
OPPORTUNITIES AND PROSPECTS INVESTING IN TOURISM OF UZBEKISTAN

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Abstract

This work focuses on the role of tourism in the economy of Uzbekistan, its development prospects, measures taken by the state, as well as issues of financing the tourism industry. Also, the main problems and prospects for investment development of the tourism industry of Uzbekistan are considered. The main criteria for development, as well as measures for effective investment activities in the regional tourism industry, have been identified.

Keywords: Tourism in Uzbekistan, tourism investment, foreign investment, development prospects, economic potential, tourism infrastructure, government support, privatization and partnership, cultural heritage, historical landmarks, domestic tourism.

Introduction

Uzbekistans economy is showing steady growth. According to the World Bank and the International Monetary Fund, the country's GDP increases annually by 6–7%, making it one of the fastest-growing markets in the world.

Located in the heart of Central Asia, Uzbekistan boasts a unique cultural and historical heritage that attracts an increasing number of tourists from around the world each year. Cities such as Samarkand, Bukhara, and Khiva are living monuments of the Great Silk Road. Uzbekistan's tourism industry holds enormous potential, while the liberalization of the national economy continues to attract growing interest from international investors. The results of 2024 indicate that the government intends to strengthen support for the tourism sector, including through tax incentives and the development of the private sector. This creates favorable conditions for new investments that can not only generate sustainable income but also contribute to the growth



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of domestic tourism, cultural exchange, and job creation. In recent years, the government of Uzbekistan has taken active steps to develop the tourism sector by opening the country to investors and creating a business-friendly environment. This positions the tourism industry as one of the most promising areas for capital investment. In the "Uzbekistan–2030" Strategy, it is worth noting that key areas of investment in tourism include the following:

Development of Hotel infrastructure. With the increase in the number of foreign and domestic tourists, there is a growing need to expand and modernize the hotel stock. Investors have the opportunity to invest in the construction of new hotels, the reconstruction of historical buildings into boutique hotels, as well as the development of hostels and apart-hotels.

Transport and logistics. The accessibility of tourist routes directly affects the influx of visitors. Investments in the development of air travel, railways, bus routes, and rental transport (including electric scooters and bicycles) contribute to the region's attractiveness.

Theme parks and cultural-entertainment complexes. Uzbekistan has the potential to create modern tourist clusters, including museums, ethno-villages, amusement parks, and recreational zones, especially in scenic natural areas such as Charvak or the Zarafshan Mountains.

Rural and ecotourism. Amid the global trend towards sustainable development, ecological and agritourism are becoming increasingly popular. Uzbekistan has all the conditions to organize ecological routes, farm tours, and camping in the mountains and deserts.

Innovative technologies in tourism. Investments in digital platforms, online booking, virtual tours, and mobile applications help improve the quality of tourist services and simplify the trip planning process.

Government support and incentives for investors. The government of Uzbekistan actively works on creating an investment-attractive environment. Support measures include tax incentives, simplified.

In 2024, Uzbekistan was visited by a total of 8.2 million foreign citizens for tourism purposes. This figure is 20.1% higher compared to the previous year. According to official data, out of the total number of tourists, 6.4 million came from neighboring countries, while 1.6 million arrived from other states.

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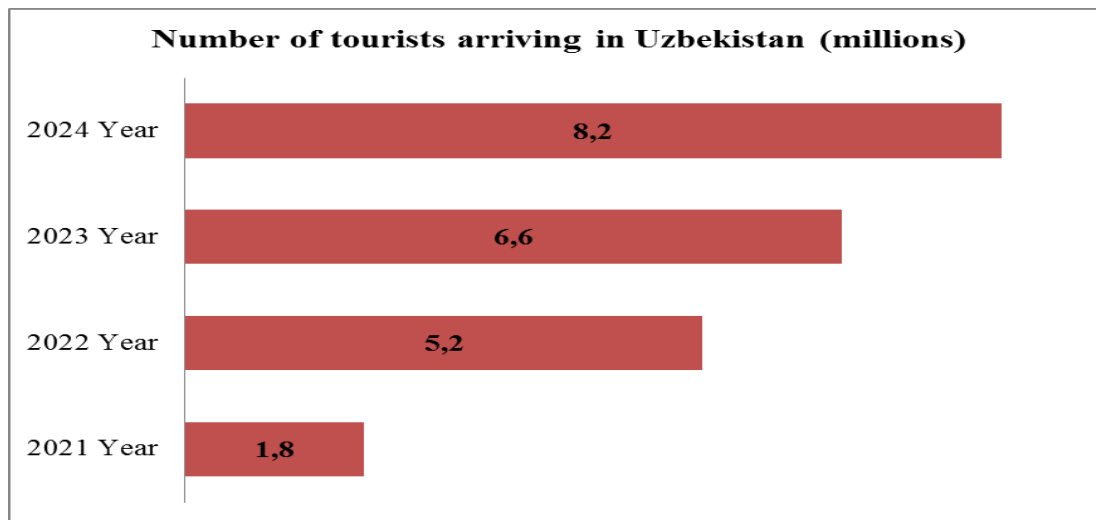


Figure 1. Number of tourists arriving in Uzbekistan¹ (millions)

To increase the flow of tourists, the government is implementing a number of economic measures. Notably, on May 15, 2025, the President of the Republic of Uzbekistan issued Decree No. PF-87 “On measures to enhance the role and importance of tourism in the economy through a sharp increase in tourist inflow and active expansion of tourist services in 2025–2026.”

In accordance with this Decree, Uzbekistan has set key target indicators for the development of the tourism sector by the end of 2025. In particular:

- Organize visits of 15.8 million foreign tourists to the regions of the republic and increase the export of tourism services to 4 billion USA dollars;
- Through the development of domestic tourism — organize trips for 40 million local tourists across the country’s regions, and launch the operations of an additional 378 tour operators;
- Construct 108 new hotels, 375 family guesthouses, and 123 hostels in the regions of the republic, as well as organize 745 capsule and yurt camps, apart-hotels, modular hotels, 12 tourist villages, and tourist mahallas (neighborhoods).

To further increase the tourist flow, starting from June 1, 2025, a visa-free regime will be introduced for a period of 30 days from the date of entry into the territory of the Republic of Uzbekistan for citizens of the Kingdom of

¹ <https://uzbektourism.uz/research/statistics>

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Bahrain, the State of Kuwait, and the Sultanate of Oman. Additionally, the Decree provides for the following measures:

- Introduction of an entry regime into the Republic of Uzbekistan using internal documents (ID cards), including so-called "children's passports" for citizens of the Russian Federation, Kazakhstan, and Azerbaijan for up to 30 days;
- Introduction of a 30-day visa-free regime for citizens of the United States of America, as well as the initiation of negotiations to simplify visa requirements for citizens of the Republic of Uzbekistan entering the USA. Starting June 2025, a program to develop domestic tourism called "Travel Across Uzbekistan!" will be implemented. Within this initiative, the second Saturday and Sunday of each month will be declared "Days for Family and Group Travel." From June 1, 2025, all government electronic systems and platforms related to the tourism industry will be developed within the framework of a Unified National Tourism Platform.

Until January 1, 2027, a one-time subsidy will be provided to compensate part of the entrepreneurs' expenses for the construction and equipment of modular hotels, subject to having at least 10 modules, in the following amounts:

- For each place in a category I modular hotel — 10 million uzbek soms;
- For each place in a category II hotel — 7 million uzbek soms;
- For each place in a category III hotel — 5 million uzbek soms.

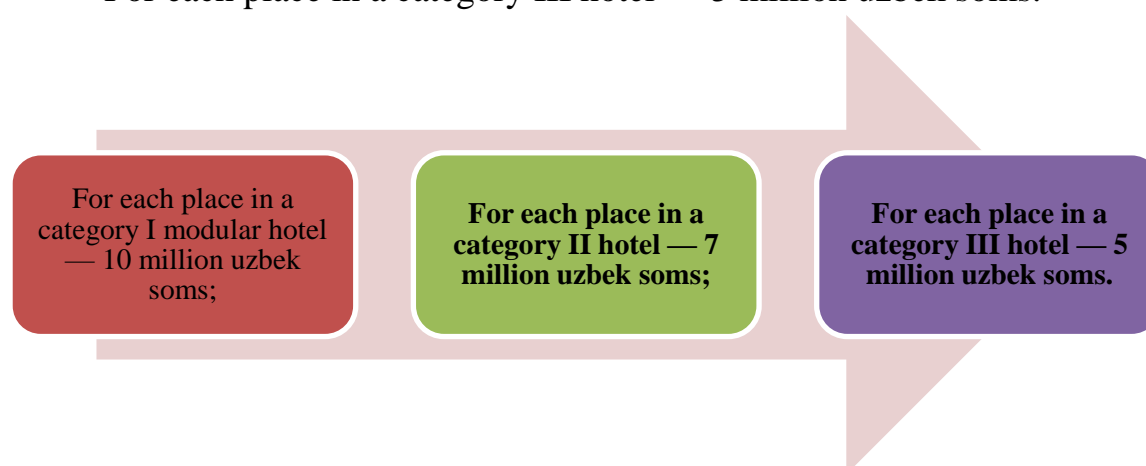


Figure 1. Subsidy amounts for entrepreneurs on the construction and equipment of modular hotels²

² Presidential Decree of the Republic of Uzbekistan No. PF-87 "On Measures to Enhance the Role and Importance of Tourism in the Economy through a Sharp Increase in Tourist Inflow and Active Expansion of Tourism Services in 2025–2026."

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Until January 1, 2028, the government will compensate part of the expenses for the professional development of employees engaged in medical tourism within tourist clusters. From September 1, 2025, to January 1, 2028, funds from the Tourism Support Fund will be annually allocated for the following purposes:

- Compensation of 50% of expenses (but not exceeding 50 million soms) for the creation and promotion of audiovisual products (feature films, videos, clips, and animated videos) aimed at promoting the activities of hotels, public catering enterprises, and restaurants;
- Subsidizing the expenses of local entrepreneurs to open 50 public catering establishments and restaurants specializing in Uzbek national cuisine abroad (the list of countries is determined by the Tourism Committee), including:
 - 50% one-time compensation of expenses (but not exceeding 25,000 US dollars) for obtaining permits, rent, design, purchase of necessary equipment and inventory;
 - 50% of transportation costs for the annual delivery of up to 300 kg of products from Uzbekistan (up to 100 million soms per business entity);
 - Compensation of up to 50% of costs (but not exceeding 100 million soms) for the creation of modern swimming pools on the premises of large shopping complexes and catering facilities (for the first 100 pools).

Conclusions and Summary

Based on the information provided above, the following conclusions can be drawn:

First, investing in tourism in Uzbekistan opens wide opportunities for developing a profitable business. The country's geographical location, rich cultural heritage, growing international tourist interest, and government support create a solid foundation for the industry's growth. With each passing year, Uzbekistan becomes increasingly attractive both for travelers and investors.

Second, the government is implementing a range of measures, including targeted development of tourism infrastructure, simplification of visa regimes, and tourism support programs. To stimulate investments, profit and



property taxes have been reduced for new enterprises, especially in priority sectors such as tourism, agriculture, and high technology.

Third, Uzbekistan is currently undergoing an active transformation of its tourism sector, making it an opportune moment to enter the market. A well-considered investment approach that takes into account national specifics, market needs, and current trends can yield significant returns. Tourism in Uzbekistan is not only a business opportunity but also a contribution to the preservation of cultural heritage and sustainable development of the country. Investment proposals for tourism infrastructure prioritize suburban and resort facilities over urban ones.

The system of government institutions managing the tourism and hospitality sector is actively working to attract investments, regulate investment processes, and co-finance projects. In addition to investors' own and attracted funds, there are ongoing programs supporting small and medium-sized businesses, as well as a grant system. Grant support in tourism is provided in the form of budget transfers. Besides funds from the republican budget, local authorities are required to allocate resources from their own budgets for grant support of tourism businesses focused on developing tourism infrastructure based on public initiatives and supporting entrepreneurs who develop the tourism infrastructure of their regions.

In conclusion, it should be noted that some regions of the republic have not yet achieved their goals in developing tourism infrastructure. Meanwhile, regions actively attracting investments report an increase in tourist flows and enhanced tourism appeal.

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