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## THE DYNAMICS OF HOTEL DEVELOPMENT IN UZBEKISTAN

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**Abstract:** This article analyzes the dynamics and distinctive features of the development of hotel services in Uzbekistan during the years of independence.

**Keywords:** Tourism, hotel, restaurant, service, economy, efficiency, income, growth.

**INTRODUCTION:** Tourism development is considered one of the strategic priorities in Uzbekistan. This is because tourism plays an important role in the growth of the service sector. The development of tourism necessitates the formation of the required infrastructure, which includes hotels. A hotel is considered the "calling card" of a country. This type of service is one of the factors influencing the arrival and departure of tourists to and from tourist sites. The improvement in hotel operations occurred in parallel with reforms in the tourism sector. These two service industries are inseparable.

At the new stage of reforms, the increased attention to tourism is especially evident in the conditions created for both foreign and domestic tourists. The sharp rise in tourist flows demands the construction of new hotels and the implementation of services that meet international standards. For instance, the number of hotels in Khiva doubled from 2017 to 2021, exceeding thirty. Construction and renovation works were carried out in hotels owned by "Lakhisham," "Shahrisabz Sayohat," "Khiva Shahzoda," "Sulton Palace Hotel" LLCs, as well as the family enterprise "Aqua Park Ocean," the unitary enterprise "Peary Khiva," and the foreign enterprise "Maqsudbek." By the end of 2021, it was planned that 20 new hotels would begin operations in Khiva [1].

This article examines the years that were a test for hotels and tourism in general. According to 2019 data, the number of Uzbek citizens who traveled abroad as tourists was 12,932.6 thousand. Of the total number of Uzbek citizens who left the country, 95.2% went to CIS countries, and 4.8% to distant foreign countries. The number of foreign citizens entering Uzbekistan was 8,279.0 thousand. Of these, 92.5% came from CIS countries and 7.5% from distant foreign countries [2, 3]. In 2020, the number of Uzbek citizens who traveled abroad for tourism purposes was 2,001.5 thousand. Of the total number, 92.1% went to CIS countries and 7.9% to distant foreign countries. The number of foreign citizens entering Uzbekistan for tourism purposes was 1,504.1 thousand, with 94.4% coming from CIS countries and 5.6% from distant foreign countries [3, 3]. In 2021, the number of Uzbek citizens who traveled abroad for tourism purposes was 2,194.8 thousand. Of the total, 85.4% went to CIS countries and 14.6% to distant foreign countries. The number of

foreign citizens entering Uzbekistan for tourism was 1,881.3 thousand, with 91.1% from CIS countries and 8.9% from distant foreign countries [2, 4].

In 2019, the number of firms and organizations engaged in tourism activities was 517, with the largest share in Tashkent city — 64.2%, and Samarkand region — 13.2%. The number of people served by travel agencies amounted to 942.0 thousand [2, 3]. In 2020, there were 337 such firms and organizations, with 68.0% in Tashkent city and 13.4% in Samarkand region. The number of people served by travel agencies dropped to 212.3 thousand [3, 3]. In 2021, the number of tourism firms and organizations was 288, with 61.8% in Tashkent city and 14.2% in Samarkand region. The number of people served by travel agencies was 577.8 thousand [2, 4].

In 2019, the number of hotels and similar accommodation facilities was 1,051, specialized accommodation facilities — 509, individual accommodation facilities — 155, and there were also 78 other types of accommodation. In 2020, the number of hotels and similar facilities was 1,156; specialized accommodation facilities — 494; individual accommodation facilities — 189; and 103 other accommodation facilities. In 2021, the number of hotels and similar accommodation facilities amounted to 848; specialized accommodation facilities — 328; individual accommodation facilities — 157; and 83 other accommodation facilities.

In 2019, there were a total of 928 hotel facilities, of which: 272 were 1-star, 27 were 2-star, 81 were 3-star, 19 were 4-star, and 4 were 5-star hotels. Hotels and similar accommodation facilities had 23,528 rooms and 46,671 beds. The number of guests accommodated in these facilities was 2,193.4 thousand people, including 1,099.2 thousand Uzbek citizens and 1,094.2 thousand foreign citizens. The number of overnight stays totaled 4,838.9 thousand units [2, 4].

In 2020, there were a total of 1,005 hotel facilities, of which: 242 were 1-star, 46 were 2-star, 87 were 3-star, 20 were 4-star, and 5 were 5-star hotels. These facilities offered 25,584 rooms and 50,408 beds. A total of 702.8 thousand people stayed in them, including 560.3 thousand Uzbek citizens and 142.5 thousand foreign citizens. Overnight stays amounted to 1,758.9 thousand units [3, 4].

In 2021, there were a total of 797 hotel facilities, including: 155 one-star, 28 two-star, 69 three-star, 13 four-star, and 2 five-star hotels. These facilities offered 21,814 rooms and 43,504 beds. The number of accommodated guests was 1,217.0 thousand, including 885.7 thousand citizens of Uzbekistan and 313.3 thousand foreign citizens. Overnight stays totaled 2,584.0 thousand units [2, 5].

In 2019, specialized accommodation facilities had 16,615 rooms and 61,584 beds. A total of 807.1 thousand people were accommodated there, of which 772.3 thousand were Uzbek citizens and 34.9 thousand were foreign nationals. The number of overnight stays was 6,537.6 thousand units [2, 3-4].

In 2020, specialized accommodation facilities had 16,488 rooms and 57,875 beds. The number of guests was 285.6 thousand, of whom 277.5 thousand were Uzbek citizens and 8.1 thousand were foreign nationals. Overnight stays reached 2,947.4 thousand units [3, 4].

In 2021, specialized accommodation facilities had 13,445 rooms and 99,466 beds. A total of 671.7 thousand people were accommodated there, including 655.2 thousand Uzbek citizens and 16.5 thousand foreign citizens. The number of overnight stays was 4,448.0 thousand units [2, 4-5].

Based on the above, it can be said that the dynamics of hotel development have fluctuated. Mainly due to the pandemic, the flow of tourists dropped sharply. As a result, the development of hotels and service sectors fell into a difficult situation. The recovery period began around October–November 2020. Initially, small and inexpensive hotels primarily serving the local population tried to return to business and resume full operations. During this period, domestic tourism also gradually began to recover. Hotels that had previously been operating at a loss started to cover their expenses, and from the beginning of 2021, they gradually began to turn a profit. Larger hotels suffered the most losses. Those hotels that remained open and continued to operate despite losses were the first to recover [4].

There was a significant loss of jobs. In the optimization process, hotels were forced to part with even qualified specialists. Before the pandemic, a hotel might have employed 100 people, whereas now only 60–70 remain employed. This indicates at least a 25–30% reduction. Even during the recovery process, the number of jobs has not fully returned to pre-pandemic levels, as hotels had to reassess their staffing needs. It became clear that tasks previously handled by three people could now be managed by two. The state provided a number of benefits. In addition, the pandemic opened up opportunities for new ideas. While hotels had previously overlooked their additional potential, during the pandemic they began to explore it. For example, it became apparent that hotels could also generate revenue through their pools, gyms, spa centers, conference halls, and restaurants. In particular, demand for conference halls significantly increased [4].

## CONCLUSION

In conclusion, the activity of hotels cannot be guaranteed to develop sustainably at all times. The growth of domestic and foreign tourism, and the overall movement of tourists, significantly impacts the number of hotels and the quality of services. In a sense, hotels must also adapt to market conditions. Hotels that provide high-quality services to tourists saw their income grow. This trend defines the future prospects of the hotel industry.

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