

FINANCIAL ISSUES DEVELOPMENT OF TOURIST ACTIVITIES

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Annotation: This article analyzes the importance and place of attracting investments in tourism in the country, as well as financial issues and proposals that will lead to its further development. The influence of the export processes of tourism on the country's GDP was also studied.

Keywords: investment, diversification, tourism, infrastructure, services, GDP.

In recent years, tourism has caught the attention of international organizations and institutions, as well as experts and researchers, because it is considered an important engine for economic progress and an effective tool to create new jobs and reduce poverty. It is known from history that the territory of our country is famous for its ancient monuments, science and trade centers. Also, domestic and foreign tourism was very active in those days. Even today, efforts are being made to develop the tourism industry, further improve domestic and foreign trade and international friendly relations. Such changes will definitely require investment and have their own principles. Inflow of money from abroad is important in the tourism industry. Tourism development has become an important goal for most governments, especially in developing countries. Therefore, studying and proposing policies to develop tourism has become an issue of interest to both governments and researchers in recent years. Creating favorable conditions for the development of tourism, especially in the private sector, improving the competitiveness and quality of services provided, active and comprehensive promotion of national tourism products in the world market, it is also important to implement the proposals set out in the Address of the President of the Republic of Uzbekistan to the Oliy Majlis of December 29, 2020 [1] and to ensure the implementation of the tasks set out in the "Action Strategy" for the five priority areas of further development in the Republic of Uzbekistan in 2017-2021 [2].

The sources of financing the implementation of entrepreneurship included in the program of measures for the development of tourism are business initiatives, Ministries and agencies are loans from commercial banks, foreign investments, loans and grants from international financial institutions and donor countries, charitable funds and other sources not prohibited by law.

One of the most important scientific sources devoted to the development of the tourism industry is V.I. Azar research works can be listed [3]. Many scholars in the field of evaluation of the financial mechanisms of regulation of tourism services stem from the dynamics of achieving high financial and economic efficiency of the tourism industry by assessing the degree of impact of certain components on its development [4].

According to local scholars, the problem of financial resources, which is central to the large-scale problems of financial organization of tourism enterprises, it would be inappropriate to consider only the attraction of financial resources to ensure the financial and economic activities of tourism enterprises. The turnover of financial resources, as well as the direction and management of expenditures, is an issue related to the general economic and specific financial conditions at the current stage of development of market relations in Uzbekistan [5].

Examining such issues, we can say that in addition to paying special attention to improving the efficiency of investments in tourism, special attention is paid to the benefits that are not available in foreign experience in order to expand the investment potential and increase investment attractiveness of businesses in tourism. In particular, by the decree of the President of the Republic of Uzbekistan dated January 5, 2019, investors who have built a three-star hotel with at least 50 beds in order to ensure the accelerated construction of hotels in Uzbekistan will receive 40 million soums for each room in the hotel and investors who have built a four-star hotel with at least 100 seats will receive a subsidy of 65 million soums for each room in the hotel. In addition, the top 50 three-star hotels will be compensated \$ 200 per year per room and the 30 four-star hotels will be compensated \$ 400 per room per year. For example, a hotel with 100 rooms will receive \$ 40,000 in compensation this year. The resolution also stipulates that 50,000 additional hotel rooms will be created in Uzbekistan by January 1, 2022 [6]. The attention paid to the development of tourism in our country and the essence of the reforms in this area is to achieve the welfare of the population by increasing jobs, increasing incomes, expanding the structure of exports and increasing investment potential.

Revenues from exports of tourist services in the first half of 2020 amounted to a total of 203.5 million US dollars. 99.5% of this revenue (\$ 202.4 million) fell in the 1st quarter of 2020, compared to just \$ 1.1 million in the 2nd quarter. The average cost of one tourist is drastically different from that of another depending on the country of arrival. According to data released by the State Tourism Committee in early 2019, the average cost of tourists from Central Asian countries was \$ 60-160, while those from other countries were \$ 600-700.

In our country, trips to nature, visits to historical monuments, trips to the lake and the sea, as well as modern forms are the main factors in attracting tourists. In 2020, the number of foreigners visiting Uzbekistan for tourism amounted to 1.5 million. Compared to 2019, this figure decreased by 77.7%.

The construction of a modern hotel complex in the national style has begun in Tashkent with a direct investment of 13 million US dollars from Japan. As of January-June 2020, \$ 5.8 million had been spent[7]. In accordance with the Decree of the President of the Republic of Uzbekistan dated January 9, 2020 No 4563 "On measures to implement the investment program of the Republic of Uzbekistan in 2020-2022", a total of 14 projects worth 429.5 million US dollars were implemented in Tashkent. Of the total cost, \$ 420 million is foreign direct investment. In January-June 2020, only \$ 45.4 million was spent. Optimizing all these conditions of the investment process depends on the ways and pace of development of any tourism enterprise. Thus, investments are a necessary factor in the development of tourism, the creation of a modern competitive tourist complex, which creates ample opportunities to meet the needs of citizens of Uzbekistan and foreign countries in tourism services.

Travel includes goods and services purchased by tourists for business use or for visits that last less than a year for their own needs. It also does not include items for resale included in common products.

True, in the context of the pandemic, the tourism economy of many countries (almost all) has come to the brink, and in a broad sense, the international tourism sector has declined significantly. Many countries that have now eradicated the COVID-19 pandemic from their territory have opened their doors to tourism. However, there are still gaps in our national tourism system. There is also a lack of accommodation and infrastructure, especially during the tourist season, the lack of coordination of passenger transport in various modes of transport. The biggest problems in the national system of the country are the low level of formation of the provision of tourists with information on the existing tourism potential, the shallowness of marketing activities to promote the specifics of domestic tourism. The negative impact of the pandemic was fully felt in Uzbekistan and its tourism sector. A number of priority measures have been taken by the state to support the industry. In particular, 1,750 businesses benefited from property and land tax exemptions, which allowed them to avoid spending 60 billion soums.

Expenditures of international visitors from the countries of the Central Asian Economic Cooperation in 2021 accounted for 39% of Georgia's exports (Table 1). The Kyrgyz Republic, Tajikistan and Uzbekistan also have a relatively high share of international visitors' expenditures in total exports, indicating a high level of dependence on international tourism.

1 – table. Travel and tourism contribution to GDP for SARES* countries in 2021

Countries	The volume of tourism and travel in GDP (mln.dol.)	Share in GDP (%)	Expenses of foreign visitors (mln. USD)	In relation to the total volume of exports, (%)
Azerbaijan	3 539,2	7,2	1 727,2	6,5
Georgia	4 487,9	26,3	3 578,1	39,0
Kazakhstan	8 866,1	5,2	2 883,5	4,1
Kyrgyz Republic	722,5	8,3	515,1	18,6
Mongolia	989,2	7,2	605,5	6,8
Pakistan	16 576,5	5,9	852,2	3,1
Tajikistan	503,7	6,4	165,3	28,4
Uzbekistan	2 473,5	4,5	1 550,9	21,1
Жами:	38 158,6		11 877,8	

* Data on economic cooperation of Central Asian countries

Last year, 1.5 million tourists visited Uzbekistan, they were provided with services worth 261 million US dollars, domestic tourism amounted to 1.8 million US dollars. This year, 1.7 million tourists are expected to arrive and the number of local tourists will reach 7.5 million. It is expected to export \$ 370 million worth of tourism services. Attracting investment in the organization of the tourism industry stems from the fact that tourism is still a very free place where all the conditions are created for doing profitable business. World experience shows that investments in the tourism sector have a very high return, where the investment pays off in about five years and then brings a steady profit of about 20% per annum in foreign currency. Investments in tourism include investments not only in the tourism industry and the hotel business, which is the most popular area of investment activity in the industry, but also in various services related to the leisure sector.

The rapid development of tourism activity depends on the importance that the state attaches to it, that is, the support of the state. The following are very important in attracting private as well as foreign investment in tourism:

- increase the activity of local authorities in the field of advertising and information activities (coverage of tourism and recreational potential of the territorial and administrative entity);
- implementation of liberal administrative and tax policies that encourage private investment initiatives;
- to establish effective anti-monopoly and anti-crime policies of local authorities aimed at maintaining a competitive environment among tourism enterprises.

It is also necessary to focus public investment policy on the development of investment potential of the regions, the infrastructure involved in the investment process. Public investment policy should take into account the need to create favorable socio-economic conditions in the regions, ensure the profitability of tourism enterprises, ensure the balance of foreign economic activity of the state, improve the quality of life of the population. Currently, the highest investment activity in the field of tourism is recorded in countries where tourism has been declared a priority and socially important type

of entrepreneurial activity. Investments are a necessary financial factor in the development of tourism, the creation of a modern competitive tourist complex that creates ample opportunities to meet the needs of Uzbek and foreign citizens for tourism services.

It is clear that in order to solve the problems in the field of tourism, it is necessary to improve customer service and expand the service tourism opportunities, as well as to introduce many innovations aimed at creating a qualitatively innovative development strategy. It should be noted that innovation in many ways determines the competitiveness of tourism products, and, unfortunately, the issue of competitiveness of tourism products in Uzbekistan is especially relevant.

On this basis, the tourism business of Uzbekistan should radically reconsider the existing business models through innovation and digitalization. In our opinion, it is necessary to develop market segments, such as rural and nature tourism, whose activities are just beginning to open. Despite the difficulties that have arisen in the reconstruction of the entire industry and are still ongoing, the activities of the domestic tourism sector and the full support of the state will help to expand sustainable domestic tourism in Uzbekistan. It is natural that a number of proposals will be made to solve such problems. Here are some suggestions:

- simplification of the mechanism of coordination of charter flights, introduction of "Open Skies" mode at airports in the country;
- work to further develop the transport of tourists to provide intermodal transport (bus, rail, air) within the country. Repair of dilapidated roads and modernization of vehicles for the convenience of the population and tourists on roads, railways and air travel;
- attracting more investment in the development of domestic and foreign tourism, directing investments to the establishment of tourist zones in the country, using them to improve infrastructure;
- increase the volume of investments in tourism and bring effective benefits to the country's economy through these investments;
- development of transport logistics, expansion of internal and external roads, improving the quality of transport services;
- identification of strategically important routes for flights in order to attract tourists, reduce airline costs and optimize air ticket prices for consumers;
- providing services and accommodation, reversing the activities of organizations.

As it was noted, tourism is a significant branch of the global economy, and plays a crucial role in developing countries. The economic effects of tourism activities are significant, so most countries focus on tourism because it is seen as a vital instrument for achieving economic development goals. Today, as well as investment in all sectors of the economy, investment in tourism is at the forefront as an important source of funding. Attracting foreign investment in tourism is an integral part of the economic development strategy of the Republic of Uzbekistan. Along with capital, long-term foreign investment brings new technologies, innovations and contributes to providing the population with new high-paying jobs. Uzbekistan has chosen a path of open policy in all areas for the development of the tourism industry and the mobilization of all available opportunities to attract investment in the industry and the world community. The work being done in this direction will contribute to the stability of our economy, the attractiveness of the investment climate and thus increase the welfare of the people.

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