

RECOVERY MEASURES OF TOURISM INDUSTRY AFTER COVID-19 PANDEMIC IN UZBEKISTAN

Musayeva Nozima Esaxonovna,
Master student of UWED, Tashkent

Abstract: The paper outlines the development measures to support tourism sector after the outbreak of Covid-19. The author investigates the consequences and develops suggestions of UNWTO to restart and mitigate negative impacts of pandemic in the sphere of tourism. Foreign experience is observed to define the development prospects in tourism.

Key words: Covid-19, quarantine, measures, fiscal policy, repayment, reduction, economic crisis, State Committee

Tourism plays a significant role in the host countries as it boosts the worldwide economy. It is the most affected sector due to the widespread outbreak of Covid-19 impacting livelihoods, medicine, economy and many other spheres on all states. The majority of countries locked down their borders, imposed quarantine and stopped travelling: tourist's attractions such as amusement parks, museums, theatres, historical monuments, sport venues were closed. Quarantine measures have triggered heavily crisis in the tourism economy. Due to UNWTO, the negative impact of the Covid-19 was reflected in a reduction in international tourist arrivals in the first quarter of 2020 by \$ 67 million and export losses in the amount of 80 billion US dollars (www.uzbektourism.uz).

The leading countries of the tourism business have already begun to calculate the losses. So, in Italy, their total amount exceeds 20 billion euro and, according to the forecasts of the Ministry of Tourism, the industry will need 1 or even 2 years to reach the pre-crisis level. At the same time, the crisis can lead to the loss of up to 45 million jobs in the world in the tourism sector (World Tourism Barometer, 2020). Many countries have already begun to develop and implement a system of certification of tourist facilities for safety from the epidemic. For example, Spain was one of the first countries to develop and adopt new health protocols for tourism at the state level. Additionally, Turkey also opened its borders for foreign travelers as it said to be one of the most sought-after spots by British holidaymakers. Arrivals may have to go through health checks. UNWTO Secretary- General Zurab Pololikashvili said: "The year 2020 was the worst one on record for tourism. The international community needs to take strong and urgent action to ensure a brighter 2021. Many millions of livelihoods and business are depending on it. Improve coordination between countries and harmonized travel and health protocols are essential to restore confidence in tourism and allow international travel to resume safely ahead of the peak summer season in the northern hemisphere (www.unwto.org).

Uzbekistan's tourism sector also damaged due to the results of Covid-19. The first cases of Covid-19 were detected on 16th of March 2020. Uzbekistan implemented immediate measures in order to prevent outbreak of Covid-19 inside its territory. The Anti-Crisis Commission headed by the Prime Minister Abdulla Aripov announced quarantine and set several preventing implementations:

- Schools, kindergartens, high schools institutions were closed and transferred to online mode;
- Keeping social distance and wearing masks were obligatory in public places;
- Tourist's attractions , restaurants, beauty salons were closed;
- Catering was only done by the delivery services;
- Moving inside the country was appointed in the limited time;
- All flights were stopped both inside and outside of the country, only charter flights were organized to bring citizen's from foreign states.
- Organizations began working in online mode.

Despite the measures to combat Covid-19 cases, Uzbekistan's economy and healthcare system, tourism sector and many other spheres experienced severe crisis. Chairman of the state Committee for the tourism development in Uzbekistan, Aziz Abduhakimov announced that the number of foreign tourists decreased by four times in 2020 compared to previous years. Uzbekistan was visited by 1 million 504 thousand tourists, who received services worth \$261 million. It was also noted that the number of local tourist amounted to 1.8 million and this year it is planned to attract 7,5million of our compatriots to tourism. The Committee set a goal to introduce many benefits for tourists, especially focusing primarily on the organization of comfortable and affordable trips. Aziz Abduhakimov stated that a new mechanism will be created that provides for a 30% discount on transport including air and railway tickets. A direct railway flight from Andijan to Khiva, A Fergana-Urganch flight, rail and flights from the cities of Termez and Karshi to the city of Urganch will be launched. Moreover, measures will be taken to increase the frequency of movement by putting into operation an additional two high-speed trains and electrification of Bukhara-Urganch-Khiva railway (www.uzbektourism.uz) .

In accordance with the Decree of the President of the Republic of Uzbekistan Shavkat Mirziyoyev "On additional measures for the development of tourism sector with strict observance of the requirements of the enhanced sanitary and epidemiological safety regime" dated June 19, 2020 the restoration of the tourism industry in Uzbekistan was decided to be carried out in three stages:

- The activities of tour operators and hotels will be revived;
- The restoration of organized regional tourism with neighboring countries and CIS countries will be launched;
- The country will gradually resume inbound tourism with non-CIS countries, whose citizens are allowed to enter the territory of the Republic Uzbekistan taking into account the epidemiological situation (www.lex.uz) .

A number of benefits are provided in order to support and rehabilitate the tourism industry. For tour operators, travel agents, and accommodation facilities in the period from June 1 to December 31 by 2020, the income tax rates will be reduced by 50% of the established rates. In accordance with the decree, the right to transfer losses based on the results of 2020 and 2021 is granted without limiting their amounts provided for by the Tax Code, and in the period until January 1, 2021 the accrual and payment of tourist (hotel) fees is suspended. The State Committee for Tourism Development takes measures to restore and activate domestic tourism in strict compliance with sanitary and hygienic rules during the preparation of trips. According to tour operators and the "E-mehmon" program, from August 24 to September 14 of this year (20 days), 69 thousand citizens made the trip, of which more than 13 thousand used the services of

tour operators, and 56 thousands made the voyage independently in the following regions of the republic: Samarkand, Bukhara, Khorezm, Navoi, Kashkadarya, Surkhandarya and Tashkent. It is highly noted that during the pandemic, the main part of domestic tour operators focused their activities on the development of domestic tourism. Many trips were organized by 35 travel agencies, 10 of which previously worked in international destinations (X.F.Ochilova, 2020).

Moreover a number of fiscal policies are recommended by the UNWTO:

- The Anti-crisis Fund under Ministry of finance worth of 10 trillion soums (about US\$1 billion) has been established.
- For individual entrepreneurs, the minimum social tax rate has been reduced to 50 % of the basic calculation for per month.
- The terms of repayment of credits of the enterprises of the industries' most damaged by COVID-19 have been prolonged
- Exemption from paying land and property taxes for entrepreneurs engaged in tourism and hotel business
- Suspension of the calculation of a fixed-amount of personal income tax and social tax for individual entrepreneurs who have been forced to suspend their activities.
- Revision of the country's investment program with the redirection of funds for the implementation of priority infrastructure projects that provide opportunities for entrepreneurship and employment.
- Reduction of mandatory prepayment for gas and electricity from the current 100 to 30% for legal entities.
- Reduction of social tax rate from 12 to 1%.
- Reducing the minimum amount of social tax by 50% of the basic estimated amount per month for individual entrepreneurs.
- Reducing property tax and land tax rates for unused facilities of entrepreneurs.
- Abolishment of licensing requirements for the supply and transport of goods during the quarantine period (World Tourism Barometer, 2020).

The Republic of Uzbekistan, given the current situation of the pandemic, it is necessary not only to develop current tourist destinations, but also to create safe conditions for the functioning of both domestic and international tourism. For this purpose the project "Uzbekistan. Safe travel guaranteed» ("Uzbekistan. Safe travel is guaranteed"). The project is a new system of sanitary and epidemiological safety for tourists based on world standards. Certification of tourism facilities and related infrastructure, tourist services on the basis of new sanitary and hygienic requirements will be mandatory for:

- all state border posts
- air, railway and bus stations;
- objects of material cultural heritage, museums, theaters, etc.

At the same time, the State Committee of the Republic of Uzbekistan for Tourism Development, together with the Ministry of Health, has formed and will supplement the "register of safe places", on the basis of which tour operators will develop tourist routes. Certification of business entities (catering services, accommodation facilities, transport services, etc.) is voluntary. An important part of this project is the organization of training and advanced training of tour operators' personnel, tourism facilities and related infrastructure. A working group with the participation of public organizations will also be organized to monitor compliance with the

sanitary and hygienic requirements of safe service. Travel marketers believe that a partial recovery of international tourism will take several months, and a full recovery – at least a year.

To sum up, it is undeniable that the outbreak of Covid-19 has negatively affected to tourism industry. With the help of vaccination and the precaution measures, countries are going to restart tourism in their territories. Uzbekistan is going to improve the infrastructure and readiness to receive new tourist in the tourist's attractions. If the recovery plans are followed, our country will be ready to open its doors for foreign travelers.

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