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THE IMPORTANCE OF THE HOTEL BUSINESS IN THE DEVELOPMENT OF THE TOURISM SECTOR IN UZBEKISTAN

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ABSTRACT
This article critically examines the pivotal role of the hotel industry in advancing the tourism sector within Uzbekistan, emphasizing its strategic importance in shaping the country's international competitiveness in hospitality. The analysis explores the current regulatory and legal frameworks governing tourism and hotel operations, highlighting both institutional progress and systemic gaps. Key challenges confronting hotel business entities such as infrastructural limitations, personnel shortages, and inconsistencies in service quality are systematically identified.
KEYWORDS: *Tourism development, hotel industry, accommodation infrastructure, hospitality governance, international hotel chains, human capital.*

INTRODUCTION

In the contemporary global economy, the tourism industry has emerged as one of the most dynamic and strategically significant sectors, serving as a key driver of employment, foreign exchange earnings, and regional development. Its multifaceted nature allows it to integrate and stimulate growth across a wide range of interconnected sectors, including transportation, food services, cultural heritage, and hospitality. Among these, the hotel industry plays a central role by providing accommodation services that form the backbone of tourism infrastructure. It not only supports the direct needs of travelers but also contributes to the expansion of related services and urban development.

Globally, the hotel sector is experiencing rapid and sustained growth. A defining feature of modern hospitality markets is their diversification, ranging from budget-oriented accommodations to high-end luxury resorts offering premium, personalized services. According to global industry insights, the hotel and resort market reached a valuation of approximately USD 1.5 trillion in 2023, reflecting significant year-on-year expansion. As of 2024, over 6,200 new hotel projects were reported to be under construction worldwide. Furthermore, international hotel occupancy rates have demonstrated a consistent recovery trajectory, returning to pre-pandemic levels an indication of renewed consumer confidence and robust sectoral potential [12]. These developments underscore that the hotel industry remains a promising and resilient contributor to economic growth, job creation, and international investment in the years ahead.

In alignment with global trends, Uzbekistan has also prioritized the development of its hotel industry as a critical component of national tourism policy. In recent years, substantial improvements have been observed in the quality, diversity, and infrastructural capacity of hospitality services throughout the country. This progress is underpinned by a growing body of regulatory and institutional reforms designed to stimulate investment, ensure compliance with international standards, and expand inclusive access to tourism facilities.

A noteworthy example is the Presidential Decree of the Republic of Uzbekistan dated January 12, 2024, No. PF-20, *"On Measures for the Development and Promotion of Barrier-Free Tourism Infrastructure in the Republic of Uzbekistan"*. This decree mandates the allocation of targeted subsidies from the Tourism Support Fund, derived from tourist fee revenues, to support the installation of visual and auditory accessibility tools in hotel facilities. From April 1, 2024, hospitality businesses that equip their rooms with specialized technologies for persons with hearing and visual impairments are eligible for direct financial support. Such measures reflect Uzbekistan's commitment to the global agenda of promoting accessible tourism and ensuring equitable travel opportunities for persons with disabilities.

Furthermore, the adoption of the Presidential Decree No. PF-158, dated September 11, 2023, *"On the Strategy of Uzbekistan-2030"*, outlines specific developmental targets aimed at expanding the accommodation sector. Objective 58 within this strategy emphasizes the creation of 30 large tourism clusters through private investment and aims to double the number of available guest accommodations nationwide. Objective 59 further calls for the modernization of service industries including tourism, hospitality, transport, and education in urban centers and districts with populations exceeding 300,000, thus reflecting a holistic vision of integrated regional development.

Taken together, these policy initiatives demonstrate that Uzbekistan's approach to hotel industry development is closely aligned with global best practices, including the promotion of sustainability, inclusivity, and private sector engagement. The increasing relevance of this sector within the national economy has also stimulated academic interest, prompting the need for comprehensive scientific and theoretical analyses. This study contributes to that discourse by examining the institutional landscape of Uzbekistan's hotel sector, diagnosing current challenges, and offering policy-oriented recommendations to further enhance its strategic role in national tourism development.

LITERATURE REVIEW

The essence of this concept was revealed in the economic literature by specialists who conducted research on the hotel business and related fields. In particular, the Indian scientist P. Salvamani believes that a changing multicultural environment will lead to a dramatic increase in the hospitality sector. It has been argued that the hotel business should keep pace with the requirements of the hospitality network and constantly form new services for customers [5].

R. Richardson, on the other hand, aimed to develop tourism in his research and reasoned that in countries that set up hotel operations, these sectors could play a dynamic role in economic growth and the hotel development could be perceived as a means of employment and its income [6].

D. Vaughan believes that tourists and hotels will improve currency receipts by importing goods and means of production, creating essential services. It offers three types of financial impact on progress in today's services: direct, indirect and cause-and-effect. An example of the direct economic impact of the industry is an increase in the income of hotels, restaurants, as well as tourism organizations. Indirect influence is formed by the purchase of hotel and restaurant products by firms in the specified area. A causal effect occurs when employees of a hotel and a similar organization spend the income they receive. That is why the development of the tourism and hotel sectors has been based on the fact that it has a multiplicative effect on many sectors of the economy [7].

Russian specialists Kabushkin N., Bondarenko G. The hotel industry is considered to be one of the most attractive sectors of the economy for investments, even due to small initial capital investments, the demand of a growing population for hotel services on a permanent basis, high profitability and the short payback period of the projects carried out[8].

Zaberzhinsky B. and Kareva N.according to the S, hotelier is a rapidly developing, high-profitability network of the state economy, and this industry is part of the tourism business, with sufficient potential for further development. It is for this reason that the rapid development of the service sector, which is taking place in the current conditions, is necessary to consider more than ever the existing problems in the hotel services market and ways to solve them[9].

Many of our local scientists have conducted research on the hotel business and its development, and have interpreted this direction in different ways. As an example, B.S. Isomov, N.X.Guliyev, Z.S.In his scientific research, Nurov reasoned that it is important to improve the management of the quality of services in hotels on a permanent basis, focus on its expansion, reconstruction of buildings, the introduction of new technologies, the interests of hotel activities, economy and culture, security and international relations, ecology, employment of the population, transport organizations are inextricably linked[10].

According Z. to Abdurakhmonova, the fact that the services of the hotel business are also distinguished from other directions by the complex organization and simultaneously meeting the primary and secondary needs of customers, of course, leads to the need to carry out the process efficiently, high-quality service[11].

In general, the implementation of scientific research on the hotel business and its development is reflected in the research of many scientists and is also characterized by the fact that theoretical issues in this direction are in

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different directions. Therefore, it determines that the implementation of scientific research in this direction will be constantly necessary.

RESEARCH METHODOLOGY

In the implementation of this study, statistics at the International and local levels were studied on the basis of statistical analysis, and research techniques such as scientific abstraction, analysis, synthesis and comparative analysis were used.

ANALYSIS AND RESULTS

The hotel business is part of the hospitality industry, an industry focused on providing guests with accommodation, while providing basic and additional services, and other amenities. As consumers of the hotel business, it is possible to list tourists, travelers, businessmen, representatives of the business and political sphere, long-term overnight guests. The hotel business is distinguished from other business areas by its luxury and full service capacity, in addition to the services available in ordinary rooms.

In world practice, the hotel business has a history of several hundred years, and for Uzbekistan this area has a history of more than a century. While existing facilities before it operated in the form of caravanserais typical of Central Asia, early European-style hotels began with the opening of “Russian” and “National” hotels beginning in 1905. The period of construction of large hotels on the territory of our country is from 1955, namely, "Tashkent" (1958), "Russia" (1967), "Zarafshon" (1967), "friendship" (1970), "Uzbekistan" (1974), "Joy-Palace" (former "youth House" (1974)), "Turon" (former "Leningrad" (1977), "Chorsu" (former "Moscow" (1982), "Le meredien" (1994), "intercontinental" (1997) and "Sheraton Tashkent" (1999), which began with the construction of such hotels[13].

And in recent years, intensive work is being carried out on the construction of hotels throughout the country. Currently, the number of hotels available in our country is more than a thousand (1387 as of 2023) and is located at various levels scattered throughout the Republic(Figure 1).



Figure 1. Location of existing hotels in Uzbekistan in the cross section of Regions.

The following can be cited as the main reasons for the uneven distribution of hotels throughout Uzbekistan:

- The fact that the subjects of the hotel business are formed mainly in regions with favorable infrastructure in regional administrative centers;
- Due to the large influx of tourists, most of the hotels are located in cities such as Tashkent, Bukhara, Samarkand and Khorezm;
- The presence of a difference between the demand that arises not only for the purpose of visiting territories, but also among the local population;
- It is possible to list aspects such as the fact that large events, meetings at the international level are also held in places where there are favorable conditions, and not the same in all regions.

Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated September 7, 2024 “on approval of certain regulatory legal acts in the field of state support of hotel business”was approved in order to solve the above issues, promote the development of hotel business in all regions and form an atmosphere of competitiveness in this area[4]. Bu orqali hududlarga investorlarni jalb etish, ularning faoliyatini rag’batlantirish va toifasidan qat’iy nazar yangi barpo etiladigan mehmonxona subyektlarini subsidiya bilan ta’minlash mexanizmlari ishlab chiqish rejalashtirilgan. Bundan ko’zlangan maqsad, nafaqat xalqaro kompaniyalarni jalb etish, balki mahalliy tadbirkorlarni qo’llab-quvvatlash orqali ham mamlakat hududlari bo’ylab mehmonxona biznesini rivojlantirish mumkin bo’ladi.

In addition, it is necessary that the government not only touches on the issue of subsidies and tax benefits from the economic side, accepting the politically necessary regulatory framework, but also on the issue of personnel. When carrying out a modern hotel business, there is a need for several tens, hundreds of highly qualified personnel, depending on the size of the hotel. Therefore, in the effective implementation of personnel policy, the decision of the president of the Republic of Uzbekistan dated July 18, 2024 “on measures to improve the system of training of personnel in the field of Tourism” PQ-269 was adopted[3].

The purpose of the decision is to train highly qualified personnel in tourism and hotel business, to transfer them to three-year educational programs, modeled after existing training plans in developed countries, in accordance with international standards, and to ensure the harmony of theory and practice by organizing part of the study in hotel and similar service organizations in the form of dual education. Such changes adopted in the educational system are the subjects of the newly formed hotel business and other branches of service provision (sports and wellness, holding events, etc.k.) to a field in high demand, it helps in the formation of young specialists who not only have theoretical knowledge, but are also closely familiar with practical processes. Higher education, which is involved in tourism and hotel business in the Republic, specializes in training specialists at the undergraduate and graduate levels. The development of hotel business is one of the areas for the economy of the Republic that, in addition to the issues listed above, helps to improve the country's status in the international community, reduce unemployment, poverty levels, attract international companies and large entrepreneurs to the territories. The formation of this field in accordance with international standards is dictated by the era itself.

CONCLUSIONS

The following conclusions can be counted on the need for hotel business in the development of tourism in the conditions of Uzbekistan: In the construction of hotels throughout the country, in combination with cities with well-formed infrastructure, it is also necessary to take into account addresses located far from the city center, which can attract the flow of tourists. This will help increase the flow of tourists and increase the employment level of the residents of the area where hotels are built;

When providing newly built hotels with benefits, it is necessary to also take into account their location and provide additional opportunities for their reproduction in sparsely populated areas. The purpose of this will be to give impetus to the development of the activities of local business entities;

To increase interest in the educational process for young personnel studying in tourism and hotel business, to promote cooperation between the private sector and the OSCE, which are engaged in dual education activities. Then it will be possible to achieve an increase in the level of modern personnel employment in the activities of the existing hotel and similar service entities in the regions.

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