Development of Tourism Industry: Perspectives and Advantages for Growth as Example in Kazakhstan

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Abstract

Tourism is relatively new area of business for many countries. For Kazakhstan and many CIS countries, it started since 1991 after receiving its independence. The paper aims to analyze the perspectives and advantages of developing tourism industry. In addition, to show how tourism sector develops economies and stimulate integration, growing the number of new jobs and industries. There is also advantages of tourism that can stimulate cultural exchange, strengthening peaceful and friendly relations between countries. In a macroeconomic context, the analysis leads to recommendations on developing tourism industry based on competitive advantages of countries.

Keywords: Tourism; Tourism industry; Tourism policy; Inbound tourism; Outbound tourism; Domestic tourism

Short Communication

According to Statistics Portal [1], the total contribution of travel and tourism to the global economy was USD 7.17 trillion in 2015, of which, USD 2.23 trillion was a direct contribution. A number of international tourists arrived reached over 1.2 billion with a volume of receipts USD 1.3 trillion in 2015 [2]. Despite the world economic recession, it is around 5% more than in 2014. For less developed countries, the international travel receipts annually have increased by 11% per year since 1995, reaching around USD 20 billion in 2015 [3].

For future, with average growth rate of 5%, a number of international tourist arrivals can reach around 2 billion to the year 2025. At the same time, the receipts from international tourism will reach to US 2 trillion dollar market [4].

It shows that tourism sector has a growing dynamic. In a period of globalization, many factors will stimulate tourism and travelling starting from cultural differences to recreational resorts on one hand. On the other hand, economic growth of countries will increase a number of tourists from developing countries. For example, global expenditure by international Chinese tourists has grown from USD 43.7 billion in 2009 to USD 292 billion in 2015 [1].

This is a key point that countries should prioritize tourism industry, especially developing countries. According to World Tourism Organization [5], 1 out of 11 jobs are created in tourism industry. With direct, indirect and induced impact, tourism industry reaches in average around 9% of GDP of all countries [6].

According to Wikipedia, in Kazakhstan, tourism industry accounts only for 0.3% of GDP with around 1.47 million international tourists visited in 2012 [7]. However, according to information table of Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan [8], the total number of served international tourists in the country were 519,222 people, which is 3 time less than statistics of the Wikipedia. This accounts for weak level of statistical information or inaccurate reports from businesses to avoid taxation. Moreover, according to information of World Tourism Organization [6], international tourist arrivals were around 4.8 million in 2012 and it is around 0.8% market share for European region with more than 540 million international tourist arrivals in 2012. It suggests that there are still more room for improvement of statistical systems, making them effective, open and friendly for businesses. It will stimulate businesses for more activities in tourism sector and further grow it.

That is the most challenging conclusion that tourism needs growth and for countries is important to focus and improve their tourism infrastructure, information and marketing channels and make it easy in boarder control, customs, visa regulations, which will stimulate further businesses.

The following Table 1 shows the key components of average value-chain of tourism industry based on analysis of top tourism destinations with developing tourist destinations such as in Kazakhstan.

Table 1 above describes key issues of tourism industry in various types of tourist friendly countries. Comparing a country with more than 30 million of annual tourists and a country such as Kazakhstan, we can see many new areas for development of industry and the economy as whole. The developments will depend on policies, which can motivate local population and international community to contribute in various activities and ventures and gradually create new level of tourism industries.

Developing infrastructures for international tourism will definitely help to increase not only inbound tourism, but also domestic and outbound tourism sectors. For example, development of roads can stimulate also domestic tourists in Kazakhstan for travelling or development of airport infrastructures is necessary for high quality services for outbound tourists and trade. To show the importance of transportation infrastructure for developing tourism, the following Table 2 shows inbound tourism by mode of transport in 2014 [6].

For Kazakhstan, which is one of the landlocked countries of the

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world, the development of transport infrastructure is of the highest importance for tourism, trade and transit. Kazakhstan actually is the 9th largest country with the vast territories. Hence, it is vital to develop transport infrastructure as priority for domestic and inbound tourism. At the same time, located between China and Europe, Russia and Central Asia and India, air transportation has a huge potential for transit tourists.

Concerning touristic destinations, they depend on purposes of visit by tourists. As we can see from the Table 3, most tourists take tours for leisure, reaction and holidays, which is more than 50% of the total inbound tourism.

Taking into account Kazakhstan’s climate, nature, history and central location between Europe and Asia, businesses in Kazakhstan can focus on all tourist sectors.

Therefore, from policy and targeting goals, it is important to support new sector of economy, developing and mapping tourist destinations in a vast territory of Kazakhstan, based on competitive advantage of each region, for example, Astana region for recreation and health tourism, Almaty region for business and leisure, and Shymkent region for recreation and cultural purposes.

Generally, approaches for development of tourism industry in any country should scope inbound, outbound and domestic tourism infrastructures. Table 4 shows why it is important to focus policies on three areas of tourism at once.

As Table 4 indicates, the effects of creating value of tourism is enormous. Even though outbound tourism shows fewer developments in industries, but the value chain can provide a huge impact for growing businesses, especially export oriented activities. Value chain also stimulate cultural exchange and integration of nations so that providing and developing more peaceful and friendly relations between various cultures, nationalities and religious groups. Moreover, domestic tourism can stimulate national businesses and population for learning their country advantages, history and peculiarities so that it will for discovering new approaches to demonstrate their country on
international arena. Generally, tourism industry gradually helps any country to build and develop competitive national advantages.

The paper tried to overview statistical information and show key advantages of tourism industry for development, providing preliminary policy recommendations.

Further study is necessary to reveal and provide recommendations to improve data collection and information systems on local and global levels, which provide qualitative information for policymaking and marketing of tourist services. Moreover, surveys are required to build policies on development of entrepreneurship and business sectors of direct, indirect and induced tourism. Those countries, which usually focus on inbound tourism, they ignore outbound and domestic tourism effects. Vice versa, those that focus on outbound and domestic tourism, they ignore regulations and infrastructure for international tourism. Those countries, which do not put priority for tourism, they ignore regulations and necessity for integration, cultural exchange and development. Hence, for policy recommendations, analysis of legal framework and regulations are demanding. In fact, it is the key point to ease restrictions and open nations for tourism, dialogue and common development.

References