

Ways for Increasing the Financial Competitiveness of Tourism Enterprises

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ABSTRACT

The article discusses the role of innovations in increasing the financial competitiveness of tourism enterprises in the Republic of Uzbekistan, the practical significance of measures taken by the state to ensure the competitiveness of tourism enterprises in various crisis situations. Proposals and recommendations are based on the analysis of the potential of tourism enterprises in Uzbekistan and some foreign countries.

KEYWORDS: *innovation, innovative active enterprises, competitiveness, financial stability, tourism enterprise, tourism*

One of the main goals of tourism enterprises operating in Uzbekistan in a modern market economy is not only to increase the competitiveness of their products, but also to improve the process of their creation. However, this goal can be achieved only by tourism enterprises with a high level of innovation activity. One of the factors that can increase the financial competitiveness of tourism enterprises is the active and effective use of innovative production technologies that lead to the formation of scientific, technical, production, financial, social activities in the new institutional environment.

An indicator of the application of innovations in the enterprise is called innovation activity. Innovative activity is the creative activity (creative energy) of producers of goods or services, expressed in the process of achieving on-demand innovation growth in technical and technological, economic, organizational, managerial, social, psychological and other indicators of goods or services offered to the market in a competitive period should be understood. Innovative active enterprises are enterprises that produce and implement new or improved products, technological processes or other types of innovative activities. Innovation is understood as a factor in increasing competitiveness, as the end result of innovative activities carried out in the form of new or improved products.

Competitiveness assessment is a complex process, says A. Flit [1], covering a variety of elements, some of which are difficult or impossible to measure. Even the first stage of evaluation - identifying competitive factors - can be very problematic.

The tourism industry is one of the fastest growing, fastest growing industries and requires constant innovation at various levels. The financial and economic formation of each region depends directly on the innovative activity in its territory, the innovative potential of the region, which consists of a set of intellectual, material, technical, information, monetary and other resources used for its formation at any time. An important factor that necessitates the introduction of innovations in the field of tourism is that

the activities of tourism enterprises not only shape the tourism sector in the region, but also become a source of income for the region and lead to the development of many related sectors. Many countries create special national organizations to promote various innovations in tourism activities and understand that this is an innovative activity that is a key factor in economic growth.

Such organizations also exist in the United Kingdom, Spain, Poland and other countries, but the example of Finland, where the state organization of the Tourism Council was one of the first to use innovative information technologies in the development of tourism [2]. Since 2001, Finland has been promoting the national database as a service. This database contains files containing information about attractions, accommodation, events, trips and excursions, telephone numbers of tourist enterprises, etc. The introduced innovations led to the development of partnerships and opened up prospects for the widespread dissemination of their information across the world's tourist regions, and by the middle of the first decade of the new century, Finland had become one of Europe's most popular tourist destinations.

Currently, the recovery in tourism will not begin until there is an opportunity to successfully lift travel restrictions. According to the World Tourism Organization, as of May 29, 2020, travel restrictions are in place in all tourist destinations (217 tourist destinations in the world) due to the COVID-19 pandemic, while 75% of tourist destinations remain completely closed to international tourism [3].

Despite the best efforts of world leaders to find ways to minimize the economic impact of the COVID-19 pandemic, the tourism industry will not recover until the emergency caused by the spread of the coronavirus is brought under control to safely remove tourism restrictions. The longer the threat to public health and the crisis associated with it, the harder it is for businesses, especially small and medium-sized enterprises, which form a major part of the tourism ecosystem, to survive, and the more problems and challenges their workers face.

As a result, tourism-dependent businesses are finding it increasingly difficult to maintain their financial stability and feel the need for some support from the government to prevent mass closures and job losses. Such support may be based on existing measures, including preferential lending and deferred loan payments and tax compliance, and / or additional tools such as redistribution of forces and funds or liquidity support mentioned above. Finally, the creation of incentives for the development of domestic tourism can create the conditions for the resumption of tourism enterprises in the early stages, when international tourism is limited.

The decline in the tourism industry has serious consequences, as these services account for 30% of global exports and account for one in ten jobs worldwide. If we look at the latest figures released by the World Tourism and Tourism Council, which represents the global tourism industry, we are at risk of losing more than 100 million jobs in 2020 due to the decline in global inbound tourism.

According to the forecasts and targets of the Committee of Tourism Development of the Republic of Uzbekistan, the volume of tourism revenues this year, excluding the

pandemic, will reach \$ 1.53 billion. This means that the industry's direct damage from the pandemic is \$ 1.3 billion, and when combined with the multiplier effect, it is about \$ 3.5 billion[4].

Entrepreneurs who provide tourism services in Uzbekistan and contribute to the development of tourism, such as hotels, tour operators, as well as organizations that promote the introduction of ICT in tourism, receive tax and customs benefits. In fact, the most popular type of tourism in Uzbekistan is cultural and educational tourism.

Table 1 Targets for the implementation of the concept of tourism development in the Republic of Uzbekistan in 2019-2025 [5]

No	Name of indicators	2018	2019	2020	2021	2022	2023	2024	2025
1.	Number of foreign tourists visiting in Uzbekistan (thousand people)	5 346	6 041	7 010	8 410	10 010	10 600	11 250	11 810
2.	Export of tourism services (million US dollars)	1 041	1 180	1 360	1 620	1 900	2 000	2 080	2 170
3.	Number of domestic tourists (thousand trips)	15 493	16 100	17 230	18 806	20 317	21 867	23 404	25 010
4.	Hotels and similar accommodation (in units)	914	1 100	1 620	2 200	2 600	2 800	2 900	3 050
5.	Number of rooms in residential buildings (thousand)	20,2	24	35	47	55	59	62	64
6.	Number of residential buildings (thousand)	41	49	72	95	110	122	124	128
7.	Number of tour operators (units)	983	1 100	1 190	1 250	1 320	1 390	1 420	1 450

Note. According to the results of the implementation of state and regional programs of tourism development, changes can be made to the forecast indicators.

Implementation of the above measures ensures the harmonization of the domestic regulatory framework with international standards and norms, create favorable conditions for the development of tourism, efficient use of financial and economic resources to increase the role of this sector in the economy, including 951 million tourism exports \$ 2.2 billion dollars in 2025.

An analysis of the pricing policy of hotel rooms in the country shows a significant difference in the cost of living in different regions. In particular, if the cost of accommodation in non-star hotels in Syrdarya, Andijan regions, the Republic of Karakalpakstan is from 100-140 thousand (\$ 10.5-15) to 300 thousand UZS (\$ 32) per day, then in such tourist centers in Tashkent, Bukhara, Samarkand and Fergana regions - from 250-300 thousand (\$ 26-31) to 800 thousand UZS (\$ 85).

The situation with the cost of accommodation in family guest houses looks a little different. In particular, in Bukhara region, one of the main tourist centers of the country, the cost of living in family guest houses ranges from 40 thousand (\$ 4.2) to 70 thousand UZS (\$ 7.3), which is lower than in Surkhandarya region. 100 thousand UZS (\$ 10). At the same time, these prices are more than 160,000 UZS (\$ 17) in Kashkadarya and Samarkand regions. This is possible due to the large number of residential buildings in Bukhara region compared to other regions of the country (except Tashkent). For comparison, the number of residential buildings in Bukhara region is more than 2 times higher than in Khorezm region, and 25% higher than in Samarkand region [6].

As with the cost of hotel services, there is a significant difference between regions over the payback period for hotel industry costs.

Encouraging and supporting the increase in the number of hotels is one of the most pressing challenges facing the industry in the near future. It should be noted that the growth rate of tourism infrastructure facilities still lags behind the growth rate of incoming foreign tourists. Thus, if in 2018 the growth in the number of tourists was almost 100 percent, then the growth rate in the number of rooms did not exceed 9 percent.

The potential of the Republic of Uzbekistan in the development of tourism and its contribution to the economy is very large and the results achieved are insufficient. According to the State Statistics Committee, the share of tourism in the country's GDP is currently small – about 2 percent [7]. The number of enterprises engaged in tourism is about 400, most of which operate in Tashkent (73.4%), Samarkand (13.1%), Bukhara (4.5%) and Khorezm (1%). In other words, 92% of enterprises specializing in tourism services, as well as 93.1% of tourists visiting our country come mainly to these regions [8].

The average cost of one tourist is drastically different from that of another depending on the country of arrival. According to data released by the State Tourism Committee in early 2019, the average cost of tourists from Central Asian countries was \$ 60-160, while those from other countries were \$ 600-700 [4].

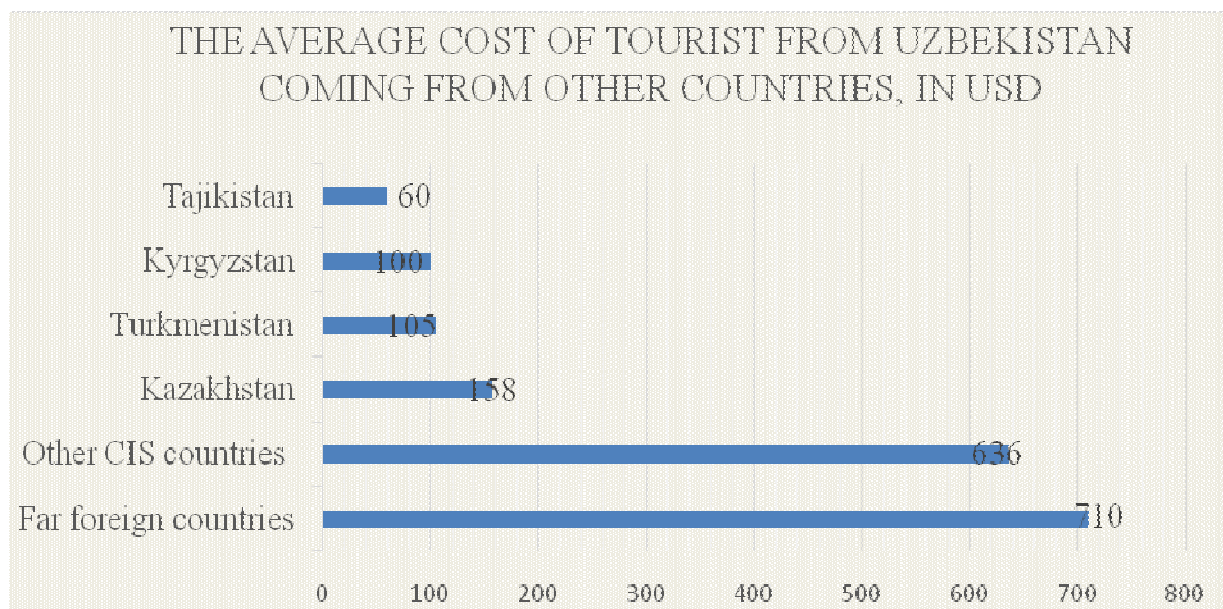


Figure 1 The average cost of tourist from Uzbekistan coming from other countries, in USD*

*Based on data from the State Committee for Tourism Development of the Republic of Uzbekistan

In the future, we must not forget the need for investment to increase the "sustainability" and financial stability of tourism enterprises. If any crisis opens up new prospects, the COVID-19 pandemic could be a catalyst for tourism innovation and move towards sustainable solutions. Such solutions include investing in the digital transformation of the economy, improving the coordination of value chains in tourism in terms of environmental and financial competitiveness of tourist destinations. The problem of competitiveness of the region in the tourism market depends on the activities of both tourism enterprises and the positive impact of the city and district authorities on the factors that are important for tourists (conversion of resources into market supply, more benefits, more conveniences). As V.Shubaeva and N.Burova noted, "a comprehensive approach to the development of tourism in the region allows partners to coordinate their policies and actions, ..., to develop and implement activities that will help them compete in the struggle for consumers" [9].

Improving the competitiveness of tourism enterprises requires the development of a set of interrelated measures, and to assess the market situation requires a set of indicators that can be assessed by the competent authorities for the development of competition in the tourism sector of Uzbekistan. The extreme complexity of the set of indicators, the complex and costly processes of obtaining information can hinder the implementation of the standard of development of competition in regional tourism markets. In order to achieve real results in the development of tourism in a particular region, it is necessary to study new scientific developments and develop opportunities to apply them in practice, in their own areas. However, work on the introduction of innovations should be systematic. For effective work, dynamic development and competitiveness, tourism authorities, tourism market participants, tourism enterprises must develop and implement innovative strategies, identify key long-term directions for innovation and provide resources to achieve goals, ie prepare an innovative project.

Summarizing the above, it should be noted that tourism enterprises need to develop an innovation strategy depending on the position they occupy in the market, the

specialization of the activity, the competitive advantages that can be provided by its innovative potential. In this case, the new thing will certainly bear fruit, not only for the subject of the tourism market, but also for the region in which it operates and the tourists who visit this area.

Improving the simplicity and convenience of services for tourists is a key priority of tourism enterprises. Against the background of the rapid development of modern innovative technologies, it is one of the most universal types of tourism business with a multifunctional segmentation of its activities, where innovations are quickly and financially offset. Healthy competition is a necessary condition for success in any business. Tourism as the most versatile and demanding sector of the economy requires renewal using modern innovative technologies, approaches, methods, which not only ensure the competitiveness of tourism enterprises, but also the stability of their operations. Innovations in tourism enterprises are based on the novelty of services, increasing the efficiency of their production, economic and social efficiency.

The application of innovations in the field of tourism is aimed at the formation of new tourism products, the provision of unique tourism services, the application of new marketing approaches using the latest technologies and IT technologies, which increases the competitiveness of tourism products in national and international markets.

For the successful implementation of the set tasks, it is practically impossible to invest in the innovative activity of tourism enterprises, to create a modern high-tech infrastructure capable of integrating with tourism enterprises of different countries, to modernize and radically restart science with further commercialization of scientific results.

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