

Impact of the Tourism Sector on the Country's Economy and Socio-Cultural Sphere

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Abstract: The article examines the role of tourism in the global and national economy and its development trends in the near future. The article also examines the systemic reforms being carried out in our country to develop the tourism sector and their impact on the development of the tourism sector.

Keywords: tourism, guide, tour operator, demography, currency, export, import, balance of payments, reform, diversification, visa-free regime.

Tourism, as a sphere of economic activity, is of great importance and has a number of characteristic features. Tourism serves the interests of the individual and society as a whole and is a source of income at the micro and macroeconomic levels. Tourism is becoming one of the main factors in creating additional jobs, accelerating the development of road and hotel construction, stimulating the production of all types of vehicles, and contributing to the preservation of folk applied arts and national culture of regions and countries. According to the World Tourism Organization, the number of tourists will reach 1.6 billion by 2020. As a result, global tourism revenue will exceed \$2 trillion in 2020 [1, p. 88]. Tourism is a very multifaceted industry, which is one of the main components of income in some countries, influencing the development of their economy and global cooperation. In many countries, tourism plays an important role in the formation of the gross domestic product, the creation of additional jobs and employment, and the strengthening of the foreign trade balance. Tourism has a great influence on transport and communication, construction, agriculture, consumer goods production and other important sectors of the economy, that is, it serves as a kind of catalyst for socio-economic development. In turn, various factors influence the development of tourism: demographic, natural-geographical, socio-economic, historical, religious, and political-legal. The economic development of tourism is characterized by impressive data on the world economic market. They show that tourism is the most dynamically developing sector in many countries of the world, and its role in the world economy is constantly growing. International tourism has a strong impact on employment. The tourism industry is a labor-intensive process, therefore it mainly employs unskilled workers. However, this does not mean that the tourism sector does not use highly qualified labor. Geographically, new jobs in this sector are more widespread than in other developing sectors of the economy.

Scientific and technological progress, improving the quality of life of the population, leisure time, holidays, increasing economic and political stability, and a number of other factors influence the development of tourism in the world.

Tourism is the main branch of the economy of many developed and developing countries of the world. The basis of the modern tourism market is paid vacations for employees, both qualitatively and quantitatively. Recently, the role of business trips, as well as the travel of people of retirement age, has increased in tourism. The scale and level of the influence of international tourism on the world can be assessed by the following indicators.

According to many academic analysts, the development of international tourism is based on the following factors: opportunities:

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1. Economic growth and social progress have led to the expansion of not only business trips, but also trips for educational purposes.
2. Improvement of all types of transport made travel cheaper and created opportunities for many segments of the population.
3. The increase in the number of hired workers and employees in economically developed countries and the rise in their material and cultural level increased their enthusiasm for spiritual and cognitive values.
4. Increased workload and longer holidays for workers mean the need for more meaningful rest.
5. The development of interstate relations and cultural exchange between countries has led to the expansion of interpersonal ties both between regions and within them.
6. The development of the service sector stimulated technological progress in the field of telecommunications, increasing interest in visiting different countries and regions.
7. The easing of restrictions on foreign currency exports and the simplification of border formalities in many countries also stimulate the development of tourism.

The economic opportunities for the development of tourism at the international level have created favorable conditions for the development of organizational and economic processes in individual countries.

For most of them, international tourism:

1. The most important source of foreign exchange earnings;
2. Factor stimulating the growth of the balance of payments;
3. Strong incentives for the development and diversification of many industries (both enterprises serving the tourism sector and individual industries are emerging).

Tourism affects the economy of practically all sectors of the country's economy. From an economic perspective, tourism should be considered as follows:

1. as a specific set of social relations in the sphere of production, exchange, and distribution of products;
2. as a part of the national economy of a certain country, that is, as a type of activity covering certain sectors and spheres;
3. economics, which studies tourism as a branch of the country's or region's economy (tourism economics);
4. a social science that studies behavior in the spheres of production, consumption, distribution, and exchange of tourist products. Economists analyze the processes occurring in these areas, predict their consequences for individuals, organizations, and society as a whole;
5. modern economic theory, which studies the behavior of people as economic subjects at all levels of the tourism economic system in the processes of production, distribution, exchange, and consumption of tourist services, to satisfy human needs with limited resources of the family, company, and society as a whole.

From the point of view of the fundamental economy, tourism is an economic complex, the development of which is explained more by global economic processes and relations than by immanent (internal) causes. But tourism is an important catalyst for the economic growth of many rapidly developing countries, as it acts as a means of redistributing the gross national product between countries that do not share the export (import) of goods and services. In other words, if tourists not only export part of the money earned in other sectors, they will also create new jobs in other countries.

Modern tourism as an economic process:



1. Tourism has an industrial form;
2. In tourism, tourist products and services that cannot be collected and transported are created;
3. Creates new jobs and often acts as a pioneer in the development of new industries and a catalyst for the accelerated development of the national economy;
4. Acts as a mechanism for the redistribution of national income in favor of countries specializing in tourism.
5. Tourism is a factor contributing to the growth of national income, employment and the development of local infrastructure, and raising the living standards of the local population;
6. Tourism is characterized by high efficiency and high return on investment;
7. serves as an effective tool for the protection of natural and cultural heritage, since these elements form the basis of its resource base;
8. Tourism is compatible with practically all sectors of the economy and human activity, since it is their stratification that causes a difference in the potential of the recreational environment, which leads to people changing places and learning.

In recent years, tourism, as one of the factors of growth of our national economy, has become a driver for the development of various other sectors. This sphere plays an important role in the creation of new jobs.

The state pays special attention to the development of the tourism industry and services in Uzbekistan. During the first ten months of this year, 18 regulatory documents were approved - 3 Presidential decrees and 6 resolutions, and 9 government resolutions.

The regulatory framework of the sphere is being improved, tax benefits and preferences are regularly provided to entrepreneurs, conditions are being created for the effective promotion of the national tourism potential both domestically and abroad, the visa regime is being liberalized, and a favorable tourist environment is being formed.

The Tourism Committee under the Ministry of Ecology, Environmental Protection and Climate Change of the Republic of Uzbekistan has taken important steps to promote the tourism potential of our country.

In total, 8.6 million foreign tourists visited our country in 2024. They were provided with services worth \$2.7 billion. This figure is 1.5 times higher than last year. The average expenditure of visitors from Europe and other regions, as well as neighboring countries, increased by 1.5 times compared to 2022.

The flow of tourists from targeted foreign countries has noticeably accelerated. The share of citizens of neighboring countries in the total number decreased from 87% in 2018 to 80%, while the share of the Old Continent and other distant countries increased from 5.3% to 9.0%.

As a result of the establishment of 762 new entities serving tourists, the number of tourist organizations and travel agents has reached 3581. Currently, 3,200 guides are working throughout the republic. This year alone, the number has increased by 700.

In order to widely promote the tourism potential of Uzbekistan in Europe, North America, Asia-Pacific, the Middle East, China and Central Asia, "World Media Group," "Blue Sky," "Sky one," "Wanderlust," "Euronews," "BBC," "National Geographic," "CNN," "Travel Tomorrow," "Warner Bros. Discovery," "Saga travel Group," as well as online travel platforms "Ctrip.com," "Holiday factory," "Voyage Prive," and a number of other foreign organizations and television channels.

In 2024, Uzbekistan participated with a national tourism stand at 18 international fairs held in 16 leading countries of the world. Cultural and presentation events "Road show" were held in 12 countries - China, Iran, Tajikistan, Great Britain, Malaysia, Singapore, Indonesia, Kuwait, Belarus, Hungary,



South Korea, and Russia. Ambassadors and representatives of our country's tourism brand have been appointed to the USA, Japan, Germany, and China.

On April 25-26, the international forum "Shakhrisabz - Tourism Capital of the Organization of Economic Cooperation" and the XII meeting of tourism ministers of the Organization of Islamic Cooperation member states under the motto "Khiva - Tourism Capital of the Islamic World in 2024" were held at a high level in the city of Khiva from May 31 to June 2 of this year.

For the first time, "Domestic Tourism Fairs" were organized in all regions in March, August, and September, bringing together about 1700 business entities in the field of domestic tourism and more than 18,000 participants. During the events, 1,300 contracts and agreements worth 20 billion soums related to the organization of domestic travel were signed.

Since the beginning of the year, 24 info and press tours have been organized throughout the country for about 100 media representatives, bloggers, and influencers from more than 20 countries.

According to the "Travel and Tourism Development Index" study published by the World Economic Forum, our country was recognized as the "World's Most Active Country in Tourism Development" in 2024. This recognition signifies the growing attention in the country to attracting international tourists and developing sustainable tourism.

At the ceremony held in London, Uzbekistan won the prestigious "Wanderlust Reader Travel Awards 2024" award in the "Best Developing Direction" nomination.

The jury of the prestigious competition held by the magazine "Russian traveler" named Uzbekistan "the best travel destination among the CIS countries" this year.

The tourism sector in our country is developing rapidly, and the quality of services is improving:

- The visa-free regime has been strengthened. Citizens of more than 90 countries have visa-free access for up to 30 days. An electronic visa system has been introduced to facilitate the process for tourists.
- Domestic transport infrastructure is developing rapidly. Air, rail, and bus services have improved. Taxi and carsharing services are available. Tourists move very easily and comfortably.
- Many modern hotels and resorts, tourist centers have been opened. Modern services, as well as a gym, restaurant, and swimming pool, are provided in these complexes.
- Uzbekistan has rich historical and cultural heritage, including unique architectural monuments, and beautiful nature. The monuments of such historical cities as Samarkand, Bukhara, and Khiva are very attractive.
- There are many opportunities to buy souvenirs, local goods. Many shops have opened in the regions. Local molds and traditional handicrafts are widespread.
- Excursion services are developed. There are enough professional guides, tours have been organized. In this process, tourists can explore historical and cultural monuments and nature.
- Digital services have also been widely implemented in our country for the development of tourism. For example, through mobile applications and online platforms, it is possible to receive any information, order tours and services.

During the year, a number of works were carried out within the framework of the "Hospitality of Medical Services" program, approved by the Cabinet of Ministers of the Republic of Uzbekistan.

Tourism, as a direction that widely demonstrates the culture, history, and traditions of our country to the world, is not only a factor in bringing countries closer together, but also an important factor in the development of international relations. From this point of view, the rational organization, management, development of the international tourism industry, improvement of accommodation facilities, and the assimilation of world experience in this area serve to increase the attractiveness of Uzbekistan in the international arena.



The rising standard of living in developed industrial countries of the world leads to a significantly higher level of vacation time and pension provision for employees, which also has a significant impact on the development of tourism.

The demand for travel and tourism is simultaneously determined by market mechanisms (demand for tourist, attractions, and other services, the supply and distribution of these services) and exogenous variables, i.e., factors not directly related to tourism and travel, but significantly influencing the level and form of demand for tourism activities. Exogenous factors include demographic and social changes, economic and legal changes, trade, transport infrastructure, the development of information technologies, and increased travel safety.

Demographic and social changes include: population aging, early retirement with adequate pension provision, an increase in the number of single adults, an increase in the number of working women, families with two working family members, a trend towards subsequent marriages, an increase in the number of childless families, an increase in the number of paid families, a better understanding of travel opportunities, and care for the environment. Thus, changes occurring in the demographic structure and social models of society lead to people having time, desire, and financial resources to travel around the world.

In tourism practice, there is a difference between countries that deliver tourists (sending countries) and countries that usually receive tourists. The first can include the USA, Germany, England, Belgium, Denmark, and others. The second group includes France, the USA, Spain, Italy, Hungary, and others. WTO statistics show that international travel and its benefits have recently increased in all regions of the world.

WTO experts emphasize that there is a clear correlation between tourism development trends and the overall state of the country's economy. Travel dynamics are very sensitive to economic prosperity or decline.

Analysis of the tourism market in each tourist region of the world highlights the history of development, current state and future of the global tourism sector and pursues the main goals:

- Identify the regions where international tourism is growing and declining;
- Explain the reasons for the large differences in the geographical distribution of the number of tourists and the income from them, and the dynamics of these differences;
- Identify the countries that have great potential for international tourism to become an important element of economic development.

The geographical concentration of international tourist exchanges corresponds to the geographical concentration of trade, but it has two important differences.

First, countries with a positive balance of tourism revenues, such as the USA, Spain, Portugal, and Greece, often have a negative balance of trade. Countries with a negative balance in terms of tourist exchange, such as Germany and Japan, have a positive trade balance.

Secondly, the exchange of tourist services between industrial countries with similar forms of demand does not necessarily involve the exchange of similar types of products, as in the trade of goods.

Indeed, the exchange of goods between industrial countries is primarily the exchange of products of the same category, for example, car trade between the USA and Japan or food products between European countries. This is called intra-industry trade. Similar product exchange exists in tourism, for example, in the field of cultural tourism, but on a smaller scale. As a rule, there is an exchange of traditional types of tourism. For example, residents of Northern European countries mainly vacation at resorts in Mediterranean countries, while residents of hot southern countries prefer to vacation at ski resorts.

The socio-cultural sphere and the economic space of tourism cover a large part of the world economy. Many developed countries consider tourism and the service sector a priority area of economic



development, as this sector is very attractive from the point of view of investments. In addition, this will contribute to the development of the infrastructure of the region or country, the inflow of foreign currency. The example of targeted tourism development programs in Russia shows the direct effect of their implementation: hotels, resorts, ski resorts, roads, and others. However, the implementation of these programs requires investments in other sectors of the national economy: construction, processing industry. The multiplier effect of the implementation of these programs implies the involvement of various business entities (advertising agencies, trade enterprises, public catering, entertainment establishments, transport companies), providing for the receipt of funds to local, regional, and federal budgets.

Thus, international tourism will continue to develop despite the risk of economic decline, as there are specific factors of tourist demand. It cannot be denied that international inequality in the field of tourism is of great importance. To achieve equal success in the world, new approaches to tourism development should be based on international cooperation. Therefore, international cooperation and agreements between the main components of tourism (hotels, transport, travel companies) should guarantee the future development of the industry. Tourism as a type of socio-cultural activity and as a sphere that produces services necessary to meet the needs arising during travel is an important sector of the economy, the further development and improvement of which contributes to an increase in state revenues.

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