Travel and Tourism council (2018)

Figure 13 above shows that the total contribution of travel & tourism to employment was 445,000 jobs in 2016 (2.7% of total employment). This is forecast to rise by 4.75 in 2017 to 466,500 jobs (2.7% of total employment). By 2027. Travel & Tourism is forecast to support 708,000 jobs (2.6% of total employment) an increase 4.3% over the period.

4.2.3 Analysis of visitors in Uzbekistan

Figure 14 below shows that visitors exports are a key component of the direct contribution of Travel & Tourism. In 2016, Uzbekistan generated UZS 614 billion in visitor exports. In 2017, this is expected to grow by 4.6% and the country is expected to attract 1.857.000. International tourist arrivals. By 2027, international tourist arrivals are forecast to total 3.903.000, generating expenditure of UZS 1.116.8 billion.

Figure 14 Uzbekistan: visitor exports and international arrivals



Source: By World Travel and Tourism council (2018)

4.2.4 Prospects for the development of international tourism in Uzbekistan

Tourism is a fragile area where non-professionalism, excessive administration and bureaucracy are not acceptable. And here it is impossible to change the situation for the better with one stroke of the pen. It has been the practice that all reforms that have been or are taking place in Uzbekistan are divided into two temporary periods: before and after 1991. Although independence played a significant role in transforming the entire social and political system in the republic, however, it should be noted that many changes were achieved thanks to a policy that began in 1985 - the reform of socialism and the transition to market relations. The transformation has affected all areas of the economy and has not bypassed the hospitality industry.

National model of tourism

By the end of the 80s of the last century, various departments and organizations were engaged in tourism in the Soviet space, mainly trade unions, Komsomol (BMT Sputnik), health authorities, Ministry of Culture, housing and communal services household, as well as others. The lack of a unified policy, standards, various mechanisms and methods of management with a general decline in the economy of the USSR led the industry to a state of chaotic development, including intensified criminal manifestations, which complicated the development of tourism. Under the conditions of independence, the government of

Uzbekistan managed to bring an organizational component to tourism: all were concentrated tourist resources in the system of the National Company "Uzbek tourism", which was given the functions of public administration. At that time, it turned out to be the right decision: in the republic they were able to assess the existing potential with the current state and identify problems that hamper the development of the tourism sector.

Subsequently, tourism, like other sectors of the economy, underwent market transformations. For twelve years, the process of denationalization and privatization proceeded here, and now more than 98% of all enterprises engaged in tourism are not state owned. The government of Uzbekistan and foreign investors have invested heavily in infrastructure: large hotels have been built in Tashkent, Samarkand, Bukhara, hotels in Urgency and Termes are being reconstructed, new buses and airliners meeting Western standards are being purchased, and roads to tourist centers are being reconstructed. Moreover, thanks to small and medium-sized businesses, up to hundreds of private hotels and houses that can receive foreign and domestic tourists are open. Much attention is paid to recreational areas, for example, in Carval Chaman zone significant funds are invested from the republican budget.

Restoration work is continuing the objects of worship and antiquities, natural massifs that are subject to destruction due to negative human activity come under protection. However, according to experts, the share of tourism barely falls to 0.5% of GDP, and this is quite small, given the huge potential that Uzbekistan has. Somehow at the press conference of one of the leaders of the NC "Uzbek tourism" the figures were announced that the volume of tourist services reached 100 billion sums (this is a little more than \$ 100 million). A few years ago, an international group of experts led by Michael McNally from the World Tourism Organization predicted an increase in tourist arrivals to 1.2 million by 2002, and the income of this sector of the economy to \$ 1 billion. Unfortunately, it should be stated that these figures were out of reach for various reasons. Of course, much depended on the situation in the world on the events in Afghanistan and the anti-terrorist campaign that had begun. But even more inhibiting factors were barriers that exist in Uzbekistan, and which have not yet been eliminated. As can be judged on the role of tourism in the country's economy, if there are no clear data on the number of foreign citizens entering, citizens traveling, as well as

migration within Uzbekistan, this is a question of local tourism. Each agency reflects only its own statistics: The Ministry of Foreign Affairs is the number of visas issued, but this applies only to countries with which visa relations are established, and in fact, according to independent experts, more than 2/3 of all visitors are citizens of the CIS. The Ministry of the Interior has information about registered foreigners, and in fact there are day visitors and those who stay in the country for up to three days, which means they do not fall into the general statistics of tourism. The Customs Committee registers at the borders only economic agents, that is, those who declare material and currency values. The State Border Guard Committee fixes at the main points - airports, less often - at railway stations, and practically do not notice people at the borders themselves (that is, they check passports and exit permits, but they don't enter the computer). The national company "Uzbek tourism" talks about served tourists, and in fact it is quite possible that the same tourist gets into the statistics several times (after all, not the person-days, but the number of tourists is taken for calculation).

This suggests that it is necessary to create a separate group dealing with the migration of people, even if it is going to be a specially created tourist police, which, by the way, should be addressed to current problems of tourists. The practice of foreign countries suggests the need for such an organization in Uzbekistan. Another problem is that tourism is more controlled with the help of administrative-command levers than with real economic mechanisms. And these are remnants of the Soviet system, which, to my surprise, persists in the market economy of Uzbekistan. Undoubtedly, this factor inhibits the development of the industry and is specific to the Uzbek model of tourism.

5. Conclusion

At present, in the field of tourism - the theory and practice - there is a twofold and therefore inaccurate perception of many terms related to tourist activities, causes dissonance among experts. Because of this, there is a different assessment of tourism in the creation of the gross national product of the country, in the statistics of the movement of travelers and in determining the value of the hospitality industry in providing employment for the population with labor and income. Therefore, it is necessary to give a more accurate alignment of tourist concepts, applicable to account for the statistical indicators of the tourism industry. Firstly, Tourism is one of the priority sectors of the Uzbekistan that the tourism industry is growing, Moreover, in Uzbekistan there are many opportunities conditions for organizing industrial tourism. Uzbekistan has a huge history, as expected there are many unexplored undiscovered Objects that are great of interest to tourists. And, the climate of Uzbekistan is moderate summer is hot, winter is dry cold. The Uzbekistan has rich historical and cultural resources, therefore, it has huge potential for development of tourism. The main historical places of tourism: Tashkent, Bukhara, Samarkand. Moreover, the Uzbekistan is very pleased to welcome tourists to its ski resorts and several holiday makers from all over Uzbekistan and neighbouring countries visit the reservoir villages on the bank and surrounding offers wide range of hotels hostels to accommodate tourists. The highest number of foreign tourists arrives in Uzbekistan from Russian Turkey India. In 2015, the tourist arrivals grew by 0.7% compared with the previous year.

In Uzbekistan a lot of accommodations there are hotels, hostels boarding house. In this country possible to find the suitable accommodation for each person individually. According to SWOT analysis it was noticeable that tourism in Uzbekistan is a good strength than with weakness. And the dependency of international expenditures on the Uzbek GDP which was evaluated by statistical program SAS. By the equation, if the tourism expenditures will increase by 1-unit the total of GDP of the Uzbekistan will increase by 0.41267 unit that is statistically significant.

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