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Implementation of State Programs for the Development of the Tourism Industry in Uzbekistan

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Abstract: This study explores the practises of implementing the state programmes addressing the development of Uzbekistan's tourism sector as a strategic part of the economic development of the country. Notwithstanding significant reformation in the forms of: infrastructure modernization; visa-free regime and formation of a tourism cluster—a major knowledge vacuum exists in terms of assessing the actual status versus the expected levels. Through qualitative analysis of government policies, quantitative data and case study of reforms, the paper examines the effectiveness of these reforms. Findings indicate advancement in institutional support; tourist inflow; and incentive for entrepreneurship; however, the position identifies the lack of progress in realising vital objectives especially because of the COVID-19 pandemic. The development of tourism clusters, such as “Bukhara Desert Oasis & Spa”, is an example of successful joined development, which will increase the level of local employment and investment. Results emphasise the necessity for continued policy flexibility and increased intersectoral cooperation. According to the study, although the tourism strategy has established a solid ground in Uzbekistan, there is critical need to fill in the gap between policy design and the realisation of outcome for achieving a long-term regional competitiveness and diversification of the economy.

Keywords: Republic of Uzbekistan, reforms, tourism, tourism cluster, visa-free regime

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1. Introduction

In recent years, Uzbekistan has been actively developing its tourism industry, recognizing it as a key driver for stimulating economic growth and enhancing the country's international image. As part of this strategic direction, state programs have been formulated and implemented to create favorable conditions for increasing tourism appeal, developing infrastructure, and attracting foreign investment. These programs encompass a broad range of initiatives, including infrastructure enhancement, improvement in the quality of tourism services, personnel training, and the promotion of the country's unique cultural and natural assets. A major priority is the creation of a convenient and safe environment for both international tourists and local entrepreneurs, the integration of innovative technologies, and the strengthening of cooperation with international tourism organizations.

To improve the effectiveness of tourism reforms and significantly boost the inflow of foreign visitors, the **Concept for the Development of the Tourism Sector of the Republic of Uzbekistan for 2019–2025** was developed and approved. The main objective of this policy document is to address current issues in tourism infrastructure, enhance the quality of services provided, and actively promote the national tourism product in global

markets. Additionally, a critical component of the strategy is strengthening human resource capacity within the industry, which, taken together, is expected to significantly increase Uzbekistan's attractiveness as a travel destination [1].

The **Concept for the Development of Tourism** outlines the following key stages in the evolution of Uzbekistan's tourism sector:

- a. **2019–2020:** Institutional reforms aimed at establishing a robust legislative framework for tourism development, modernization of infrastructure, and promotion of the country's tourism brand;
- b. **2021–2025:** Expansion of tourism's share in the national economy. The goal in this phase is to increase the tourism sector's contribution to the country's gross domestic product (GDP) to 5 percent (compared to 2.3% in 2017), and to attract more than 9 million tourists by 2025, including 2 million from distant foreign countries, through the development of essential infrastructure and successful promotion of Uzbekistan's tourism potential in global markets;

Long-term perspective: Tourism in Uzbekistan is expected to move beyond its impact on the national economy and enter regional and global tourism markets as one of the most competitive sectors [2].

To enhance the effectiveness of ongoing reforms in the tourism sector and significantly increase the number of foreign visitors to Uzbekistan, a series of key measures have been proposed, targeting the development of tourism infrastructure and the improvement of service quality.

Starting from **October 1, 2019**, an **"Open Skies"** regime was introduced at the international airports of **Karshi, Nukus, Termez, and Bukhara**, enabling the utilization of the **fifth freedom of the air** for the transportation of foreign nationals. The **Ministries of Transport and Foreign Affairs** began notifying international aviation authorities and foreign carriers of this initiative. Furthermore, since **January 1, 2020**, a **compensation scheme** has been implemented to subsidize part of the costs for organizing charter flights. During the **summer season**, the subsidy amounts to **USD 20 per foreign tourist**, and during the **winter season** (from November 20 to February 20), it increases to **USD 50**, provided that the tourist stays in the country for a minimum of **five nights**. These measures have incentivized air travel and contributed to the attraction of more international tourists [3], [4].

In order to promote the development of individual localities with high tourism potential, special statuses such as **"Tourist Mahalla," "Tourist Kishlak,"** and **"Tourist Aul"** have been introduced. These areas have been included in the national programs **"Obod Kishlak"** and **"Obod Mahalla,"** thereby receiving priority attention from state development initiatives and benefiting from targeted infrastructure improvements. The **first Tourist Mahalla** was inaugurated in **September 2023** in Samarkand — **Boghi Boland Mahalla**. This area includes **15 recreational zones** equipped with signage, informational displays, and park maps, greatly enhancing visitor navigation. Decorative and fruit-bearing trees, along with flower seedlings, have been planted to create a welcoming and aesthetically pleasing environment [5].

A **local market** has been organized within the tourist zone, offering **handicrafts** as well as **dried and preserved local food products**, further supporting the local economy. Additionally, a **Tourist Information Center** has been established, providing visitors with comprehensive details about regional attractions and available services.

Among the notable landmarks is the **Boghi Boland Garden** in Samarkand — one of the historical gardens originally established by **Amir Timur**. Currently spanning **40 hectares**, the garden is home to more than **10,000 fig trees**, including both **yellow and black varieties**. The fruits grown here are ecologically clean, cultivated **without the use of chemical substances**, ensuring high environmental and health standards [6].

Particular attention has been given to the development of a **tourist transportation corridor** connecting the city of **Khanabad** in the Andijan region with **Muynak** in

Karakalpakstan and **Termez** in the Surkhandarya region. Roadside infrastructure along this route is planned to be developed, with the introduction of new tourism services aimed at enhancing traveler experience[7], [8].

2. Materials and Methods

The methodology of the article is grounded on a complete qualitative analysis of government policies, legal documents available, as well as statistical data that are linked with tourism development in Uzbekistan. Official decrees, presidential resolutions and national development thoughts, including the “Concept for the Development of the Tourism Sector of the Republic of Uzbekistan for 2019–2025”, are used for assessment of strategic goals and indicators of measures that should be implemented. Secondary data were retrieved from governmental websites, such as Lex.uz, and the State Statistics Committee; as a result, the authors were able to analyse the implementation’s progress and obstacles. The research includes the analysis of cases of tourism clusters and regulation stipulates, mostly concentrating on forms of cluster developments and temporal aspects of administration. Also, the article adducts to international scholarly literature in order to create context and comparative perspective of Uzbekistan’s tourism reforms. Together, legal frameworks, statistical trends and sectoral case studies are triangulated through the choice of method to achieve a critical appraisal of both the quantitative dimension and procedure of tourism development in Uzbekistan. This approach strengthens an effort to achieve a nuanced understanding of how state-led initiatives tie in with national economical priorities and measure whether or not reforms implemented actually deliver on their intended outcomes regarding regional and global tours markets

3. Result

To encourage **innovative business ideas and start-ups in the tourism sector**, the **Off-Budget Fund for the Support of the Tourism Sector** will provide grants covering up to **30% of project costs**, capped at **100 million Uzbek soums**. This initiative offers opportunities for the realization of new and promising ideas that can contribute to the development of the tourism industry. Legal entities involved in organizing **campgrounds**, **safari tourism in remote areas**, and the **construction and operation of golf complexes** will be **exempt from profit tax, property tax, and land tax** for a specified period. These incentives serve as additional stimuli for entrepreneurs investing in tourism infrastructure [9], [10].

Moreover, until **2024**, the **import of equipment** necessary for the construction of **cable cars**, **amusement rides**, and other **tourist attractions** will be **exempt from customs duties**. These measures are intended to accelerate the development of tourism infrastructure and to create new, attractive travel routes throughout the country. Collectively, these steps aim to foster a more favorable environment for tourism growth in Uzbekistan, improve infrastructure quality, and attract **foreign investment** into the sector.

In addition to the aforementioned objectives, the **Concept for the Development of the Tourism Sector in the Republic of Uzbekistan** specifies key **performance indicators** that the country aims to improve and achieve. These targets are detailed in **Table 1** of the policy document.

Table 1 describes the projected target indicators for the implementation of the Concept for the Development of the Tourism Sector in the Republic of Uzbekistan for 2019–2025. It includes data on:

- a. The expected annual number of foreign and domestic tourists;
- b. The export value of tourist services (in USD millions);
- c. The growth in the number of hotels, rooms, accommodation places, and tour operators.

The table illustrates consistent year-over-year growth targets across all categories, reflecting the government's strategy to expand infrastructure and increase Uzbekistan's attractiveness as a tourist destination.

Table 1. Target Indicators for the Implementation of the Concept for the Development of the Tourism Sector in the Republic of Uzbekistan for 2019–2025

Naming of indicators	2018 year.	2019 year.	2020 year.	2021 year.	2022 year.	2023 year.	2024 year.	2025 year.
Number of foreign tourists visiting Uzbekistan (thousand people)	5 346	6 041	7 010	8 410	10 010	10 600	11 250	11 810
Export of tourist services (USD million)	1 041	1 180	1 360	1 620	1 900	2 000	2 080	2 170
Number of domestic tourists (thousand trips)	15493	16 100	17 230	18 806	20 317	21 867	23 404	25 010
Number of hotels and similar accommodation facilities (units)	914	1 100	1 620	2 200	2 600	2 800	2 900	3 050
Number of rooms in accommodation facilities (thousand)	20,2	24	35	47	55	59	62	64
Number of places in accommodation facilities (thousand)	41	49	72	95	110	122	124	128
Number of tour operators (units)	983	1 100	1 190	1 250	1 320	1 390	1 420	1450

The **projected target indicators** for the implementation of the **Concept for the Development of the Tourism Sector in the Republic of Uzbekistan for 2019–2025** reflect ambitious and systematic efforts to advance the country's tourism industry [11]. A substantial increase in the number of foreign tourists was planned — from **5.3 million in 2018 to 11.8 million by 2025**, marking a projected growth of **6.5 million visitors**. However, in **2024**, the actual number of international tourists visiting Uzbekistan reached **7.9 million**, which fell short of the projected **11.25 million**. This gap highlights that the set targets were not fully achieved [12].

One of the primary factors contributing to this shortfall was the **global crisis caused by the COVID-19 pandemic**, which significantly impacted international travel by restricting mobility and diminishing interest in tourism globally. Border closures, quarantine regulations, global economic instability, and widespread health concerns created serious barriers for both foreign and domestic travelers [13]. As a result, most of the indicators outlined in the table were not realized within the planned timeframe.

As part of efforts to boost tourism, on **January 1, 2020**, Uzbekistan introduced a **visa-free regime** for citizens of several countries, allowing stays of up to **30 days** without the need for a visa. This initiative facilitated travel and simplified entry procedures. Visa-free access was also granted for citizens of CIS countries such as **Russia, Kazakhstan, Azerbaijan, Ukraine, and Kyrgyzstan** for up to **60 days**, and for **Tajikistan** for up to **30 days**, strengthening regional ties and encouraging tourism exchanges [14].

Additionally, Uzbekistan extended **visa-free access to holders of diplomatic passports** from countries including **Hungary, China, India, and the Republic of Korea**, with durations ranging from **30 to 90 days**. A **unilateral visa-free regime** was also established for **citizens of 75 countries**, allowing visits of up to **30 days** regardless of

passport category. This measure significantly eased travel for both tourists and business visitors.

Furthermore, Uzbekistan introduced **visa-free entry** for **UAE residents**, as well as **children under the age of 16** when accompanied by legal guardians. These efforts aim to attract a broader range of international visitors and further stimulate inbound tourism.

Special attention has been given to the **visa-free transit regime** at international airports in Uzbekistan, available to **citizens of 54 countries**. This regime allows travelers en route to third countries to stay in Uzbekistan **without a visa for up to five days**. However, air carriers are required to notify the Uzbek border authorities in advance of passengers using the transit visa-free option. This mechanism enables tourists to enjoy Uzbekistan's **cultural and historical sites**, even during short layovers [15].

One of the most impactful changes in Uzbekistan's visa policy was the launch of the **electronic visa (eVisa) system in 2018**, enabling citizens of over **100 countries** to obtain visas online via the portal emehmon.uz, eliminating the need to visit consulates. This streamlined process has significantly facilitated international travel to Uzbekistan, enhancing the country's accessibility.

At the end of **2024**, the **Cabinet of Ministers of the Republic of Uzbekistan** adopted a **resolution** establishing procedures for the **formation of tourism clusters**. This resolution includes detailed guidelines on the assignment of cluster status, application review procedures, and the management of the **official registry of clusters**. A **tourism cluster** is defined as a network of independent entities or entrepreneurs providing integrated tourism services, along with supplementary services necessary for comfortable tourist experiences.

Cluster status is granted upon issuance of an **official certificate** by the **Tourism Committee under the Ministry of Ecology, Environmental Protection, and Climate Change of the Republic of Uzbekistan**, which serves as the designated authority for implementing these procedures. Applications for cluster status can be submitted **electronically or by mail**, and the review process is **free of charge** for applicants.

Table 2 describes the procedural framework for the **organization of tourism clusters** and the **assignment of cluster status** in Uzbekistan. It outlines the responsibilities of each stakeholder—the **applicant**, **territorial administration**, and the **commission**—along with the specific actions to be taken and the **timeframes** for execution.

Table 2. The Organization of Tourism Clusters and the Assignment of Tourism Cluster Status

Subjects	Events	Period of execution
The applicant	He applies to the Tourism Committee with an application in electronic form or by mail.	At the discretion of the applicant
(business entity) Territorial Administration of the Tourism Committee	Informs the applicant that the relevant tourist site complies with the requirements of this Statute, leaving for the place.	Within 7 business days
	Based on the results of the study, prepares a conclusion on the compliance (non-compliance) of the tourist facility with the established requirements and submits it to the commission for consideration.	Within 3 business days
Commission	Having considered the conclusion submitted by the territorial administration, the applicant decides on the creation of a tourist cluster, as well as on the assignment or refusal to assign the status of a tourist cluster.	Within 5 business days

Subjects	Events	Period of execution
	In the event of a decision to establish a tourist cluster and to refuse to grant the status of a tourist cluster, it develops and sends recommendations to the applicant on how to eliminate deficiencies.	Within 3 business days
	Based on the decision of the commission, it issues a certificate to a business entity on the creation of a tourist cluster and the assignment of the status of a tourist cluster.	Within 3 business days

The **Tourism Committee** is mandated to ensure compliance with established regulations, organize the publication of information regarding the process for obtaining cluster status (*see Table 2*), and oversee the development of projects for prospective tourism clusters. Within **three months**, a proposal for the development of key tourism clusters across the Republic will be prepared.

4. Discussion

In collaboration with **local authorities**, favorable conditions will be created to ensure the efficient operation of tourism clusters encompassing all aspects of the industry — from tour operators to accommodation, transportation, and retail services. Active efforts will also be undertaken to promote cluster services at **international tourism exhibitions and trade fairs**.

Tourism clusters have the potential to become **key drivers of regional economic growth** in Uzbekistan, contributing not only to the development of the tourism sector but also to the **overall improvement of infrastructure**. The establishment of such clusters opens wide opportunities for the integration of various economic sectors, including **hospitality, transport, trade, agriculture, and local handicrafts**. These clusters enable regions to effectively harness their natural and cultural resources, attract tourists, and create new jobs.

On **August 30, 2024**, a unique tourism cluster titled “**Bukhara Desert Oasis & Spa**” was inaugurated in the **Romitan district of Bukhara region**. Designed in an **Oriental theme**, this complex is a true oasis situated in the desert landscape of the area. Covering a total area of **10 hectares**, and with an adjacent **30-hectare zone** designated for future **eco-parks and agro-parks**, the first phase of the project can accommodate up to **500 guests simultaneously**, with capacity expected to **double to 1,000** upon completion of the next phase.

Facilities within the cluster include a hotel with a swimming pool, traditional yurts, restaurants offering national and European cuisine, a summer terrace, replicas of historic sites in Bukhara, a wellness center, equestrian area, parking lot, and other amenities. Additional services include horseback riding, camel treks, quad biking, jeep tours, and electric vehicle excursions. Guests will also enjoy theatrical performances and cultural concerts. The cluster's opening led to the creation of 100 new jobs.

A central element of tourism cluster development is the enhancement of **transportation and social infrastructure**. This includes the improvement of roads, construction of new accommodation facilities, and expansion of restaurant, retail, and service networks — all of which are essential for creating **comfortable conditions for tourists** and improving the **quality of life** for local residents. Moreover, such projects are expected to attract **private investment**, creating additional incentives for regional development.

Through tourism clusters, regions can not only enhance their appeal to **international tourists** but also promote **domestic tourism** by creating **unique travel routes and events**. Furthermore, the development of these clusters will support **economic diversification**, reducing reliance on traditional sectors such as agriculture and industry. This diversification is essential for **sustainable economic growth** and improving the **well-being of local communities**.

The growth of the tourism sector in Uzbekistan represents a strategic direction of national economic policy, aimed at enhancing the country's international image, stimulating economic growth, and creating new employment opportunities. The implementation of the State Tourism Development Program — through the adoption of innovative technologies, the creation of new tourism clusters, and infrastructure improvement — contributes to attracting foreign investment and increasing tourist inflows.

Despite challenges such as the impact of the global pandemic, the goals laid out in the Tourism Development Concept for 2019–2025 continue to provide a foundation for sustainable sectoral growth. Initiatives such as the visa-free regime for several countries, development of Tourist Mahallas and infrastructure projects, as well as entrepreneurial incentives through tax benefits and grants, offer additional potential for expanding and diversifying tourism.

5. Conclusion

The projected increase in both **foreign and domestic tourists**, along with the establishment of **integrated tourism clusters**, is expected to open new regional opportunities and enhance **Uzbekistan's competitiveness in the global tourism market**. Collectively, these measures have the potential to **transform the tourism landscape of Uzbekistan**, promoting its **sustainable and multidimensional development** over the long term.

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