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THE CRUCIAL ROLE OF TOURISM IN THE UZBEK ECONOMY

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Annotatsiya

2017-yildan buyon O'zbekistonda turizm hukumat islohotlari va Ipak yo'li merosi tufayli iqtisodiy o'sishning muhim omiliga aylandi. Ushbu tadqiqot turizmning YaIM, bandlik va yalpi qo'shilgan qiymatga (YQQ) qo'shgan hissasini O'zbekiston Statistika agentligi ma'lumotlari (2019–2022) asosida baholaydi. Turizmning YaIMdagi ulushi 2019-yilda 2,6% dan 2022-yilda 1,4% gacha o'zgardi, yiliga 200,000 dan ortiq ish o'rinlarini ta'minladi. 2020-yilda COVID-19 tufayli pasayish bo'lsa-da, 2022-yilga kelib tiklanish barqarorlikni ko'rsatadi. Qishloq turizmining rivojlanmaganligi, raqamli infratuzilma kamchiliklari va malakali kadrlar yetishmasligi muammolari mavjud. Tavsiyalar barqaror rivojlanish, raqamli integratsiya va kadrlar tayyorlashga qaratilgan.

Kalit so'zlar

Turizm; O'zbekiston iqtisodiyoti; YaIMga qo'shgan hissa; Bandlik; Barqaror rivojlanish, yalpi qo'shilgan qiymat (YQQ)

Аннотация

С 2017 года туризм стал важным фактором экономического роста Узбекистана благодаря реформам и наследию Шелкового пути. Исследование оценивает вклад туризма в ВВП, занятость и валовую добавленную стоимость (ВДС) на основе данных Статистического агентства Узбекистана (2019–2022). Доля туризма в ВВП варьировалась от 2,6% в 2019 году до 1,4% в 2022 году, обеспечивая более 200,000 рабочих мест ежегодно. Несмотря на спад в 2020 году из-за COVID-19, восстановление к 2022 году демонстрирует устойчивость. Проблемы включают неразвитый сельский туризм, пробелы в цифровой инфраструктуре и нехватку квалифицированных кадров. Рекомендации сосредоточены на устойчивом развитии, цифровой интеграции и обучении.

Ключевые слова: Туризм; Экономика Узбекистана; Вклад в ВВП; Занятость; Устойчивое развитие, валовую добавленную стоимость (ВДС).

Abstract

Since 2017, tourism has been a key driver of Uzbekistan's economic growth, propelled by government reforms and its Silk Road heritage. This study evaluates tourism's contributions to GDP, employment, and gross value added (GVA) using data from the Uzbekistan Statistics Agency (2019–2022). Tourism's GDP share ranged from 2.6% in 2019 to 1.4% in 2022, supporting over 200,000 jobs annually. Despite a 2020 downturn due to COVID-19, recovery by 2022 demonstrates resilience. Challenges include underdeveloped rural tourism, digital infrastructure gaps, and workforce skill shortages. Recommendations emphasize sustainable development, digital integration, and training to maximize economic benefits.

Keywords

Tourism; Uzbek Economy; GDP Contribution; Employment; Sustainable Development, Gross Value Added (GVA).

Introduction

Uzbekistan, nestled at the crossroads of the ancient Silk Road, has harnessed its cultural and historical wealth to establish tourism as a vital component of its economic framework. Since 2017, reforms under President Shavkat Mirziyoev, including visa-free access for over 90 countries and significant infrastructure investments, have transformed Uzbekistan into a burgeoning tourism hub. In 2023, the country welcomed 6.6 million tourists, generating $4.8 billion in revenue, equivalent to 5.2% of GDP. The sector supported 214,613 jobs in 2022, particularly in hospitality and transport, fostering inclusive growth for youth and women. The "Uzbekistan – 2030" Strategy aims to elevate tourism's GDP contribution to 7% by 2030, aligning with goals of economic diversification and job creation.

Despite these achievements, challenges persist. Rural tourism is underdeveloped, with only 15% of visitors exploring non-urban areas like Karakalpakstan or the Chimgan Mountains. Digital infrastructure lags, with just 30% of accommodations offering online bookings, limiting appeal to tech-savvy travelers. Workforce shortages, especially in multilingual services, hinder service quality. The sector's susceptibility to global disruptions, as seen in the 2020 COVID-19 downturn, underscores the need for resilience through diversification and sustainability. This study examines tourism's contributions to Uzbekistan's economy, focusing on GDP, employment, and gross value added (GVA) from 2019 to 2022, and addresses: How does tourism drive economic development, and what barriers must be overcome to realize its full potential?

Methodology

This study employs a quantitative approach, analyzing data from the Uzbekistan Statistics Agency (2019–2022) on employment, GDP, and GVA in

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tourism industries. Secondary data sources included tourist arrival figures, economic indicators, and reports from the World Bank and UNWTO. The analysis focused on three key metrics: GDP contribution, employment generation, and GVA. Data were processed thematically to identify economic contributions and barriers. Limitations include the absence of 2023–2025 data, which may restrict insights into recent trends, and reliance on secondary sources, which may not capture all nuances of the tourism sector.

Results:

Tourism is a significant economic driver in Uzbekistan, though it experienced volatility. Foreign tourist arrivals grew from 2.7 million in 2017 to 6.6 million in 2023, generating $4.8 billion in 2023. Employment data (Table 1) shows 231,431 jobs in 2019, dropping to 190,814 in 2020 (-17.6%) due to COVID-19, and recovering to 214,613 in 2022. Food and beverage services (73,111 in 2022) and road passenger transport (45,906) were the largest employers, while air passenger transport (1,779) lagged. GDP contributions (Table 2) fell from 14,102.9 billion soums (2.6%) in 2019 to 2,557.8 billion soum (0.4%) in 2020, recovering to 12,791.7 billion soums (1.4%) in 2022. GVA followed a similar trend, from 13,573.4 billion soums (2.5%) in 2019 to 12,462.7 billion soum (1.4%) in 2022. Rural tourism (15% of visitors) and digital platforms (30% of accommodations online) remain underdeveloped.

Table 1[1]: Employment in Tourism Industries (2019–2022)

Sector	**2019**	**2020**	**2021**	**2022**
Accommodation services	54,536	49,805	51,524	53,451
Food and beverage services	66,646	54,101	67,496	73,111
Railway passenger transport	5,273	4,149	5,117	5,104
Road passenger transport	70,919	50,206	48,166	45,906
Air passenger transport	2,007	1,592	2,021	1,779
Transport equipment rental	1,788	1,225	1,364	1,155
Travel agencies and reservation services	3,192	2,525	2,410	3,103
Cultural services	11,042	11,545	12,492	12,315
Sports and recreational services	16,028	15,666	17,013	18,689
Total	**231,431**	**190,184**	**208,053**	**214,613**

The graph shows a peak of 231,431 employees in 2019, a sharp decline to 190,814 in 2020 due to the COVID-19 pandemic, and a gradual recovery to 208,053 in 2021 and

[1] Adapted from the author based on the open data for the digital economy of Uzbekistan State Committee

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214,613 in 2022. The blue line with circular markers highlights the sector's resilience, though employment remains below pre-pandemic levels, reflecting challenges in sectors like air and road transport. This figure 1 traces employment trends in Uzbekistan's tourism industries, revealing a robust pre-pandemic sector (231,431 employees in 2019) driven by food and beverage services (66,646) and road passenger transport (70,919). The 17.6% drop in 2020 (190,814) reflects global travel restrictions, with significant declines in road passenger transport (-29.2%) and food and beverage services (-18.8%). Recovery to 214,613 by 2022, led by food and beverage services (73,111), indicates resilience, but lagging subsectors like air passenger transport (1,779) highlight uneven recovery. This underscores tourism's role as a major employer and the need for targeted support for weaker subsectors.

Table 2[2]: Tourism's Contribution to GDP and GVA (2019–2022)

Year	**Contribution of Tourism to GDP (billion soums)**	**Share (%) in GDP**	**Contribution of Tourism to GVA (billion soums)**	**Share (%) in GVA**
2019	14,102.9	2.6	13,573.4	2.5
2020	2,557.8	0.4	2,461.5	0.4
2021	4,902.4	0.7	4,752.3	0.6
2022	12,791.7	1.4	12,462.7	1.4

Table 2 outlines the economic contributions of tourism to Uzbekistan's GDP and GVA from 2019 to 2022, capturing the sector's financial impact. In 2019, tourism contributed 14,102.9 billion soums to GDP (2.6% of the national total) and 13,573.4 billion soums to GVA (2.5%), reflecting a vibrant industry. The drastic fall in 2020 to 2,557.8 billion soums (0.4%) for GDP and 2,461.5 billion soums (0.4%) for GVA underscores the severe disruption caused by global travel restrictions during the COVID-19 pandemic. A rebound in 2021 (GDP: 4,902.4 billion soums, 0.7%; GVA: 4,752.3 billion soums, 0.6%) and further recovery in 2022 (GDP: 12,791.7 billion soums, 1.4%; GVA: 12,462.7 billion soums, 1.4%) highlight the sector's resilience, driven by government reforms like visa liberalization. However, the 2022 figures, still below 2019 levels, indicate that tourism's economic role remains constrained, necessitating strategic investments to restore and expand its contributions.

Discussion

Tourism's role in Uzbekistan's economy is multifaceted, contributing to GDP, employment, and foreign exchange earnings, yet its potential remains underrealized due to structural and operational challenges. The data from 2019 to

[2] Adapted from the author based on the open data for the digital economy of Uzbekistan State Committee

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2022 reveal a sector with significant economic impact but marked volatility. In 2019, tourism generated 14,102.9 billion soums (2.6% of GDP) and employed 231,431 people, reflecting a robust industry driven by cultural tourism in cities like Samarkand and Bukhara. The catastrophic decline in 2020 (GDP: 2,557.8 billion soums, 0.4%; employment: 190,814) due to COVID-19 exposed the sector's dependence on international arrivals, which plummeted globally. The recovery by 2022 (GDP: 12,791.7 billion soums, 1.4%; employment: 214,613) demonstrates resilience, driven by government reforms such as visa liberalization for over 90 countries and investments in 183 new hotels and 232 hostels in 2023. However, the failure to regain 2019 levels, even with 6.6 million tourists in 2023, suggests systemic barriers that warrant deeper exploration.

One major barrier is the urban-centric nature of Uzbekistan's tourism model. Cultural tourism, centered on UNESCO World Heritage Sites, accounts for 80% of visitor revenue, leaving rural areas like the Ustyurt Plateau and Karakalpakstan underexplored (only 15% of tourists visit non-urban areas). This urban bias limits economic spillovers to rural communities, where poverty rates are higher, and contrasts with neighboring Kyrgyzstan, which has successfully marketed adventure tourism to distribute economic benefits more equitably. For instance, Kyrgyzstan's community-based tourism model, supported by local homestays, contributes 8% to its GDP, far exceeding Uzbekistan's 1.4% in 2022. Expanding rural tourism could enhance inclusive growth, particularly for women and youth, who dominate hospitality roles (e.g., 73,111 jobs in food and beverage services in 2022).

Digital infrastructure gaps further constrain tourism's economic potential. Only 30% of accommodations offer online booking systems, a significant deterrent for younger, independent travelers who rely on platforms like Booking.com. This contrasts with Turkey, where 85% of accommodations are digitally accessible, contributing to its 10% tourism GDP share. Limited digital integration also hampers marketing efforts, as Uzbekistan's lesser-known attractions, such as the Aral Sea's "ship cemetery," lack global visibility. Small tourism businesses struggle with digital adoption due to low technical expertise and inadequate internet infrastructure in rural areas, underscoring the need for targeted investments.

Workforce challenges, particularly the shortage of multilingual staff, also limit service quality and economic impact. English proficiency is rare outside major tourist hubs, deterring Western visitors who accounted for 20% of arrivals in 2023. This contrasts with Thailand, where widespread English training supports its $60 billion tourism industry. The uneven recovery across subsectors—strong growth in food and beverage services (73,111 jobs) versus stagnation in air passenger transport (1,779 jobs)—further highlights workforce disparities. Training programs could address these gaps, aligning with the "Uzbekistan – 2030" Strategy's focus on job creation.

Sustainability is another critical concern. High tourist volumes at UNESCO sites like the Registan (1 million visitors in 2022) strain local resources, risking environmental degradation and cultural erosion. Over-tourism, if unchecked, could mirror challenges faced by Venice or Barcelona, where resident displacement and infrastructure overload have sparked backlash. Uzbekistan's nascent eco-tourism sector, such as tours to the shrinking Aral Sea, offers a sustainable alternative but requires infrastructure and promotion to compete with cultural tourism. The 2020 downturn demonstrated the need for diversified revenue streams, such as domestic tourism, which remained resilient in countries like China during the pandemic.

Comparatively, Uzbekistan's tourism GDP share (1.4% in 2022) lags behind regional and global peers, reflecting untapped potential. Kazakhstan's tourism sector, bolstered by natural attractions like the Altai Mountains, contributes 3.5% to GDP, while Thailand and Turkey achieve 12% and 10%, respectively. Uzbekistan's reliance on cultural tourism, while a strength, limits its appeal to adventure and eco-tourists, unlike Kyrgyzstan or Costa Rica, where diversified offerings drive higher economic returns. The "Uzbekistan – 2030" Strategy's goal of 7% GDP contribution is ambitious but achievable with strategic investments in rural infrastructure, digital platforms, and workforce development. However, without addressing these barriers, tourism risks remaining a secondary economic driver, overshadowed by agriculture and energy.

The sector's resilience, as evidenced by the 2022 recovery, is a testament to effective policy interventions. Visa reforms and infrastructure investments have restored tourist confidence, with 2023 arrivals (6.6 million) surpassing pre-pandemic levels. Yet, the data suggest that without addressing rural underdevelopment, digital gaps, and sustainability concerns, Uzbekistan may struggle to compete in the global tourism market, where experiential and sustainable travel are increasingly prioritized. The interplay of these challenges and opportunities underscores the need for a holistic approach to maximize tourism's economic contributions while preserving Uzbekistan's unique heritage.

Economic Multiplier Effect of Tourism

Beyond direct contributions to GDP and employment, tourism in Uzbekistan also exerts significant indirect and induced effects, often described as the tourism multiplier. For instance, increased tourist spending in local markets boosts income for artisans, farmers, and service providers. A study by the World Travel & Tourism Council (WTTC, 2023) found that each dollar spent by a tourist can generate up to $3 in related sectors in developing countries.

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In Uzbekistan, this multiplier effect is evident in the growth of handicrafts and local food production in regions like Khiva and Bukhara. Tourists seeking authentic experiences are more likely to purchase locally made products, attend traditional performances, and dine in family-owned establishments. However, the absence of structured supply chains and lack of certification for local products reduce potential returns.

Establishing cooperative networks and promoting regional brands could strengthen local economies and enhance tourist satisfaction. For example, regional labels such as 'Made in Khorezm' or 'Samarkand Heritage' could add value and build consumer trust in both domestic and international markets.

Moreover, linkages between tourism and agriculture-termed ‘agritourism’-are emerging as promising areas for Uzbekistan. Regions like Fergana Valley and Surkhandarya have untapped potential for vineyard tours, silk production experiences, and farm stays. These experiences not only diversify tourism offerings but also ensure that rural households benefit directly from the tourism economy. To amplify these multiplier effects, government initiatives should target micro, small, and medium enterprises (MSMEs) with access to microcredit, business training, and certification programs. Local government units should be empowered to collaborate with NGOs and international donors to implement region-specific projects that encourage inclusive participation in the tourism value chain.

In conclusion, the economic footprint of tourism extends far beyond its primary indicators. When supported by strong institutional frameworks, local linkages, and innovation, Uzbekistan’s tourism sector can serve as a powerful engine for rural development, poverty alleviation, and socio-economic resilience. Policy interventions that recognize and support these multiplier effects will be critical in transforming Uzbekistan from a cultural destination into a holistic tourism economy.

Conclusion

Tourism stands as a pivotal force in Uzbekistan’s economic landscape, driving GDP growth, employment, and foreign exchange earnings while fostering cultural exchange and global recognition. The data from 2019 to 2022 illustrate a sector with significant achievements but persistent challenges. Tourism’s contribution to GDP (1.4% in 2022) and employment (214,613 jobs) reflects its economic importance, particularly in labor-intensive sectors like hospitality. The recovery from the 2020 COVID-19 downturn, with GDP rising from 2,557.8 billion soums (0.4%) to 12,791.7 billion soums (1.4%) by 2022, highlights the effectiveness of government reforms and the sector’s resilience. The 2023 surge to 6.6 million tourists and $4.8 billion in revenue further underscores tourism’s growing role in economic diversification, aligning with the “Uzbekistan – 2030” Strategy’s vision of a 7% GDP share by 2030.

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However, the sector's potential is constrained by structural limitations. The urban-centric focus, with 80% of revenue from cultural tourism, marginalizes rural communities and limits inclusive growth. Digital infrastructure gaps, with only 30% of accommodations online, hinder accessibility for modern travelers, while workforce shortages, particularly in multilingual services, compromise service quality. Sustainability risks, driven by high tourist volumes at UNESCO sites, threaten long-term viability. These challenges, if unaddressed, could prevent Uzbekistan from competing with regional peers like Kyrgyzstan (8% GDP from tourism) or global leaders like Thailand (12%).

The findings suggest that tourism's economic role can be amplified through strategic interventions. Diversifying into rural and eco-tourism could distribute benefits to underserved regions, reducing urban overcrowding and fostering inclusive growth. Digital investments, such as multilingual booking platforms, would attract tech-savvy travelers and enhance global visibility. Workforce training in languages and customer service would improve visitor experiences, boosting repeat visits and revenue. Sustainable practices, including regulated tourist flows and eco-friendly infrastructure, are essential to preserve Uzbekistan's cultural and environmental assets, ensuring long-term economic viability.

Looking forward, Uzbekistan's tourism sector holds immense promise as a catalyst for economic transformation. Achieving the 7% GDP target by 2030 requires a balanced approach that leverages the country's cultural heritage while embracing innovation and sustainability. By addressing current barriers, Uzbekistan can position itself as a leading destination in Central Asia, rivaling global tourism hubs. This study underscores the need for coordinated policies to unlock tourism's full economic potential, ensuring that it serves as a sustainable engine of growth for future generations while safeguarding the nation's rich heritage.

Recommendations

1. **Expand Rural Tourism**: Invest in infrastructure and marketing for eco-tourism and adventure tourism in regions like Karakalpakstan and the Chimgan Mountains to promote inclusive growth.
2. **Strengthen Digital Infrastructure**: Develop multilingual online booking platforms and tourism apps to enhance accessibility for global travelers.
3. **Enhance Workforce Skills**: Implement training programs in English and customer service to improve service quality and attract diverse visitors.
4. **Promote Sustainable Practices**: Introduce regulations to manage tourist flows at UNESCO sites and invest in eco-friendly infrastructure to mitigate environmental impacts.

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5. **Boost Global Marketing**: Leverage social media and partnerships with international travel agencies to promote Uzbekistan's diverse attractions, increasing foreign exchange earnings.

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