



## DEVELOPMENT OF NATIONAL TOURISM AND THEORETICAL FOUNDATIONS OF ITS COMPETITIVENESS

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### ABSTRACT

*The article covers the essence of the concepts of competitiveness, tourism competitiveness, positive changes in the development of national tourism, its competitiveness, SWOT analysis of national tourism competitiveness in Uzbekistan in the context of the pandemic, making tourism one of the locomotives of regions and their infrastructure, the most important socioeconomic problem solving, job creation, diversification, regional development, increasing incomes, living standards and quality of life, improving the country's image and investment attractiveness.*

In the context of an innovative economy, tourism is the main source of national income in the world.

This will be achieved through the emergence of additional demand in each national economy, an increase in exports of tourism products and an increase in employment and an increase in foreign exchange earnings. Therefore, the development of tourism in national economies plays a role in achieving economic development.

The share of tourism in world GDP is 9%, and one in every 11 new jobs is created in this sector. According to the UN World Tourism Organization, the number of international tourists is expected to reach 1.8 billion by 2030.

In our country, special attention is paid to the development of the economy

and further increase the welfare of the population through the development of tourism. Another important step in the development of tourism is the fact that the reforms carried out in recent years have focused on this issue - the organization of national tourism in all historical regions, and identified ways to make greater use of opportunities.

Improving the competitiveness of tourism is a topical issue in the world, and it is inextricably linked with improving the well-being of the population and its living standards. With the transition of tourism to the path of innovative development, it will be possible to turn it into a strategic sector of the economy and achieve stability. Because tourism is a unique industry that can combine the components of sustainable development, quality of life,



competitiveness and cleanliness of the environment.

As noted by President Sh.M.Mirziyoev in his Address to the Oliy Majlis, "We will continue consistent reforms in the development of tourism in 2021. Special attention will be paid to the development of pilgrimage tourism and domestic tourism. In addition, 1 trillion soums will be allocated from the budget to improve land, water and road infrastructure around tourist facilities.

In the process of building a new Uzbekistan, great attention is paid to the development of tourism. Especially in the implementation of the strategy of innovative development of tourism in the context of large-scale reforms, the rapid development of investment and the transformation of this sector into one of the most developed and promising sectors of the national economy are of particular importance. "Transformation of tourism into a strategic sector of the economy will remain a priority for us". It is important to identify strategic directions of sustainable development through scientific research on the priorities of national tourism competitiveness in the tourism sector of the country and to study the scientific-methodological and practical aspects of increasing the competitiveness of national tourism products.

### Literature review

A lot of scientific work has been done on the development of the tourism industry, the content and regulation of the concepts of tourism competitiveness, the field of tourism services. studied related problems. Foreign scientists like T. Cook [1], W. Hunziker [2], N. Leiper [3] had studied problems in the field of tourism.

Russian scientists I.V Zorin [4], V.A Kvartalnov [5], A.S Kuskov [6], I.T Balabanov [7], G.A Karpova [8] are those who conducted research.

Among the economists of our country Q.Kh.Abdurahmonov [9], M.Q.Pardaev [10], N.T.Tukhliev [11], M.E.Pulatov [12], Q.J.Mirzaev [12], I.S.Tukhliev [13], B.N.Navruz-zoda [14], A.A.Eshtaev [15], M.T.Alimova [16] were the ones to study important issues related to tourism.

In the market of tourism services, it is important to ensure a balance between supply and demand and increase the competitiveness of tourism products and services. Accordingly, we will briefly state our views on the priorities, tools and methods of implementing public policy in the field of tourism, studying the views and opinions of some authors in this area, summarizing their scientific approaches.

The concept of competition is widely applied to different sectors of the economy, cities, regions, countries and so on. Competition is seen as a relative (relative to anything) and multifaceted concept. The versatility of the concept of competition complicates the process of developing its universal definition, in this regard, various conceptual approaches have been formed to define its essence and methods of evaluation. One of the components of a country's competitiveness is tourism competitiveness. Competitiveness of tourism is considered by researchers based on their subjective judgments about competitiveness and its importance for the sustainable development of individual indicators. Existing approaches to interpreting the economic nature of competition are significantly different from each other. The main differences in the



authors' definitions are observed in the interpretation of the reasons for the emergence of competitiveness, its purposefulness, quality characteristics, as well as the interrelationship of products and industries (national economy) with similar characteristics.

Competitiveness is a complex feature that differs from the enterprise, industry, country potential, product competitiveness and operational efficiency. Therefore, in contrast to existing approaches, the reasons for the emergence of competition should be considered not only internal factors related to the enterprise, but also external factors, which take the form of competition in the markets of finished products and production resources. (national economy) competitiveness is not the same concept. The management of the competitiveness of the enterprise should take into account the factors and the level of competitiveness of products and industries (national economy). For example, as defined by L. Dwyer [17] and others, tourism competitiveness is a general term that includes price differences combined with exchange rate fluctuations, productivity levels of various components of the tourism industry, and quality factors affecting destination attractiveness. At the same time, other scholars point out that the competitiveness of tourism is the ability to create added value in these tourism services, maintain the resource base, and maintain a high market position among competitors. The proposed conceptual approaches to determining the competitiveness of tourism are mainly based on M. Porter's [18] "competitive rhombus" ideas. The most comprehensive and understandable of these is the Ritchie and Crouch [19] model, in which the

competitiveness of a destination is characterized by the following key factors:

- main resources and attractions (attractions);
- supporting factors and resources;
- strategic planning of destination development;
- the role of the regulatory body in promoting key resources;
- situational conditions (political situation, geographical location, etc.).

Based on many years of research, scientists have come to the conclusion that the most competitive destination is able to effectively ensure the sustainable well-being of its population. The main feature of competition in tourism is that it must be analyzed at several interrelated levels at the same time, in particular at the macro, meso and micro levels. Macroeconomically, the competitiveness of tourism is determined by many economic, environmental, cultural and political factors. Many researchers believe that the competitiveness of a tourist destination is directly related to the competitiveness of tourism enterprises in the region under consideration, as well as the competitive position determined by the sector's specialization.

### **Research methodology.**

At the making of this article, the law of the Republic of Uzbekistan on tourism development, the statement of the President of the Republic of Uzbekistan, the statement of the President of the Republic of Uzbekistan, the decisions of the Cabinet of Ministers, the official statistics of the Ministry of Tourism, systematic approach, observation, generalization, comparative analysis, synthesis were used.

### **Analysis and results**



National tourism competitiveness is one of the components of a country's competitiveness. The uniqueness of tourism resources creates comparative and competitive advantages. Comparative advantages are related to climate, natural resources, and so on. Quality of infrastructure, quality management, labor resources, public administration, etc. - were considered competitive advantages. In other words, natural and climatic conditions, unique history, architecture, culture are the primary tourist resources, creating comparative advantages, human and financial resources involved in the creation of tourist services are secondary. Thus, the competitiveness of national tourism is determined by the tourist potential of the destination, its unique culture, traditions, history, as well as the country's image, effective government policy aimed at developing national

tourism as a strategic industry, investment and innovation in this area.

In the current context of pandemic response, the priority of the state is to rapidly restore national tourism and increase the competitiveness of the industry through the transition of tourism from a traditional model of investment and innovative development. This approach is in line with the Concept of Tourism Development in the Republic of Uzbekistan for 2019-2025. This document aims to increase the effectiveness of reforms to create favorable economic and necessary conditions for the development of tourism in the Republic of Uzbekistan, to develop priorities and tasks for the accelerated development of tourism, and to increase its role and contribution to the economy, diversify and improve services. aimed at improving tourism infrastructure.

**Table 1.**

### Normative and legal documents regulating tourism in Uzbekistan until 2021

Normative-legal document	The number
<b>Decisions of the head of state</b>	
Decrees of the President of the Republic of Uzbekistan	12
Resolutions of the President of the Republic of Uzbekistan	15
Decrees of the President of the Republic of Uzbekistan	1

<b>Governmental Decisions</b>	
Resolutions of the Cabinet of Ministers of the Republic of Uzbekistan	25
Cabinet of Ministers of the Republic of Uzbekistan	8
<b>Other documents</b>	
Joint decisions	1



This concept was adopted due to the positive changes in the development of national tourism, increasing its competitiveness, the government's efforts to ensure sustainable growth of tourism.

The competitiveness of national tourism had the following comparative and absolute advantages. Uzbekistan has a huge tourist and recreational potential, with 7,400 cultural heritage sites, 209 of which are part of the four museum cities: "Ichan Kala in Khiva", "Historical Center of Bukhara", "Historical Center". "Shahrisabz" and "Samarkand" are included in the UNESCO World Heritage List.

Prior to the pandemic, exports of tourism services doubled between 2010 and 2017, reaching \$ 546.9 million in 2017 and \$ 1,041 million in 2018. The average annual growth rate of foreign visitors was 8% in 2016, 7% in 2017 and exceeded 2.69 million people. At the end of 2018, about 5.3 million foreign tourists visited the country. Measures taken to support and protect the private sector have helped increase the number of tourism organizations from 398 in 2015 to 950 by the end of 2018, and the number of hotel facilities from 661 to 900.

In recent years, major investment projects have been implemented to develop tourism infrastructure, including the opening of Hyatt Regency Tashkent and Lotte City Hotel Tashkent Palace hotels in Tashkent, and the creation of cultural and entertainment parks in the cities. Electrified high-speed railways to Andijan, Urgench, Tashkent, "Angren-Pap" railway

line, Bukhara, Karshi, Shakhrisabz and Khiva.

In the long run, the state policy in the field of tourism is to make tourism one of the locomotives of rapid development of regions and their infrastructure, solve the most important socio-economic problems, create more jobs, diversify, develop regions, increase incomes, living standards and quality of life. aimed at increasing investment attractiveness.

One of the important factors influencing the doubling of the number of foreign tourists coming in 2018-2019 are:

- Visa facilitation, rules of stay and business in Uzbekistan, development of infrastructure in the field of tourism and promotion of tourist potential:
- Additional visa-free regime for 9 countries (18 in total), increase in the number of countries with a simplified regime for obtaining entry visas for citizens from 12 to 50;
- The introduction of a system of registration and issuance of electronic entry visas and the introduction of visa-free entry, temporary stay and exit to Uzbekistan through checkpoints for citizens of 101 countries passing through the territory of Uzbekistan;
- simplification of the procedure for temporary registration of foreign citizens in the territory of the republic, which was transferred to a fully electronic format through the system "E-GUEST";
- cancellation of certification for the organization of guest houses;

**Table 2.**

**Implementation of the concept of tourism development in the Republic of Uzbekistan in 2019-2025 \***

Nº	Indicators	2018	2019	2020	2021	2022	2023	2024	2025
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1	Number of foreign tourists visiting Uzbekistan (thousand people)	5 346	6 041	7 010	8 410	10 010	10 600	11 250	11 810
2	Exports of tourism services (million USD)	1 041	1 180	1 360	1 620	1 900	2 000	2 080	2 170
3	Number of domestic tourists (thousand people)	15493	16 100	17 230	18 806	20 317	21 867	23 404	25 010
4	Number of hotels and similar accommodation	914	1 100	1 620	2 200	2 600	2 800	2 900	3 050
5	Number of rooms in residential buildings (thousand)	20,2	24	35	47	55	59	62	64
6	Number of residential buildings (thousand)	41	49	72	95	110	122	124	128
7	Number of tour operators	983	1 100	1 190	1 250	1 320	1 390	1 420	1 450

\* Appendix to PF No. 5781 of the President of the Republic of Uzbekistan dated August 13, 2019. National database.

However, these predictions did not materialize as a complex phase in the development of the countries began. The COVID-19 coronavirus pandemic has become the most serious problem for the tourism industry in its entire history. The

Organization for Economic Co-operation and Development's October report "Restoring Tourism for the Future" states that by the end of 2020, the international tourism economy will shrink by about 80%. The World Tourism Organization (UNWTO) forecasts that by the end of the year, the losses in this sector of the economy will exceed \$ 1 trillion, leaving more than 100 million people unemployed.



The current crisis has exposed long-term structural vulnerabilities in the tourism economy (which is largely a fragmented sector composed mainly of small and

medium-sized businesses) that are highly dependent on seasonality, according to OECD experts

**Table 3.**  
**SWOT analysis of national tourism competitiveness in Uzbekistan in the context of pandemic response**

<b>Strengths</b>	<b>Weaknesses</b>
<p>Rare natural resources, the presence of historic cities and UNESCO World Heritage Sites. The low population density makes it safe to visit Uzbekistan. Diversity and uniqueness of Uzbek culture, ethnicity groups and religious denominations, gastronomic experiences. Quality of accommodation and hotels in major destinations. The Great Silk Road is an internationally recognized brand The hospitality of the locals. Political benevolence and application of the state for the development of tourism.</p>	<p>High cost and slow development of air communication services Problems in transport infrastructure Complex procedures and visa processes when crossing the border. Limited opportunities in tourism asset conservation and socially responsible practice Limited product development and innovative segments of the market lack of tourist experience, Language barriers and lack of qualified professionals (Workers, managers and guides)</p>

<b>Opportunities</b>	<b>Threats</b>
<p>The growing international interest and importance of the Silk Road The ever-increasing demand for international tourism in the fastgrowing Asian markets and the interest of tourists in gaining new experiences and unfamiliar destinations. Major regional infrastructure projects in destinations Continuous development of information technology. In the post-pandemic environment, tourism is an area capable of supporting economic recovery. Participation of foreign investors in financing tourism projects</p>	<p>Rising international health risks and geopolitical conflicts. Climate change, including global warming and environmental pollution. Security and political instability in neighboring countries</p> <p>The economic downturn in major markets of tourist origin. Natural and man-made disasters.</p>



According to the UNWTO, the decline in export revenues from international tourism in January-August 2020 alone amounted to \$ 730 billion compared to the same period in 2019. This is 8 times more than the damage caused by the global economic and financial crisis of 2008-2009. Dozens of airlines and tour operators around the world have left the market due to rising fuel prices, declining demand for tickets and tour packages as a result of the economic downturn.

Resolution of the Senate of the Oliy Majlis of the Republic of Uzbekistan No. SQ-312-IV dated May 29, 2021 contains the following information:

At the end of 2019, 6.7 million foreign tourists visited the country.

According to the World Travel and Tourism Council's 2020 report, the total contribution of tourism to Uzbekistan's GDP was 4.5% (\$ 2.4 billion). More than 601,000 people are employed in the sector. The coronavirus pandemic has also caused a deep crisis in the tourism sector, which has become a strategic sector of the economy.

In 2020, only 1.5 million foreign tourists visited the country, and revenues from exports of tourism services amounted to \$ 261 million (5.2 times less than in 2019).

According to forecasts for 2021, 1.7 million foreign tourists will visit Uzbekistan and export \$ 400 million worth of tourist services. According to forecasts for 2021, 1.7 million foreign tourists are expected to visit Uzbekistan and export \$ 400 million worth of tourist services. had to cease its activities. This led to the loss of more than 250,000 jobs.

In order to ensure the rapid recovery of the industry, the development of domestic tourism, 2 decrees and 1 resolution of the President of the Republic

of Uzbekistan, 3 resolutions of the Cabinet of Ministers were adopted.

In the first quarter of 2021, about 522,000 people traveled as domestic tourists, their share in Uzbekistan's GDP amounted to 130 billion soums.

But it is this crisis that has opened up new possibilities. Founded in August 2008, the Airbnb service has now become a global short-term rental platform. Services and platforms that expand opportunities for the development of unorganized tourism have become popular and the industry has begun to change.

Today, similar trends are observed in the world: most countries have focused on tourism development, and industry participants themselves have taken advantage of the slowdown to accelerate industrial resumption, implement digitalization, launch digital platforms, and change green solutions and tourism management approaches.

The findings identified in the SWOT competitiveness analysis will allow the development of a national tourism development concept in the coming period. In addition, coordination and cooperation with global regulators in the field of tourism are important. Separate destination, the state can strengthen competitive advantages through the development of domestic tourism, but the rapid recovery of inbound tourism is impossible without concerted action, joint development projects. The idea of "One Planet" for sustainable recovery of the tourism industry is based on the UNWTO Global Tourism Recovery Guidelines, published by the World Tourism Crisis Committee on 28 May 2020, to help tourism recover from the COVID-19 crisis and increase sustainability. This Concept calls for a responsible recovery of the tourism industry after the crisis caused by the COVID-19 pandemic. A sustainable



recovery focused on “building better than before” could serve as a basis for making the tourism industry more resilient.

#### Conclusions and suggestions

As a result of our research, we make the following suggestions and recommendations:

1. Development and approval of instructions on the order of movement of tourists in the territory of the Republic, the conditions and benefits created for them in order to develop national tourism in our country;
2. Organization of regular training of employees working in the field of tourism through the creation of a special software system;

3. Implementation of the strategy of investing in innovative activities in the field of tourism through the establishment of innovation centers in the regions.

4. The base of normative and legal documents, which is the basis for activity in the field of special tourism, should be created and constantly improved in every business entity engaged in tourist activity.

In conclusion, it should be noted that today our country has made great strides in the development of tourism and legal regulation by the state. The main factor in the development of the industry was the creation of huge benefits and opportunities for entrepreneurs.

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