

CURRENT STATE OF INVESTMENT ACTIVITY IN TOURISM ORGANIZATIONS

M.Mirzaitova

Scientific supervisor: O.Astanakulov
International Islamic Academy of Uzbekistan

Abstract: The article analyzes the activities of tourism organizations and the main trends in their development in the Republic of Uzbekistan. Particular attention is paid to the assessment of capital structure and efficiency, the volume of foreign investments attracted in recent years by enterprises and sectoral entities, as well as investment projects implemented with their participation.

Keywords: tourism organizations, capital structure and efficiency, foreign investments, investment projects, tourism infrastructure, tourism industry, gross domestic product (GDP), export revenues

From the very first days of independence in the Republic of Uzbekistan, the state has been actively supporting the tourism sector, creating benefits for enterprises engaged in this field, and rapidly developing the infrastructure necessary for tourism.

It should be especially noted that on October 4, 1993, Uzbekistan became the first among the Central Asian countries to join the World Tourism Organization. This, in turn, gave a significant positive impetus to the development of tourism in Uzbekistan.

According to our calculations, in 2021, the share of tourism in Uzbekistan's gross domestic product amounted to 2.3 percent. While in many countries of the world the share of tourism in GDP exceeds 15 percent, and in some even reaches 50 percent, in Uzbekistan this indicator remains at only about 2 percent. This clearly shows the vast amount of work that still needs to be carried out in this sector.

The tourism industry not only provides livelihoods for millions of people, but also gives them the opportunity to compare the living and social conditions of their own people with those of other nations, to study their cultural uniqueness, and to appreciate natural resources.

In January-December 2021, the number of foreign citizens visiting the Republic of Uzbekistan for tourism purposes amounted to 1.88 million people. In the same period of the previous year, this figure was 1.5 million people. Thus, compared to the corresponding period of the previous year, the number of foreign citizens visiting Uzbekistan increased by 0.38 million people.

During January-December 2021, the number of citizens of the Republic of Uzbekistan traveling abroad for tourism purposes amounted to 2.19 million people, whereas in January-December 2020, this figure was 2.01 million. Compared to the same period of 2020, the number of citizens traveling abroad increased by 0.19 million people (see Table 5).

In January-December 2021, the number of foreign citizens visiting Uzbekistan from CIS countries amounted to 1.71 million people, which accounted for 91.1 percent of all visitors. From other countries, 0.17 million people (or 8.9 percent) visited.

Table 5

Number of foreign citizens visiting the Republic of Uzbekistan for tourism purposes

Indicators (mln. people)	2018	2019	2020	2021	2022	2023	2024
Total:	5,35	6,75	1,50	1,88	5,23	6,63	10,29
CIS countries	5,06	6,32	1,44	1,75	4,97	6,11	9,54
Other foreign countries	0,28	0,43	0,06	0,13	0,26	0,51	0,75

The analysis of the number of foreign citizens visiting Uzbekistan for tourism purposes shows that in 2020 (1.5 million people), compared to 2019 (6.75 million people), the figure sharply decreased by 5.2 million people (77.7 percent). During this period, the number of foreign citizens arriving from CIS countries fell by 4.4 times, while the flow of tourists from other countries decreased by 5.8 times.

However, in 2021, compared to 2020, growth can be observed. That is, in January-December 2021, the number of foreign citizens visiting Uzbekistan amounted to 1.88 million people. Compared to the same period in 2020, this figure increased by 0.38 million, or 25.1 percent. Between 2020 and 2021, the number of foreign citizens visiting the Republic from CIS countries grew by 20.7 percent, while the inflow from other countries rose by 99.6 percent (almost twice).

In 2022 and 2023, tourism recovered strongly. The total number of tourists increased from 5.2 million in 2022 to 6.6 million in 2023. CIS countries dominated, with 4.9 million tourists in 2022 and 6.1 million in 2023. The number of visitors from other foreign countries rose from 0.2 million to 5 million during this period. These figures highlight the steady recovery of regional and international travel.

At the same time, it can be said that before the outbreak of the coronavirus (COVID-19) pandemic, tourism was one of the youngest and fastest-growing sectors of Uzbekistan's economy. In particular, in 2016 the total volume of tourism services in the country accounted for 2.6 percent of GDP, while the number of incoming tourists and travelers from foreign countries increased by 1.4 million, reaching 6.7 million people, and the occupancy rate of hotel facilities amounted to 53.1 percent.

Of course, the coronavirus pandemic crisis, which disrupted the global economy, could not help but affect the tourism sector - which in recent years had been developing rapidly and successfully, showing good results.

From 2016 to 2023, tourism experienced significant fluctuations under the influence of global events, especially the COVID-19 pandemic. This period reflects both the industry's growth and the challenges it faced, as well as its contribution to the economy.

Table 6

Key indicators of the tourism sector in the Republic of Uzbekistan

Indicators	Unit of measure	2016	2017	2018	2019	2020	2021	2022	2023	2024
Foreign tourists	mln. people	2,03	2,69	5,35	6,75	1,5	1,88	5,32	6,62	10,29
Export	mln. Usd	430,7	531	1041,1	1313	260,9	422,1	1609,8	2143,1	3489,4
Inbound tourism	mln. people	8,9	10,6	12,5	14,7	3,5	2,1	2,47	3,31	3,64
Outbound tourism	mln. people	3,8	5,2	8,6	8,4	2	2,2	5,16	4,78	6,18
Occupancy rate of the hotel room stock	percentage	40,1	39,3	31,5	28,4	9,6	16,3	20,1	18,9	20,4

Employed in the tourism sector	mln. people	170,9	187,6	201	231,4	190,8	208,1	214,6	334	383
The share of tourism in GDP	percentage	2,1	2,5	2,5	2,6	0,4	0,7	1,4	1,7	2,1

The number of foreign tourists increased from 2.03 million in 2016 to 6.75 million in 2019. However, the pandemic caused a sharp decline to 1.5 million in 2020. Recovery began in 2021 with 1.88 million visitors, reaching 5.202 million, and 6.62 million in 2023.

Tourism export revenues followed the same trend, rising from USD 430.7 million in 2016 to USD 1,313 million in 2019, then dropping to USD 260.9 million in 2020. The recovery accelerated in 2022 with USD 1,609.8 million, reaching USD 2,142.2 million in the sector.

Domestic tourism grew steadily from 8.9 million travelers in 2016 to 14.7 million in 2019, but shrank to 2.1 million in 2021 due to the pandemic. By 2023, this figure increased to 3.31 million. Outbound tourism mirrored this trend, peaking at 8.6 million in 2018, falling to 2 million in 2020, and then rebounding to 4.78 million by 2023.

Hotel occupancy rates reflected these challenges, dropping from 40.1 percent in 2016 to 9.6 percent in 2020. The recovery was modest, reaching 18.9 percent by 2023. However, employment in the tourism sector demonstrated notable stability, growing to 170.9 thousand workers by 2023.

The share of tourism in GDP also fluctuated, rising from 2.1 percent in 2016 to 2.6 percent in 2019, before falling to 0.4 percent in 2020. By 2023, the sector contributed 1.7 percent to the gross domestic product, indicating a steady recovery.

Overall, the data highlight the growth potential and adaptability of the tourism industry. Although the pandemic caused significant disruptions, the sector demonstrated a strong recovery with future development trends in sight.

According to the results of 2021, the overall decline in demand for individual tourism products and services reached 30 percent. Due to the crisis, more than 20-30 percent of domestic travel agencies closed down, and among those that continued to operate, up to 15 percent of specialists were laid off.

However, there were also positive aspects during the crisis: it could serve as a major incentive for the development of the domestic tourism industry. Thus, the recession accompanied by external crises and the decline of international integration among world countries increases interest in domestic tourism products and services. This factor should be used to redirect mass tourist flows from international tourism toward domestic tourism.

According to Table 7, the trends in the number of entities in the tourism sector are as follows: the number of tour operators and travel agencies was 496 in 2017, and by 2023 their number had reached 593. Employment in the tourism sector amounted to 187.6 thousand people in 2017, 201.0 thousand in 2018, 260.1 thousand in 2019, 201.3 thousand in 2020, 239.1 thousand in 2021, 214.6 thousand in 2022, and 334.0 thousand in 2023. The fact that employment in this sector in 2021 was 127 percent higher compared to 2018 indicates positive trends in ensuring employment in the field. The expansion of accommodation facilities across regions emphasizes the developing dynamics of the tourism sector. In recent years, specialized accommodation facilities and individual housing opportunities have grown significantly.

The number of specialized accommodation facilities increased significantly, rising from 211 units to 591 units during the observed period. This growth reflects efforts aimed at meeting diverse tourism demands and improving the quality of services.

Table 7

Trends in the number of tourism sector entities

Name of main indicator	Unit of measure	2016	2017	2018	2019	2020	2021	2022	2023	2024
Tour operators	number	484	749	1 005	1 481	1 344	1 467	1 693	2 175	2 650
Tour agencies	number					2	16	145	550	1 036
Tour guides	number			574	773	816	2 400	2 309	2 551	3 200
Total	number	484	749	1579	2254	2162	3883	4147	5276	6886
Hotels	room	15613	17639	18557	19671	21909	23211	28628	33205	35 341
Hostels	room	86	125	446	2238	2555	3712	6655	8049	10 606
Family guest houses	room			278	2323	3194	8800	11045	11579	12 729
Sanatoriums and health improvement facilities	room			4155	4918	5043	5408	4490	4918	5 024
Other accommodation facilities	room	373	412	605	2119	2377	3244	4459	5 735	6 822
Total	room	16445	18588	24646	33388	37455	47619	55277	63486	70522

Individual and other accommodation options, such as guesthouses, also expanded, rising from 376 units to 418 units. This growth indicates increasing demand for customized and flexible lodging alternatives. Taking hotels into account, the total number of available places increased from 103,538 to 139,147. This growth highlights the sector's commitment to expanding capacity and meeting the growing needs of travelers.

Overall, these trends demonstrate the development of a more diversified and resilient accommodation sector that supports tourism growth and enhances traveler experiences. Alongside the positive changes in the number of tourism sector entities, it is also appropriate to examine the share of services provided by entities and facilities serving tourists in the country's GDP.

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