



ATTRACTING INVESTMENTS IN THE TOURISM INDUSTRY

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Abstract. An investment is a sacrifice of present consumption with the expectation of the future will be better. In a general sense, it is an allocation of money in different assets with the expectation that in the future the value of these assets will be higher and generate some return. The tourism industry's investment potential is intrinsically linked to the number of visitors and tourists attracted to a destination. To capitalize on this potential, it becomes imperative to develop tourism infrastructure, services, and facilities that can cater to the growing demand. This, in turn, creates opportunities for investors, leading to the realization of investments in the sector. In terms of money movement and building the supply side for tourism in India through private sector investments. In terms of money movement and building the supply side for tourism in India through private sector investments.

Keywords: investors, foreign investment, mobilizing, financial resources, economic growth, human capitalizing, stakeholders, shareholders.

TURIZM INDUSTURYASIGA INVESTITSIYALARNI JALB ETISH

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Toshkent davlat iqtisodiyot universiteti

Annotatsiya. Sarmoya — bu hozirgi iste'moldan voz kechib, kelajakda yaxshiroq bo'lishini kutish. Umumiy ma'noda, bu kelajakda ushbu aktivlarning qiymati yuqoriroq bo'lishini va qandaydir daromad keltirishini kutish bilan turli xil aktivlarga pul taqsimoti. Turizm industriyasining investitsiya potensiali o'ziga xos tarzda tashrif buyuruvchilar va sayyoohlar soniga bog'liq. Ushbu salohiyatdan foydalanish uchun turizm infratuzilmasi, xizmatlar va o'sib borayotgan talabni qondira oladigan obyektlarni rivojlantirish zarur. Bu, o'z navbatida, sarmoyadorlar uchun keng imkoniyatlar yaratib, sohaga investitsiyalarni amalga oshirishga xizmat qilmoqda. Pul harakati va xususiy sektor investitsiyalari orqali Hindistonda turizm uchun ta'minot tomonini qurish nuqtai nazaridan. Pul harakati va xususiy sektor investitsiyalari orqali Hindistonda turizm uchun ta'minot tomonini qurish nuqtai nazaridan.

Kalit so'zlar: investorlar, xorijiy investitsiyalar, mobilizatsiya, moliyaviy resurslar, iqtisodiy o'sish, inson kapitallashuvi, manfaatdor tomonlar, aksiyadorlar.

ПРИВЛЕЧЕНИЕ ИНВЕСТИЦИЙ В ТУРИСТИЧЕСКУЮ ИНДУСТРИЮ

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Аннотация. Инвестиции — это жертва текущего потребления с ожиданием того, что будущее будет лучше. В общем смысле, это распределение денег в различные активы с ожиданием того, что в будущем стоимость этих активов будет выше и принесет некоторую прибыль. Инвестиционный потенциал туристической отрасли неразрывно связан с количеством посетителей и туристов, привлеченных в место назначения. Чтобы извлечь выгоду из этого потенциала, становится необходимым развивать туристическую инфраструктуру, услуги и объекты, которые могут удовлетворить расширяющий спрос. Это, в свою очередь, создает возможности для инвесторов, что приводит к реализации инвестиций в сектор. С точки зрения движения денег и создания стороны предложения для туризма в Индии за счет инвестиций частного сектора. С точки зрения движения денег и создания стороны предложения для туризма в Индии за счет инвестиций частного сектора.

Ключевые слова: инвесторы, иностранные инвестиции, мобилизация, финансовые ресурсы, экономический рост, человеческая капитализация, заинтересованные стороны, акционеры.

Introduction.

Tourism investment involves directing financial resources toward the tourism industry to improve infrastructure, services, and visitor experiences, ultimately drawing in more tourists and benefiting local economies. This investment is vital for sustainable development, as it generates employment, supports cultural heritage, and contributes to overall economic growth. Effective tourism investment strategies frequently include collaborations between public and private sectors to enable thorough planning and optimal resource use, enhancing the competitiveness and attractiveness of destinations in the global market.

This study addresses the following research questions:

What is an investment in tourism?

What are the roles of foreign investment in strengthening the national economy?

Literature review.

Tourism occupies the third place in the world after trade related to activity volume. Besides, there is another statistic: the tourism share in the economy of some countries is more than 50 percent. Tourism nowadays is of great importance for the development of many regions, appearing a catalyst for economic development. Regional tourism development is primarily related to the development of infrastructure and requires the attracting investments. (Bykovskaia, Frolova, Babaeva)

The tourist cluster of Voronezh and the Voronezh region is represented quite widely. It includes 30 Park zones, 24 museums, 18 monuments and memorials, 52 objects of pilgrimage tourism, etc. However, Sergey Naumov, the Chairman of the Voronezh branch of small and medium businesses "OPORA", participating in one of the discussions called our tourism as a "slow-moving business". At the same meeting, it was expressed another point of view considering tourism as "an ideology, not a cash cow" (Voronezh, 2018)

To promote the excursion potential of the region, in addition to interesting places and historical rarities, it's necessary to have an information center involved in the work of regional recreational opportunities application; to develop a system of training guides; to arrange a network of souvenir shops, to prepare some educational guide books, brochures and interesting publications on the history of the region. (Bykovskaya, 2015)

Research methodology.

This study employs a mixed-method approach, combining qualitative and quantitative case studies. Data were collected through different nation's experiences. There is given some benefits and importance of investment in tourism field. The surveys focused on to find some weakness and strength of attracting investment to tourism in different touristic places. Data provided insights into policy frameworks.

Analysis and discussion of results.

Foreign investment is vital for bolstering a nation's economy, offering a wide range of advantages that contribute to economic expansion, job creation, technology transfer, infrastructure enhancement, and increased productivity.

Here are some key points that illustrate the importance of foreign investment:

1. Economic Expansion: Foreign investment serves as a driving force for economic growth by injecting capital into the host country. This funding can be utilized for various initiatives, including expanding current industries, launching new enterprises, and financing infrastructure projects. The surge in economic activity resulting from foreign investment leads to higher GDP, improved living standards, and increased tax revenues for the government.

2. Job Creation: The influx of foreign investment typically results in the generation of new employment opportunities. When international companies invest in a country, they set up local operations that require both skilled and unskilled labor. This not only helps to lower unemployment rates but also provides income-generating opportunities for the local population, contributing to poverty alleviation and social stability.

3. Technology Transfer: Foreign investment introduces advanced technologies, knowledge, and expertise to the host nation. Multinational corporations often bring with them sophisticated production methods, management practices, and research and development capabilities. This technology transfer enables domestic industries to boost their productivity, modernize their operations, and enhance product quality while also fostering a skilled workforce and encouraging innovation.

4. Market Access: Foreign investment can open doors to larger markets for domestic producers. When international companies establish operations within a country, they frequently depend on local suppliers for raw materials and other inputs. This creates opportunities for domestic businesses to integrate into global supply chains, thereby enhancing their competitiveness and export potential. Furthermore, foreign investment can lead to the introduction of new products and services, broadening consumer choices and stimulating domestic demand.

5. Infrastructure Development: Foreign investment is crucial for developing infrastructure such as transportation systems, power generation facilities, telecommunications networks, and urban development projects. These investments help to address infrastructure deficiencies, enhance connectivity, and create a supportive environment for economic activities. Improved infrastructure attracts additional investments, fosters economic growth, and elevates the overall quality of life for citizens.

As an example of Uzbekistan there might be seen considerable initiatives. In accordance with the "Concept for the Development of the Tourism Sector in the Republic of Uzbekistan in 2019-2025", approved by the Decree of the President of the Republic of Uzbekistan No. PF5611 dated January 5, 2019, the volume of Uzbekistan's tourism services exports in 2021 is set at 1,360 million. USD, and if we take into account the fact that the plan was fulfilled by 16% in 2019, the volume of tourism services exports in the country in 2020 (even if the previous, i.e. 2019, targets are maintained) could amount to 1,577 (1,360x1.16) million. USD. In reality, the total amounted to only 260.9 million USD.



Picture 1. Some examples of organizers and vendors in tourism.

Source: "Quality management in tourism" (Egamnazarov, n.d.)

Historically, internationalization has occurred within economies that engage in global trade. In essence, the free market developed before the capitalist economy. This trend of internationalizing economic activities signifies a broader movement from isolated domestic markets to interconnected global markets. The decline of the feudal system and the rising significance of international trade during the sixteenth century led to the development of early business theories articulated by a diverse group of writers known as commercialists, including figures like Thomas Mann and Jean Colcier. Their ideas focused on the interactions between traders and emphasized the necessity of state involvement in economic affairs to maintain a favorable trade balance, ultimately aiming for a surplus that would benefit the nation's economy.

Here are some effective strategies for developing tourism:

1. **Diversify Tourism Offerings:** Create a wide array of tourism products and experiences to meet various interests and preferences. This can encompass cultural and heritage tourism, adventure tourism, ecotourism, culinary tourism, wellness tourism, and more. By providing a range of experiences, destinations can attract a larger audience and encourage longer visits.

2. **Infrastructure Development:** Invest in the necessary infrastructure to support tourism growth. This includes enhancing transportation systems, upgrading airports, improving roads and highways, and building tourist facilities such as hotels, resorts, and visitor centers. Well-developed infrastructure boosts accessibility and convenience, making the destination more attractive to travelers.

3. **Sustainable Tourism Practices:** Adopt sustainable tourism practices to safeguard natural and cultural resources, reduce negative environmental impacts, and benefit local communities. Encourage responsible tourism by implementing waste management systems, conserving biodiversity, supporting local economies, and promoting community-based tourism initiatives. Sustainable practices not only maintain the destination's authenticity but also draw in eco-conscious travelers.

4. **Destination Branding and Marketing:** Create a strong brand for the destination that emphasizes its unique features and attractions.

5. **Collaboration and Stakeholder Engagement:** Foster collaboration among various stakeholders, including government bodies, tourism boards, local communities, private sector businesses and non profit organizations. Engage in dialogue and involve stakeholders in

decision-making processes. Collaboration ensures a coordinated approach to tourism development, leverages resources and aligns efforts towards common goals.

6. Enhance Visitor Experiences: Focus on enhancing visitor experiences by providing quality services, customer satisfaction and personalized experiences. Train hospitality and tourism industry professionals to deliver exceptional service and create memorable experiences for tourists. Encourage local businesses to offer authentic products, local cuisine and cultural interactions that reflect the destination's identity.

7. Develop Tourism Infrastructure in Lesser-known Areas: Consider developing tourism infrastructure in lesser-known or undiscovered areas to distribute the benefits of tourism more evenly. This can help alleviate overcrowding in popular destinations and create opportunities for economic development in remote or underdeveloped regions. Collaborating community-based tourism initiatives in these areas can empower local communities and preserve cultural heritage. 8. Leverage Digital Technology: Embrace digital technology to enhance the visitor experience and improve destination management. Use online platforms, mobile apps, and virtual reality to provide information, facilitate bookings, giving the option of interactive guides and promote the destination. Harnessing technology can streamline processes, provide real-time information and engage with tourists throughout their journey.

Conclusion and suggestions.

Investment has garnered significant attention in economic development literature because it plays a crucial role in influencing national output, which subsequently stimulates demand for production goods. Additionally, fluctuations in investment can impact income levels and employment rates. The term "investment" refers to the type or nature of activity in which an investor chooses to allocate funds with the expectation of generating a return. In this context, domestic and foreign investments refer to the broader concept of investment, while terms like real estate or securities specify the instruments utilized for investment. In summary, when discussing the field of investment, we are referring to a specific economic sector, whereas when we mention investment tools, we are focusing on the sources of financial assets, whether tangible or intangible.

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