



Research Article

REGULATION OF BUSINESS ACTIVITIES IN THE FIELD OF TOURISM IN UZBEKISTAN: AN ANALYTICAL REVIEW OF REGULATIONS AND THE IMPORTANCE OF COMPLIANCE WITH LEGISLATION

Journal Website:

<https://theamericanjournals.com/index.php/tajpslc>

Copyright: Original content from this work may be used under the terms of the creative commons attributes 4.0 licence.

Submission Date: December 10, 2023, Accepted Date: December 15, 2023,

Published Date: December 20, 2023 |

Crossref doi: <https://doi.org/10.37547/tajpslc/Volume05Issue12-08>

Achilova Liliya Ilxomovna

Associate Professor Of The Department Business Law At Tashkent State University Of Law, Doctor Of Philosophy (Phd) In Law Chairman Of The Council Of Young Scientists, Uzbekistan

ABSTRACT

The scientific article presents an overview and analysis of regulatory acts related to entrepreneurial activity in the field of tourism in Uzbekistan. The author of the article examines the issues of legal regulation of the tourism industry and determines the importance of compliance with the law when carrying out business activities in this area. The article analyzes legislation, including requirements for the quality of services provided, tourist safety and consumer protection. Special attention is also paid to legislation regulating virtual entrepreneurship related to tourism activities. The author emphasizes the important role of entrepreneurial activity in the field of tourism for the economy of Uzbekistan. However, it is indicated that the successful implementation of such activities is possible only if the legislation and proper organization are observed. The article is an up-to-date study providing significant information on the legal regulation of entrepreneurial activity in the field of tourism in Uzbekistan. The results and conclusions obtained contribute to a better understanding of the regulatory environment, as well as recommendations for improving and complying with legislation for entrepreneurs in the tourism industry of Uzbekistan.

KEYWORDS

Entrepreneurial activity; tourism; regulations; legal status; quality of services; tourist safety; virtual tourism; digital services.

INTRODUCTION

Tourism, as one of the areas of social and economic activity, the development indicators of which show continuous growth, attracts entrepreneurs around the

world. According to statistics published on the website of the World Tourism Organization (UNWTO), international tourism in 2021 grew by 4% compared to

2020, but is 72% behind the growth rate before the global COVID-19 pandemic [1]. According to UNWTO Secretary General Zurab Pololikashvili, almost half of the experts surveyed (64%) expect international tourism indicators to return to 2019 levels in 2024 or later [2].

For comparison, we can cite data on the development of international tourism 20 years before the pandemic (2000-2019). From statistics provided by Felix Richter based on data from the World Tourism Organization, one can observe a constant increase in funds raised from the tourism industry by 7-10% from year to year (from 487 billion to 1.478 trillion US dollars) [3]. The exception was the global financial crisis of 2008, with a general drop in the services market of up to 35%, while in the tourism sector the drop was 10-15% [4].

Over the nine months of 2021, more than 1 million 135 thousand foreign tourists visited Uzbekistan. During the period from January to September 2021, 105 new hotels and 1001 family guest houses were launched. The result was an increase in the total number of hotels in the country to 1361, the number of rooms to 31388, family guest houses to 2365 units [5].

One of the areas of innovation in the field of tourism is the emergence of new types of tourism, in particular, an innovative breakthrough in the modern world was the emergence of such a direction as virtual tourism. An important area was the further introduction of the advantages of e-commerce, in particular the use of contactless cards, cryptocurrencies, and electronic money as payments [6].

Note that recently Uzbekistan has allowed the use of electronic wallets WebMoney and Yandex-money, although the circulation of cryptoassets for individuals is currently prohibited by law [7].

Innovation in tourism is “the introduction to the market of services that at a certain point in time have higher consumer qualities, while they are aimed at increasing the level of tourist satisfaction and his quality of life.”

One of the very first innovations is the creation of a new product or service, which can be either a route or a vacation spot [8].

The next innovation can be called the introduction of modern digital capabilities into the country's economy:

- electronic payment services and e-commerce;
- Internet trade and Internet resources;
- Internet of Things market (IoT – Internet of Things);
- crowdfunding;
- Internet banking;
- technologies for processing large volumes of data (Big Data);
- development of “cloud” services;
- artificial intelligence (AI, neural networks);
- location determination technologies.

Thus, based on the digital capabilities of our time, the project “Concepts of the Republic of Uzbekistan in the field of development of artificial intelligence 2021-2030” was put forward, which examines the study and implementation of artificial intelligence technology in all areas, as well as the development of a regulatory framework [9].

In accordance with the Strategy “Digital Uzbekistan - 2030” and in order to create favorable conditions for the accelerated implementation of artificial intelligence technologies and their widespread use in the country, ensuring the availability and high quality of digital data, and training qualified personnel in this area, a “Program of measures for the study and

implementation of artificial intelligence technologies in 2021-2022” [10].

The European Union has begun to create the most comprehensive regulatory framework for regulating relations in the field of artificial intelligence (hereinafter referred to as AI), which represents the first stage towards creating a consistent and holistic system. It is noted that this Resolution is fragmentary and does not provide full regulation [11].

As a solution, it was proposed to create a special body whose main task would be to analyze the possibilities of integrating technologies, assess the consequences of their use and formulate legislative initiatives for other authorities in the field of AI. A good example is the European Union Agency for Robotics and Artificial Intelligence.

According to the results of a study on the implementation of modern digital opportunities in tourism activities, the largest travel provider company Booking.com traced certain trends:

1. Strengthening the influence of information technology.
2. Increase in business tourism flows.
3. Formation of new route logistics and changes in usual tourist destinations.
4. Development of budget tourism options.
5. Development of ecological tourism [12].

The practice of economic development in developed countries shows that entrepreneurial activity plays a major role in solving socio-economic problems, for example, creating new jobs and reducing unemployment, training qualified personnel, which determines the expansion of its capabilities and an increase in its share in the economy, especially in industries where its potential is high.

The development of tourism services largely determines the formation of various areas of entrepreneurship, including through the merger of several small enterprises into a single tourism cluster. M. Porter proposed linking groups of small businesses geographically [13]. According to the theory of clustering, a tourism cluster is a collection of small enterprises and entrepreneurs whose activities are subordinated to the development of the tourism industry [14].

The main directions of development of legal regulation in the tourism sector allow for the development of legal acts relating to all sectors of improving the tourism industry. International acts and agreements between governments of different countries have acquired enormous significance for the formation and development of tourism activities. Existing regulatory and legal acts of the Republic of Uzbekistan do not always regulate the most important problems of improving tourism [15].

Due to the global pandemic COVID-19, which began in 2019 and the closure of state borders, the question arose about the development of virtual tourism. In this regard, entrepreneurs began to master a new type of activity in the digital reality.

Virtual tourism is “a type of tourism that uses 3D and 4D effects, innovative programs and spherical panoramas to help travel for those who cannot afford real travel or due to circumstances.” It allows you to use maps and 3D routes that allow you to observe objects in real time in a specific location.

With the development of digital power and the index of gadget availability per capita, a number of expressed forms can be listed:

1. Online purchase of tours prepared by tour operators. Internet resources that offer this type of service can be called the search engine of the travel agency network “My Last Minute Tour”, the Avianta tour search system, the Trivago.ru system, etc.

2. Applications for cell phones.

3. Blockchain technology. The technology will make it possible to find data on purchases of tourism services in a single digital space, which will help each of the participants in the process provide services for the sale of a tourism product, focus on real information about consumers and anticipate their needs, personalizing advertising offers [16].

4. Development of artificial intelligence (AI), cloud computing and Internet banking. Due to the fact that progress in the computing power of computers does not stand still, it has become possible to process incoming orders from clients and distribute offers from travel agencies in real time, purchase tickets and pay for services from any gadget “without leaving the couch.” Decentralization of capacity allows you to save data when any point in the project chain fails. AI based on user requests allows you to flexibly track customer preferences and offer targeted opportunities for entrepreneurs to offer additional services.

As the history of mankind shows, a giant leap in the development and implementation of technology occurs when wars, natural disasters and other emergency events (force majeure) occur. Thus, the COVID-19 pandemic hit the tourism industry hard all over the world, including in Uzbekistan, which resulted in a more intensive development of the above forms.

Thus, by the Decree of the President of the Republic of Uzbekistan “On urgent measures to support the tourism sector to reduce the negative impact of the

coronavirus pandemic” dated May 28, 2020, a program to support entrepreneurs in the tourism business was implemented.

Benefits were provided for tour operators, travel agents, and accommodation facilities during the period from June 1 to December 31, 2020; income tax rates were reduced by 50% of the established rates. In accordance with the decree, the right was granted to carry forward losses based on the results of 2020 and 2021 without limiting their amounts provided for by the Tax Code, and in the period until January 1, 2021, the accrual and payment of tourist (hotel) tax was suspended [17].

In his speech, President of Uzbekistan Shavkat Mirziyoyev emphasized: “The current difficult conditions are a test for our economy. Industrial enterprises, entrepreneurs, and exporters expect concrete measures from us. Therefore, creating reserves to compensate for possible economic losses and ensuring macroeconomic stability should be the main task of the government” [18]. This is reflected in the Decree of the President of the Republic of Uzbekistan “On additional measures to support the population, economic sectors and business entities during the coronavirus pandemic” [19].

Emphasis was also placed on the development of domestic tourism. Thus, according to the Resolution of the President of the Republic of Uzbekistan “On additional measures to diversify domestic tourism services”, measures will be taken to raise tourism to a strategic level in the economy of the republic, diversify and significantly increase the volume of domestic tourism services, creating the necessary conditions for familiarizing citizens with the tourism potential of the country, improving the quality of tourism services provided and increasing competitiveness in world markets, creating additional opportunities for business

entities operating in the field of tourism, accelerating the development of modern service infrastructure, as well as ensuring employment and expanding sources of income population [20].

To stimulate entrepreneurs during quarantine, financial support was provided in the form of covering all costs of sanitary work from the country's budget [21].

Due to the fact that the country's external borders were closed, a number of factors allowed us to summarize the development of domestic tourism:

1. Rest is one of the main human needs. Taking into account the rather serious psychological stress of the last six months, for most people a vacation, at least short-term (3-5 days), is vital and this is an additional opportunity to expand domestic tourism.

2. Safety is a key factor in the development of any type of tourism. Throughout the quarantine, Uzbekistan had a controlled epidemiological situation, therefore, the majority of the population chose to travel around the country. On the other hand, this was facilitated by the closure of borders between states.

3. The cost of vacation is one of the clear advantages of domestic tourism. Vacations within the country are not only safer, but also cheaper, which, in the context of an economic downturn, has become a determining factor for deciding on a vacation.

4. The presence on the territory of Uzbekistan of ancient cities with picturesque architecture and cultural heritage puts Uzbekistan in the position of a state with great historical and cultural potential. A striking example is Samarkand, Bukhara, and Khiva, which are often visited by tourists.

Based on this, the tourism business of Uzbekistan has also radically rethought existing business models, taking into account innovation and digitalization [22].

To support and develop domestic tourism and pilgrimage, the Ministry of Tourism and Cultural Heritage proposed a number of events and resolutions:

1. Provide a number of benefits for business entities and self-employed people involved in the development of domestic tourism;
2. Simplify the "paperwork" for obtaining vouchers to sanatoriums;
3. Provide decent, modern and safe transport for tourists and their families;
4. Develop tariffs for all types of services, including hotel accommodation, transportation, excursions, etc.;
5. For school students, introduce compulsory educational visits to tourist cities of Uzbekistan to study the history and cultural heritage of our country;
6. Stimulate the development of cycling and mountain tourism, festivals and provide support from the state and the self-employed population [23].

Despite the detrimental impact of the COVID-19 pandemic, global tourism did not collapse, but began to develop in a different direction. One of the main directions was the development of domestic tourism in the country [26]. Government subsidies and private sector support were allocated for this. The second and important area was the intensive development of virtual tourism. In this regard, there is a need for the development of modern technologies and, accordingly, the creation of additional jobs [25].

The Ministry of Tourism and Cultural Heritage, together with the Ministry of Health, will form and supplement the “register of safe sites”, on the basis of which tour operators will form tourist routes.

Thus, certification of business entities (catering services, accommodation facilities, transport services, etc.) is voluntary [24].

CONCLUSIONS

Having analyzed the material presented in the first paragraph, we can draw a number of conclusions:

1. Currently, it is impossible to imagine entrepreneurial activity without the introduction of innovations based on the use of ICT.
2. The development of artificial intelligence and related technologies has become a new phenomenon for the whole world. Thus, the Strategy “Digital Uzbekistan - 2030” approved the “Program of measures for the study and implementation of artificial intelligence technologies in 2021-2022”, and also put forward the project “Concepts of the Republic of Uzbekistan in the field of development of artificial intelligence 2021-2030”.
3. Virtual tourism has become the only type of tourism during the quarantine period that has shown rapid development, since the Internet is available to almost every person.
4. Digitalization in the tourism sector has become online ordering tickets and paying for them using electronic money, mobile applications that track the most profitable tour offers, and blockchain technology.
5. Providing financial support for entrepreneurs during Covid-19.

REFERENCES

1. Basic tourism statistics // Source: <https://www.unwto.org/statistic/basic-tourism-statistics>
2. Experts expect a full recovery of world tourism no earlier than 2024 // Source: <https://tass.ru/obschestvo/13456149>
3. Felix Richter. “Pandemic Could Set Tourism Sector Back by \$1 Trillion.” Aug 25, 2020 // Source: <https://www.statista.com/chart/22689/global-international-tourism-receipts/>
4. Belousov D.S. “Tourism and the global economic crisis in the mirror of the media.” Materials of the 1st international scientific conference “Globalization and tourism: problems of interaction”. Saratov, April 15-16, 2009
5. Over 1.1 million tourists visited Uzbekistan in nine months. Article dated November 7, 2021 // Source: <https://podrobno.uz/cat/podrobno/uzbekistan-za-devyat-mesyatsev-posetili-svyshe-1-1-millionaturistov/>
6. Yakovenko A.A. “Problems and prospects for civil regulation of e-commerce in the Republic of Uzbekistan.” Dissertation in the direction of “Civil Law; business law; family law; international private law”. Tashkent, 2022
7. Law of the Republic of Uzbekistan “On the Central Bank of the Republic of Uzbekistan” No. ZRU-582 dated November 11, 2019 // Source: <https://lex.uz/docs/4590456>
8. Shamlikashvili V. A. “Virtual tourism as a new type of tourism.” Text of a scientific article in the specialty “Economics and Business”. Magazine “Creative Economy” 2014 // Source: <https://cyberleninka.ru/article/n/virtualnyy-turizm-kak-novyy-vid-turizma>

9. Rustambekov I., Gulyamov S., Narziev O., Khudaiberganov A. "Draft concept of the Republic of Uzbekistan in the field of development of artificial intelligence 2021-2030." Journal "Jurisprudence" No. 1 of 2021 from 107-121
10. Resolution of the President of the Republic of Uzbekistan "On measures to create conditions for the accelerated implementation of artificial intelligence technologies" No. PP-4996 dated February 17, 2021 // Source: <https://lex.uz/docs/5297051>
11. Filipova I.A. "Legal regulation of artificial intelligence." P. 87.
12. Official website Booking.com // Source: <https://news.booking.com/booking-comdestinationsru>
13. Porter M. "Competition." M.: Williams, 2005. – P.301.
14. Karpova G. A, Bogdanova I. M. "The role and place of entrepreneurship in the field of tourism services." Text of a scientific article in the specialty "Economics and Business" Journal "Izvestia of the St. Petersburg State Economic University" 2019 // Source: <https://cyberleninka.ru/article/n/rol-i-mesto-predprinimatelstva-v-sfere-turistskih-uslug>
15. Sachenok L.I. "Problematic aspects of the legal regulation of tourism activities: directions for their solution" Scientific notes of the Crimean Federal University named after V.I. Vernadsky Legal sciences. 2020 – T. 6 (72). No. 4 – pp. 437-449.
16. Shermukhamedov A., Narzullaeva D., "Digitalization of tourism." Tashkent branch of the Russian Economic University named after G.V. Plekhanov. Magazine "Economic Review No. 9 (249)" 2020 // Source: <https://review.uz/post/cifrovizaciya-turizma>
17. Decree of the President of the Republic of Uzbekistan "On urgent measures to support the tourism sector to reduce the negative impact of the coronavirus pandemic" dated May 28, 2020 No. UP-6002. // Source: <https://lex.uz/ru/docs/4831122>
18. Shavkat Mirziyoyev: "We will soften quarantine requirements while maintaining strict control over the epidemiological situation..." <https://president.uz/ru/lists/view/3569>
19. Decree of the President of the Republic of Uzbekistan Sh.M. Mirziyoyev "On additional measures to support the population, economic sectors and business entities during the coronavirus pandemic" No. UP-5978 dated 04/03/2020 <https://lex.uz/ru/docs/4780477>
20. Resolution of the President of the Republic of Uzbekistan "On additional measures to diversify domestic tourism services" No. PP-232 dated April 30, 2022 // Source: <https://lex.uz/docs/5991967>
21. Tourism during quarantine: how to revive the recreation industry in Uzbekistan. // Source: <https://uz.sputniknews.ru/20200706/Turizm-vo-vremya-karantina-kak-reanimirovat-industriyu-otdykha-v-Uzbekistane-14479245.html>
22. Ochilova Kh.F. "Restoring tourism in Uzbekistan after the pandemic." Text of a scientific article in the specialty "Economics and Business" Magazine "Tourism and Hospitality" 2020 // Source: <https://cyberleninka.ru/article/n/vosstanovlenie-turizma-v-uzbekistane-posle-pandemii>
23. Isakulov Sh. Project of the Ministry of Tourism and Sports. "Measures for the radical development of domestic tourism in the Republic of Uzbekistan." Internal archive.

24. Achilova, Liliya. "COMPARATIVE ANALYSIS OF DIGITAL ECONOMY IN TOURISM AND HOTEL INDUSTRY" LEGAL BULLETIN 2.6 (2021): 92-98
25. Achilova, L. (2020). Genesis of sources of legal regulation of relations in the provision of hotel services. Results of scientific research during the pandemic (COVID-19). 1(06). 101-106
26. Achilova, L. (2020). The impact of covid-19 on hotel services: national and foreign experience. Review of law sciences, (2), 96-101.

