



Status of Tourism Exports in the Economy

Nargiza Khakimovna Ruzibaeva

Samarkand Institute of Economics and Service, "Investment and innovation" department, Acting Associate Professor

ABSTRACT

Today, we all know that tourism export is one of the important areas of international services trade. In the economic literature, the high quality of infrastructure and the development of technologies have a positive effect on the development of tourism exports. Taking into account the presence of serious competitors in the world economy and the fact that tourism needs a large amount of investment, the government in each country has to intervene directly and indirectly in this field. In this process, we think that the allocation of tax incentives and subsidies by the state can be more effective. This article discusses exactly such issues.

ARTICLE INFO

Article history:

Received 04 Jan 2022

Received in revised form

03 Feb 2023

Accepted 10 Mar 2023

Keywords: tourism export, financial development, international tourism, tourism expenditure, economic growth.

© 2023 Hosting by Research Parks. All rights reserved.

The future of our economy is based on the digital economy, a new way of creating value on top of the existing ecosystem. It is concerned with optimizing the quality of services through data infrastructure, information sharing and comprehensible data acquisition. The tourism sector, as an objective factor, illustrates the versatility of databases in their proper use to serve people. Every sector of our economy is influenced by tourism, which has emerged as the third largest export sector.

When we talk about tourism, we think of hotels or public institutions, private companies and major initiatives that work to promote a country or region as a tourist destination. But we often forget that

behind the large and local tourism enterprises that are looking for more profit, there are people who, with the right management and use of data, can not only improve the market, but also bring a little more benefit to society. The tourism sector shows the potential of a data ecosystem with accessible, well-managed data and contributes to increasing the country's tourism export potential.

In pre-pandemic Europe, 10% of GDP was generated by the tourism industry, which accounted for 5.1% of the total workforce. The tourism industry is closely related to other sectors, and these numbers increase significantly if other sectors of the economy are taken into account. 10.3% of GDP and 11.7% of all employment, which gives us 27.3 million people.

WTTC's latest annual research shows that¹: After losing almost US\$4.9 trillion in 2020 (-50.4% decline), Travel & Tourism's contribution to GDP increased to US\$1 trillion (+21.7% growth) in 2021. In 2019, the Travel and Tourism sector contributed 10.3% to world GDP; decreased to 5.3% in 2020 due to continued restrictions on movement. In 2021, the share increased by 6.1%. In 2020, 62 million jobs were lost, a decrease of 18.6%, and only 271 million jobs were employed in this sector compared to 333 million in 2019. After a 47.4% decline in 2020, domestic visitor spending increased 31.4% in 2021. After a 69.7% decline in 2020, international visitor spending increased by 3.8% in 2021.

With 1.5 billion people traveling internationally in 2019, tourism export revenue was \$1.7 trillion, which is 7% of total exports of goods and services. The direct contribution of tourism to the economy was 3.5 trillion US dollars or 4% of world GDP. As we wrap up two years of uncertainty, the direct economic contribution of tourism in 2021 is still \$2.1 trillion and the total value of tourism exports is \$713 billion.

Now, if we analyze the data of the tourism sector in Uzbekistan for 2019-2021, We can see that the total contribution of travel and tourism to GDP was 5.3% in 2019, and will decrease to 2.6% by 2021. We can see that the share of the expenses of visitors to our country in the total export volume of the country was 8.7% in 2019, and 2.3% in 2021 (Table 1).

Table 1. The share of tourism exports in GDP (2019-2021)

№	Indicators	2019 year	2020 year	2021 year
1	Total contribution of travel and tourism to GDP	5,3 % of the total economy; 33,243.5 billion UZS (3 112,1 million USD)	2,1 % of the total economy;; 13 228,3 billion UZS (1 238,4 million USD) Economic change:+1,7%	2,6 % of the total economy; 16 155,1 billion UZS (1 512,3 million USD) The change: +22,1% Economic change:-1,1%
2	Total contribution of travel and tourism to employment	731,2 (000s) 5.4% of total jobs	629.7 (000s) 4,8 % of total jobs	642.1 (000s) 4,8 % of total jobs
3	Expenditure of visitors, share of total export volume: - International	Export is 8.7% of the total volume 16 925,9 billion UZS	Export is 1.9% of the total volume. 3 228,2 billion UZS 302,2 million USD (-	Export is 2.3% of the total volume 4 352,0 billion UZS 407,4 million

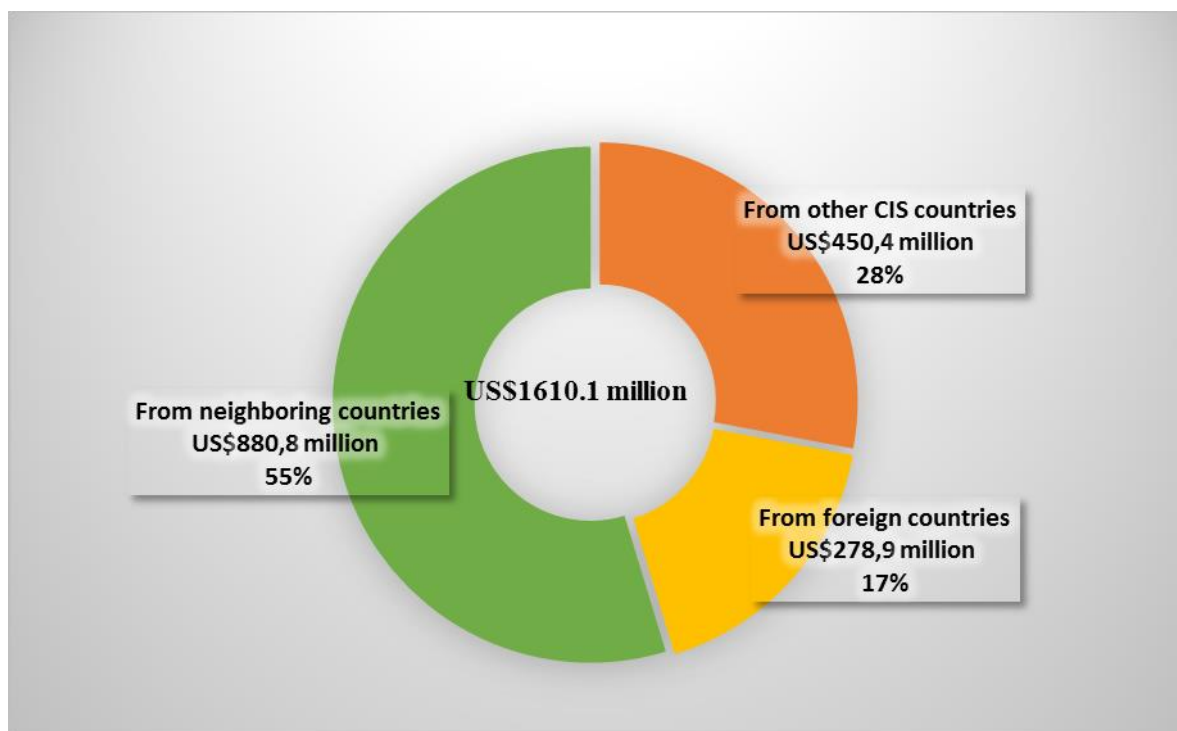
¹ <https://wttc.org/research/economic-impact>

-	Local	1 584,5 million USD	80,9%)	USD(+34,8%)
		9 760,1 billion UZS	6 427,9 billion UZS	8 429,4 billion UZS
		913,7 million USD	601,7 million USD (-34,1%)	789,1 million USD (+31,1%)

More than 7 million foreign tourists are expected to visit the country in 2020. However, due to the severe pandemic, tourism, like all sectors, has been hit hard, the number of tourists has decreased significantly. That is, in 2020, 1.5 million tourists came to the republic, tourism services worth 261 million dollars were exported. In 2021, more than 1.9 million foreign tourists came to Uzbekistan and tourism services worth 422.1 million dollars were exported.

The volume of export of tourism services at the country level was 261 million US dollars in 2020, 422.1 million US dollars in 2021, 1 610.1 million US dollars in 2022, and the export of 2000.0 million US dollars in 2023 is forecasted. . If we look at the export of tourism services in 2022 by country, we can see that the highest share is mostly in neighboring countries (Figure 1).

Figure 1. Export of tourism services in Uzbekistan by country (in 2022)



Based on information from the Ministry of Culture and Tourism²

In 2022, the number of tourists will increase sharply again, almost 5.2 million foreign tourists visited Uzbekistan, and the indicators increased by 1.9 times compared to 2017 (2.7 million). Last year, the export of tourism services also increased and reached 1.6 billion dollars (in 2017 it was 531 million dollars).

² <https://daryo.uz/2023/02/04/ozbekistonda-turizm-kecha-va-bugun>

Innovation in tourism is the introduction of a new or improved component that aims to bring tangible and intangible benefits from tourism to stakeholders and local communities, enhance the tourism experience and the core competencies of the tourism sector, and thus increase the competitiveness of tourism. Innovation in tourism can cover potential areas such as tourism destinations, tourism products, technology, processes, organizations and business models, skills, architecture, services, management, marketing, communication, operations, quality assurance and pricing tools and practices³.

It is important to carefully analyze the activities of the world's leading cities, which are generally recognized tourism destinations, to identify and compare the best practices used by them. Given the objectives of increasing the contribution of tourism to GDP, tourism should show growth at twice the rate of growth of the entire national economy. This is only the effective distribution of financial support for tourism activities, paying great attention to the main directions of its prospective development in Uzbekistan, taking into account the competitiveness criteria and the experience of megacities - benchmarks of the world's leading tourist destinations. Figure 2 summarizes the current problems and conditions of the development of inbound tourism.

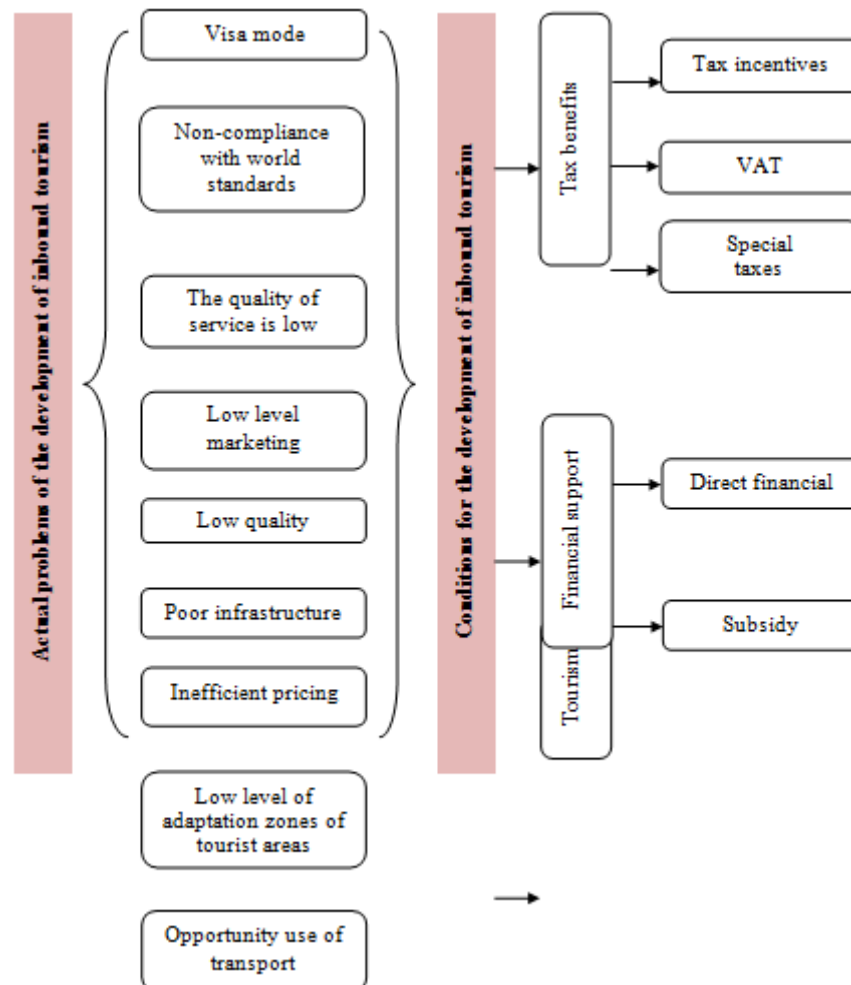


Figure 2. Actual problems and conditions of the development of inbound tourism

³ World Tourism Organization (2019), UNWTO Tourism Definitions, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284420858>

The main results of the research show the importance of helping to solve the problems of tourism export and the main factors of its growth on a global scale, forming competitiveness criteria, proposing directions for its future development based on the advanced world tourism experience, and providing financial support for tourism export.

Taking into account the versatility and functionality of tourism, as well as the main trends of modern tourism in the digital age, the main directions of its prospective development in Uzbekistan can be proposed as follows:

- creating and promoting mobile applications for tourist attractions in various cities that significantly increase tourist awareness and improve perception.
- a coordinated change in the country's visa policy. Taking into account the diversity of Uzbekistan and the territorial division of tourist facilities, tourists should be issued multi-visas at least annually with a simplified application process, including the possibility of issuing electronic visas, which will significantly increase the flow of tourists, even if consular fees are high.
- modernizing the education system for training specialists in the field of tourism and hospitality, introducing mandatory international internships every year.
- placement of historical cities and tourist attractions of Uzbekistan not only in the country, but also on the world stage.
- development of regional programs for direct and indirect financial stimulation of tourist enterprises. Including the introduction of specially designed tax incentives to support the tourism industry.