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Measures to Develop the Tourism and Hospitality Industry in Uzbekistan

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Abstract: Tourism and the hotel business are among the most promising areas in our country, which are developing rapidly in the context of liberalization and modernization of the economy and, on this basis, increasing the well-being of our people. Tourism and hotel business is one of the priorities of economic development both in our country and in developed countries. In recent years a lot of work has been done to develop this sector. In particular, a law on tourism and a number of regulations, on development of tourism and hospitality industry, projects and measures to be implemented at the state and individual levels have been adopted.

Keywords: tourism, hospitality industry, hotel, civilization, international brand hotels, booking.com, COVID-19, Zaamin Seasonal Mountain Resort.

Introduction

Tourism belongs to the service sector and is one of the fastest growing sectors of the economy. The rapid growth of tourism in Uzbekistan will have a positive impact on the economy, generating large volumes of foreign exchange earnings as well as developing the country's tourism industry.

The process of intensification of economic relations in the sphere of tourism will increase mobility of the population. This, in turn, leads to the creation of hotels, canteens, construction and recreation facilities [6]. Also creation of tourist infrastructure, i.e. transition of tourism to regular transport, will provide employment for all segments of the population and formation of new sectors of the economy [4, p. 637]. The development of tourism in the country, in turn, creates an important base for the development of hotels.

If we look at the history of tourism, hospitality is at its core. Previously, guests were welcomed in their own home, the host's flat, and then the first appearances of hotels began to appear. Usually a tourist has to live away from home for a few days, a week, a month. He will need the help and support of strangers in a foreign land. This can be achieved through hospitality.

According to the Uzbek dictionary, "**hospitality**" means "warm welcoming, behaviour" [13]. Nowadays, the concept of hospitality is mostly connected to the overnight stays and holidays in hotels rather than in someone's flat. In this regard, in the economic literature the terms hospitality and tourism are used interconnectedly [8]. Scholars in our country use the term "hospitality" instead of welcoming [7, p.151].

It is also clear that the disclosure of the essence of the concept of hospitality is important in the study of theoretical issues of tourism.

Hospitality is currently a type of services provided in the field of tourism, and also has some business characteristics. Based on its content, we consider it appropriate to define hospitality as follows: Hospitality is a set of relations connected with the provision of services, such as accommodation, catering, transport, excursions, and entertainment.

Main body

The rapid growth of tourism, especially in the last decade, has led to a significant development of the hotel industry in Uzbekistan. Requirements for the maintenance of hotels and the organisation of hotel services have increased. Real competition for consumers willing to pay for the services offered began to emerge among accommodation enterprises. As a result, a real hotel market gradually began to develop in our country, subject to the economic laws of supply and demand, as well as competition. The need for cooperation with travel agencies and tour operators has grown. At present, one of the serious problems of hotels in Uzbekistan is to create a system of quality service to provide competitive services [10, p. 302-304]. The hotel service quality system and service quality system are important in negotiations with foreign investors and visitors, who consider it a prerequisite to have a certificate of this system. It has been noted that the trends of the hospitality industry in recent decades are as follows:

- 1) Deepening specialisation of the hotel and restaurant offer;
- 2) Formation of international hotel and restaurant chains;
- 3) Development of a network of small businesses;
- 4) Introduction of new computer technology in the hospitality industry;

The hospitality industry is one of the concepts associated with civilisation, which through development and time has developed into a powerful industry that employs millions of professionals and creates the best for service consumers [5, p. 248].

Thus, the hospitality industry is a complex field of workers, satisfying all the needs and desires of tourists [3, p. 382].

Tourism and hotel management are integral parts of the industry. The growing demand for hotels is directly related to the development of tourism. It is known from world practice that development of tourism promotes growth of economy of the country, development of less developed regions, growth of employment of the population. It leads to growth of life culture. Opening of tourist bases in such areas is a key direction of economic development of many countries. Creation of tourist bases in mountainous and rural areas will promote development of these territories and increase the standard of living of the population [6, p. 16].

Another important aspect of this industry development for Uzbekistan is employment in rural areas of the country. This is because many traditional services, attractive to private enterprise, are gradually being developed in both urban and rural areas. However, insufficient measures have been taken to develop tourism and hospitality in rural areas. In this regard, the Cabinet of Ministers on 27 November 2018 adopted a decree **"On additional measures to accelerate the development of the hotel industry in the Republic of Uzbekistan"** [1].

The decree stipulates various objectives to further increase the efficiency of the use of tourism potential in the regions of the country, to ensure the advance development of modern tourism infrastructure in the regions, to attract investment in the hotel industry, and to eliminate existing shortcomings in the field of accommodation. In particular, the State Committee of the Republic of Uzbekistan for Tourism

Development and the Ministry of Construction of the Republic of Uzbekistan have taken into account positive foreign design experience, including that of Turkey and Korea.

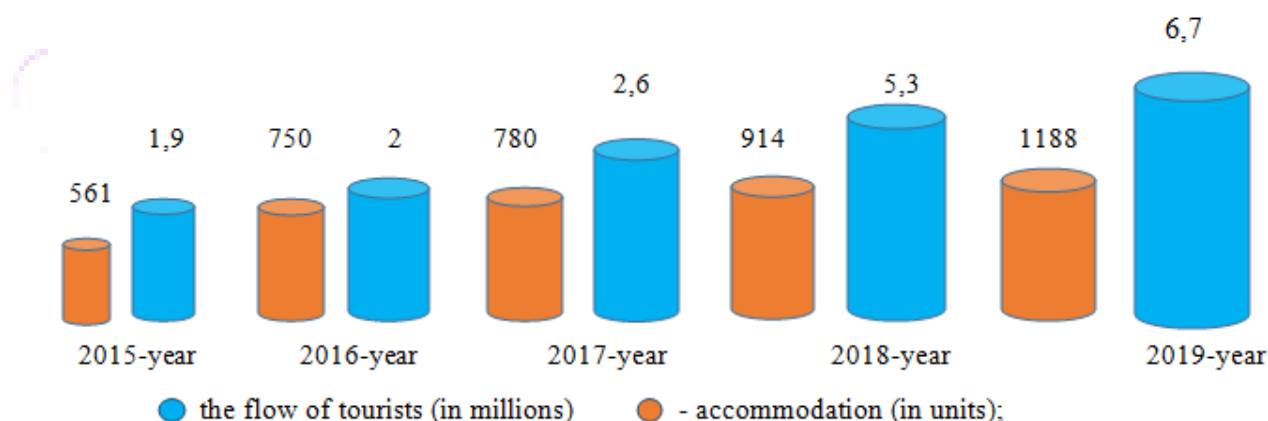
In recent years, in many countries, especially in our country, city dwellers have begun to travel to the mountains for weekends more frequently. This requires the villagers to have a second specialisation related to tourism and the construction of tourist complexes in picturesque areas of the countryside. With the expansion of tourism, the number of service businesses, including hotels, will continue to grow. In addition, the sphere related to tourism development includes many more businesses, enterprises (restaurants, transport, entertainment establishments, etc.) and they operate during the tourist season. Their turnover increases according to the number of tourists [9, p. 16].

Uzbekistan is a country with great potential for tourism development. Tourism is seen as a strategy in the national economy. In the last 3 years about 60 regulatory documents aimed at development of tourism infrastructure and creation of favourable conditions for travel have been developed and adopted.

Measures taken to support the development of the tourism industry have contributed to a sharp increase in the flow of foreign tourists, which has tripled over the last 3 years (2017-2019).

For the first time, a programme for the development of domestic tourism "**Journey to Uzbekistan**" has been developed, which has organised more than 14 million journeys.

It is the most popular type of accommodation and hotels, with 82.5% of visitors staying in hotels, but the growth of lodgings lags far behind the flow of tourists. This is due to the low growth rate of the housing stock [2, p. 3].



One of the main challenges we face is to **improve the quality of service** in the hotel and catering sector.

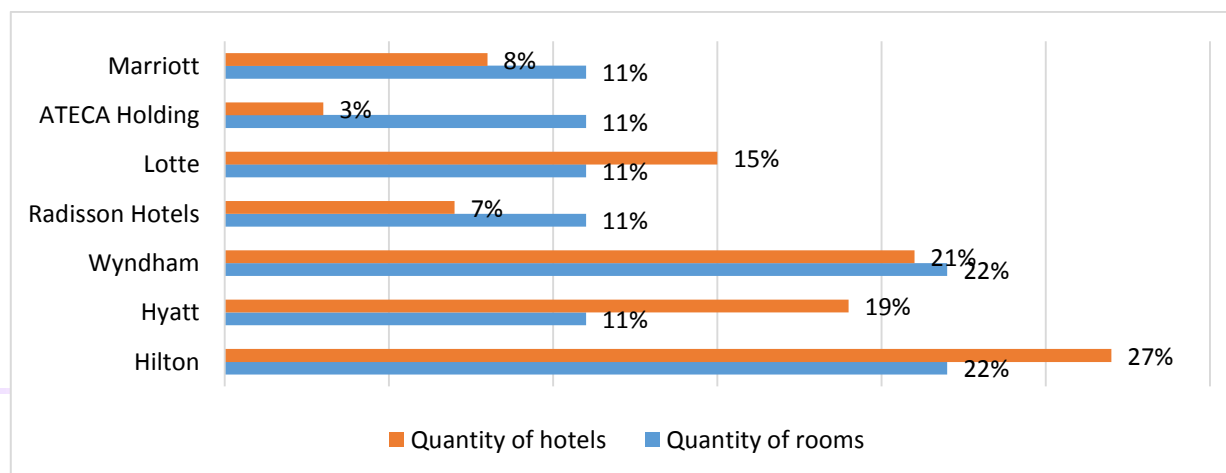
One of the steps taken in this direction is **subsidies**. There may be a mechanism for attracting franchises of foreign hotel chains to our country. If an existing hotel or any other accommodation under construction attracts a franchise of a foreign brand, the government will cover \$200 per room for three-star brands and \$400 per room for four-star brands. The advantage is that foreign brands, representatives of foreign hotel chains allow us to improve the quality of service in our hotels. They conduct their own trainings, introduce new requirements and service quality standards [11, p. 47-48].

International hotel brands in Uzbekistan are represented only in the capital, as Tashkent is the most important business and cultural centre of the country, attracting tourists and businessmen from all over the world. International hotel brands are just entering the hotel market in the historical regions of the country, particularly in Samarkand and Bukhara.

The following international hotel brands are operating in Tashkent (early 2022).

| The list of international hotel brands in Tashkent | | | | |
|--|----------|-----|-------------|-----|
| Name | Amount | % | Rooms | % |
| <i>Hilton Worldwide</i> | 2 | 22% | 433 | 27% |
| <i>Hyatt Hotels Corporation</i> | 1 | 11% | 300 | 19% |
| <i>Wyndham Worldwide</i> | 2 | 22% | 326 | 21% |
| <i>Radisson Hotel Group</i> | 1 | 11% | 111 | 7% |
| <i>Lotte Group</i> | 1 | 11% | 232 | 15% |
| <i>Ateca Holding</i> | 1 | 11% | 43 | 3% |
| <i>Marriott International</i> | 1 | 11% | 131 | 8% |
| Total | 9 | | 1576 | |

Distribution of shares of international hotel brands in Tashkent (in%)



Another aspect is promoting our products and hotels abroad

When our hotels attract foreign brands, they are automatically included in the booking chain. This means that potential guests planning to visit our country will already have information about the hotels. In this way, our hotels are represented and promoted to foreign hotels. All this helps us to attract both foreign brands and our brands to be recognised abroad [14].

Based on the above considerations, the following suggestions for the development of the hotel business can be made:

1. Offer additional products and services

The first challenge that newly opened hotels face is attracting these customers. To solve these problems, you first need to provide additional products. For example, for customers interested in winter sports (skiing, skydiving, canoeing or hiking), a trip to the mountains would make sense. Work in partnership with transport companies and mountain resorts so that the client can stay at the hotel and visit mountain resorts set up by your partner. In this way, the hotel owner can benefit not only for himself, but also for his business partner. If there is no mountain nearby, you can develop ecotourism, for example by inviting guests to ride horses in the steppe. For instance, in Jizzakh region there is a great opportunity to take visitors on an excursion to the Zaamin Mountains. There is a lot of steppes and deserts around Bukhara - you can ride on sand, dry grass and cook in a cooker, which is very popular with tourists.

The most important thing is to increase the range of novelties; if there is a service, there will always be a customer. It is clear that the interesting novelties on offer will attract the customer.

Measures should be devised to develop domestic tourism. Most of the population of Tashkent alone was not in Samarkand and Bukhara.

In addition, working with showbiz companies to hold various festivals can yield good results.

2. Efficient use of every square metre of the hotel

For example, when hotels occupy a large area, restaurants are located on a small plot of land. But the value of restaurants is very important to tourists. Restaurants may not have enough staff to provide additional services, in which case new jobs can be created. It will certainly cost money, but if all the processes are done successfully, it will provide the hotel with the income it cannot get in the off-season. Locals who come to the restaurant know that there is a hotel there and invite their visiting friends to stay there. One thing complements the other.

In many foreign hotels, restaurants, spas and fitness centres bring in huge profits as they cater at a high rate to locals in addition to the hotel's tourists.

An example is a foreign hotel. This hotel had a large conference room that had been empty for months. Later, the hotel owners turned the lobby into a gymnasium. It was a huge success for the hotel. The main achievement was the location of the hotel. There was no gym nearby.

3. Connect the online booking system

Online booking is a very important tool as there is a possibility to communicate directly with the potential visitor. Currently, only 1% of hotels and tour operators sell services online.

When paying by Visa or MasterCard, funds must be quickly transferred through our banks and confirmed at the hotel's cashier's desk. The receptionist must provide proof of payment immediately, otherwise the customer might worry, as the confirmation of the booking is there, but the payment is not confirmed yet. This mechanism is not yet fully developed in Uzbekistan. Most hotels offer free cancellation. And if a guest has booked a stay for 10 days and says they are not coming, the hotel can suffer from that. In this case, there is nothing anyone can do. With a 100% pre-payment at the time of booking, it is possible to save 30% to 50% on cancellation. In this case, the hotel will be free from damages.

Not all hotels have an online booking facility. Some hotels use **Booking.com**. The advantage of this site is that the hotel and the client can make a direct booking without involving an intermediary. The client is also able to choose a room offered by the hotel without any intermediary commission. The website also provides information about the hotel rooms, panoramic photos of the rooms, advertisements and videos about additional services and discounts. This also works in favour of the hotel.

4. Improve service and staff training

The training of qualified staff is a pressing issue for every industry. Most hotels train their staff in the hotel itself. But if the general manager or his deputy has no knowledge of hotel management, they will not be able to train the subordinates.

In large hotels with a high level of staffing, receptionists greet customers with a smile. If a customer needs a service that is not available at that hotel, the receptionist will help by calling the customer to where they need to be and put them in touch with the right people. So in any case, they find a way to solve the guest's problem. Conversely, in some smaller hotels, the staff can just say with a smile: "Sorry, we don't have that service".

No matter how well trained an administrator is, his qualification will depend on practical experience. Otherwise he will remain an inexperienced employee listening to a lecture. An administrator must also be prepared for the unexpected and be able to make good, independent decisions when the time comes. It is

therefore necessary to create the conditions for employees to undertake internships in the best hotels in the city.

All major hotels in Uzbekistan are equipped with brands. If a brand representative enters the market, he/she takes with him/her a very large degree.

5. The development of the infrastructure

The land issue is known to become an issue in Tashkent due to the construction boom. The level of development is very high, that's why the hotel business is slowly making its way to the outlying areas. But infrastructure needs to be improved. Along with all other areas of service it is necessary to develop the infrastructure along the main highways of the country: building campsites, motels, snack bars, restaurants, creating additional facilities.

To build a hotel in any place, you have to think about what kind of product can be offered there. Remember how Las Vegas started with a casino in the middle of the desert. The founder of that business knew people, their needs, how to surprise them and how to promote it all.

One should not limit oneself to Samarkand, Bukhara and Khiva, as tourists do not go to museums in the evening, but to entertainment venues to relax. Without opportunities to do so, there would be no development. As in Turkey and Egypt, it would be advisable to create additional leisure points, i.e. to develop the entertainment and leisure industry as a whole.

In recent years, the tourism industry has worked extensively to promote Uzbekistan's tourism potential in the world. Representatives of the tourism industry are taking measures to improve the quality of services for domestic and foreign tourists. First and foremost, active work is being done to improve the tourist infrastructure in the country's regions.

Uzbek President Shavkat Mirziyoyev commented on the low growth rate in the services sector in Uzbekistan at a meeting on 14 December 2021. The meeting identified 3 areas of development based on population, location and economic potential of each region. Instructions were given to develop services in 158 villages. The Head of State noted that they have the potential to create 300 thousand jobs. Hotels, trade and catering, logistics, service and entertainment facilities are planned in 27 industrial areas [12].

An important aspect of the proposals presented at the meeting was that the President proposed the establishment of a separate tax regime for the tourism industry. It reflected the payment by hotels and rest houses of taxes on property and land in a double amount for 3 years, the allocation of soft loans for the creation and repair of guest houses in the framework of family business programs.

Another good news for the tourism and hospitality industry is the construction of a seasonal mountain resort in Uzbekistan. It is proposed to build a hotel complex, cultural, entertainment, shopping and other tourist facilities in Zaamin district. The draft master plan of the free tourist zone was developed by the Turkish company IDEALIST.

In the tourist zone, there are plans to build stations for electric cars, helicopter landing sites, and extreme sports.

Conclusion

In conclusion, the role of tourism and hospitality industry in economic development should be increased, as they increase the country's GDP, increase the foreign currency fund, promote our country to the world, create an environment for foreign investment, science, culture, sports, etc. serves the development of the social sphere. The development of this industry has been very slow in some regions of the country. For the development of this promising sector it is necessary to radically improve the financial and economic activities of economic entities specializing in these areas, to achieve a rational use of all available

resources and conditions, which will improve their economic efficiency. To date, the main sources of income in the tourism and hospitality industry are increasing the flow of tourists, especially foreign visitors, local visitors, improving the quality of services they receive, as well as widespread introduction of new innovative programs and ideas in services. and activities.

In the wake of the COVID-19 pandemic and subsequent global tourism crisis, Uzbekistan's hospitality industry has faced a shortage of space and difficulties in providing transport services due to the large influx of tourists seeking to visit our country. Some 8 million foreign visitors are expected to arrive in 2020. Unfortunately, this has led to a halt in tourism and temporary unemployment globally and in our country [15].

It is hoped that the crisis caused by the pandemic will soon subside and smooth work will begin to develop tourism in our country, including reaching more than 10 million foreign visitors by 2025.

The tourism industry faces great challenges to create new jobs and new types of tourism. This will undoubtedly improve the well-being of our country's population.

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