THE POTENTIAL OF DOMESTIC TOURISM FOR THE SOCIO-ECONOMIC DEVELOPMENT OF UZBEKISTAN

- **Iskandarova Nargiza Mashrabjonovna**
- **Lecturer,Department for Coordination of Joint Educational Programs, Bukhara State University Iskandarova.n01@gmail.com +998907185528**

Annotation

This thesis examines the potential of domestic tourism as a factor of socio-economic development in Uzbekistan. The study is based on an analysis of official tourism statistics, government initiatives and the current development of domestic tourism in the country. The results demonstrate that domestic tourism can contribute to regional economic growth, employment creation, development of small businesses and more balanced territorial development. The study also identifies infrastructure, service quality, accessibility and insufficient promotion as key challenges. It is concluded that strengthening domestic tourism can increase tourism-related economic activity and support sustainable development of Uzbekistan's regions.

Keywords: domestic tourism, regional development, employment, tourism infrastructure, Uzbekistan, socio-economic development

INTRODUCTION

Tourism is an important component of socio-economic development because it generates demand for accommodation, transportation, catering, entertainment, cultural services and local products. Although international tourism receives considerable attention in Uzbekistan, domestic tourism also represents a significant source of economic activity. It allows residents to travel within their own country and directs tourism expenditure toward local businesses and regions.

Uzbekistan possesses considerable potential for domestic tourism due to its historical cities, cultural heritage, natural landscapes, mountain and recreational areas, national cuisine and diverse regional traditions. The development of domestic tourism

is particularly important for regions that have tourism resources but receive fewer international visitors.

The current dynamics demonstrate the economic significance of this sector. According to official statistics, domestic tourism consumption in Uzbekistan increased from **40.5 trillion soums in 2023 to 106.6 trillion soums in 2024**. This substantial increase indicates growing domestic tourism activity and its potential contribution to the national economy.

The development of domestic tourism is also reflected in national tourism policy. Uzbekistan has established a target of reaching **25 million domestic tourist trips annually by 2030**, demonstrating the strategic importance attached to the sector.

The purpose of this thesis is to examine the potential of domestic tourism for the socio-economic development of Uzbekistan and identify key measures that can increase its contribution to regional and national economic growth.

MAIN PART

1. Domestic tourism as an economic development factor

Domestic tourism creates economic value through expenditure on accommodation, food, transportation, cultural attractions, recreation, shopping and other services. Unlike international tourism, which depends strongly on external factors such as global economic conditions, international transport and geopolitical changes, domestic tourism relies primarily on the purchasing power and travel behaviour of the country's own population.

The development of domestic tourism can therefore provide a relatively stable source of demand for tourism businesses. Increased domestic tourist flows can support hotels, guesthouses, restaurants, transport companies, tour operators, museums, cultural institutions and local producers.

Official statistics demonstrate the scale of this economic activity. In 2024, domestic tourism expenditure included approximately **16.2 trillion soums for tourism characteristic products, 9.4 trillion soums for accommodation services**

and 12.8 trillion soums for food and beverage services. These figures demonstrate that domestic tourism stimulates demand across several interconnected sectors.

Consequently, domestic tourism should not be considered only as a leisure activity. It can function as a mechanism for redistributing consumer expenditure between regions and supporting local economic activity.

2. Contribution to regional development and employment

One of the main advantages of domestic tourism is its potential to support regional development. Tourism resources are distributed throughout Uzbekistan, including historical monuments, pilgrimage sites, mountain areas, lakes, deserts, national parks and rural communities.

The development of tourism in these areas can create new employment opportunities in accommodation, catering, transportation, guiding, handicrafts, entertainment and other services. It can also encourage entrepreneurship among local residents.

Small and medium-sized enterprises are particularly important in this process. A family guesthouse, traditional restaurant, handicraft workshop or local tour service can benefit directly from increasing tourist flows.

Domestic tourism can also reduce regional economic disparities by directing expenditure toward destinations outside the largest urban centres. In this regard, the development of tourism infrastructure in less-developed areas can have a multiplier effect: tourist spending generates income for businesses, employees and local producers, which in turn stimulates additional economic activity.

3. Diversification of the domestic tourism product

A major opportunity for Uzbekistan is the diversification of domestic tourism products. Domestic tourists should not be offered only traditional sightseeing tours. Different tourism formats can attract different groups of residents.

The diversification of products can reduce seasonality and encourage residents to travel throughout the year. For example, mountain and recreational destinations

can attract visitors during summer, while cultural, gastronomic and wellness tourism can be promoted during other periods.

Government initiatives have also emphasized the development of tourism centres and recreational infrastructure in attractive regions such as Zaamin and Chimgan.

CONCLUSION

Domestic tourism has significant potential to contribute to the socio-economic development of Uzbekistan. The rapid growth of domestic tourism consumption, which reached approximately **106.6 trillion soums in 2024**, demonstrates the increasing economic importance of travel within the country.

The development of domestic tourism can stimulate local businesses, create employment, support entrepreneurship and contribute to more balanced regional development. It can also encourage the preservation and commercialization of cultural heritage and local traditions while creating new opportunities for rural and less-developed areas.

However, achieving this potential requires improvements in infrastructure, affordability, service quality, digital promotion and tourism product diversification. The national target of **25 million domestic tourist trips annually by 2030** provides a clear strategic direction for further development.

Thus, domestic tourism should be considered not only as a social and recreational activity but also as an important instrument of economic development. A coordinated policy focused on accessible travel, regional diversification, local entrepreneurship and high-quality tourism services can strengthen the role of domestic tourism in Uzbekistan's socio-economic development.

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