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COMMISSION ON LEGAL AFFAIRS AND INTERNATIONAL RELATIONS

EIGHTH MEETING

IMPROVING TOURISM AMONG TURKPA MEMBER COUNTRIES:

IMPACT OF COVID-19 PANDEMIC AND FUTURE PROSPECTS

REPORT

INTRODUCTION

In accordance with the Plan of Activities for 2020 of the Secretariat adopted at the 9th Plenary Session held in Baku, Azerbaijan, it was decided to take up subject “Improving Tourism Among TURKPA Member Countries” as the main item of agenda for the eighth meeting of the Commission on Legal Affairs and International Relations.

World Tourism Organization (WTO) defines tourism as people “traveling to and staying in places outside their usual environment for not more than one consecutive year and not less than 24 hours, for leisure business and other purposes”. Tourism can be domestic (within the traveler’s own country) or international, and international tourism has both incoming and outgoing implications on a country’s balance of payments.

Tourism in global era has repercussions on different variables and parameters especially, the direction of foreign policy, the use of diplomacy tools and the diversity of the socio-economic systems of the countries can be associated with the decisions and practices on tourism. Every country is faced with the necessity of directing their policies and motivating factors at individual, organizational and national level for activating the tourism potential and increasing the number of tourists.

The rapid change in the communication sector has increased the speed, comfort and capacity in transportation vehicles, so international tourism has also been positively affected

by this situation. International travel has become simple and affordable, foreign capital investments have increased, the investments made in tourism have increased the awareness for tourism and all these have positively affected the development of international tourism.

According to the data of the World Tourism Organization, while 435 million tourists participated in tourism activities worldwide in 1990, this figure reached 528 million in 1995, 675 million in 2000, 798 million in 2005, 917 million in 2008 and 940 million in 2010. According to the estimates of the World Tourism Organization, while 1.6 billion tourists are expected to participate in international tourism activities in 2020, the Covid-19 pandemic has dealt a major blow to the tourism industry.

Before COVID-19, travel and tourism had become one of the most important sectors in the world economy, accounting for 10 percent of global GDP and more than 320 million jobs worldwide. Tourism numbers declined as a result of a strong economic slowdown between the second half of 2008 and the end of 2009, and in consequence of the outbreak of the H1N1 influenza virus in 2009, but slowly recovered until the COVID-19 pandemic put an abrupt end to the growth.

The World Tourism Organization estimated that global international tourist arrivals might decrease by 58% to 78% in 2020, leading to a potential loss of USD 0.9–1.2 trillion in international tourism receipts. Tourism receipts worldwide are not expected to recover to 2019 levels until 2023. In the first half of 2020, tourist arrivals fell globally by more than 65 percent, with a near halt since April.

Tourism potential among Turkic speaking states will be revealed and the impact of tourism on the national economies will be analyzed throughout the report. In addition, problems in tourism in member countries during the Covid-19 pandemic will also be addressed.

TOURISM POTENTIAL AMONG MEMBER COUNTRIES

A huge potential exists among TURKPA member countries for nearly every aspect of tourism including eco and nature tourism, winter tourism and health tourism. Although there is a high level of tourist flow among TURKPA member countries, it is not at the desired level. There have been various efforts both in bilateral and multi-lateral level in order to improve tourism among Turkic speaking countries.

In accordance with the decision of the Heads of State of the Turkic Council adopted during the IV Summit on June 5, 2015 in Bodrum, a working group has been established for the development of 'The Modern Silk Road Joint Tour Package' and Kazakhstan was determined as the coordinator.

Tourism package project was developed with the support of representatives of the private sector and subordinate organizations of state bodies of the member states in charge of

tourism. Tourism package involves visiting attractions and acquaintance of tourists with the rich historical and cultural heritage of the Turkic world in the cities of the member states along the Great Silk Road.

During the 7th meeting of the Working Group on Tourism of the Turkic Council member states on March 23, 2016 in Shymkent (Kazakhstan), tour operators of member countries signed the Protocol of the consortium on the implementation of 'The Modern Silk Road Joint Tour Package', according to which tour operators will have to introduce this tourism package in travel agencies of their countries. At the fourth meeting of the Ministers for Tourism of the member states of the Turkic Council in Astana on August 8, 2018, parties discussed the main issues of preparation for the launch and commercial implementation of the 'The Modern Silk Road Joint Tour Package', including the development of a tourism package website, pricing policy, marketing and communication strategy of tour operators, world market promotion, and television broadcasting of advertising videos through channels member countries, interaction with World Tourism Organization.

'The Modern Silk Road Joint Tour Package' aims at bringing tourists together with the unique cultural, spiritual, historical and gastronomic life of the traditional Silk Road consisting of famous tourist sites of member countries. This joint package intends to increase the flow of tourists among the Turkic Speaking States and boost the touristic visits from the third parties.

Azerbaijan

Azerbaijan has an immense amount of intangible heritage assets, historical monuments and buildings as well as astonishing natural landscapes and excellent hospitality that are of interest to both domestic and international visitors. Azerbaijan's tourism strategy is aimed at uncovering the tourism potential of the country in the long term with a focus on sustainable actions and realistically achievable goals.

Regional tourism development is an essential component of this strategy. This encompasses the revitalization of the economy by integrating the local population into the tourism and heritage value chains. With Destination Management Organization (DMO) offices operating around the country and the Reserve Management Centre (RMC), which is currently managing 7 heritage reserves, a strong regional network is created through which tourism development is being decentralized.

Moreover, training and capacity building programs for private sector businesses are being carried out throughout the regional network by both institutions and the 3 tourism industry associations that were established. The State Tourism Agency of Azerbaijan (STA) was established on 20th April 2018 as the central executive body implementing state policies and regulations in the field of tourism. The Azerbaijan Tourism Board (ATB) is a public legal entity under the STA and represents the tourism marketing body.

The four core principles i.e. 'sustainability', 'competitiveness', 'service quality and value orientation' and 'public-private partnership' are significant for positioning and branding Azerbaijan as an attractive and successful tourism destination on a global scale. They have been identified to guide the balanced development of the industry and are considered as the backbone of the strategy of tourism development in Azerbaijan.

Restoration of the territorial integrity of the Republic of Azerbaijan after the historic victory in the Patriotic War created conditions for the development of the tourism industry in the liberated territories. Karabakh's favorable economic and geographical position, rich resources, unique natural and climatic features, fertile soil, rich flora and fauna have created new opportunities for the development of the country's tourism industry. Restoration and reconstruction of museums and cultural-historical monuments destroyed by Armenian vandals, construction of hotel complexes are being carried out.

At the same time, large infrastructure and transport projects are being implemented in the liberated territories. Fuzuli International Airport, which was built in 8 months and put into operation on September 5, 2021, as well as international airports are being built in Zangilan and Lachin regions. Transport and infrastructure projects implemented in Karabakh create new opportunities for the development of tourism among TURKPA member countries in the future.

Sustainability principle is intended to optimize the tourism industry's contribution to national income and employment growth. Competitiveness involves initiating a tourism support structure for SMEs, regional development and increased competitiveness; facilitating the establishment of private sector tourism industry associations for various kinds of service providers and international competitiveness. Service quality and value orientation means providing a regulatory framework for quality assurance; improving and standardizing licensing procedures for all tourism-related businesses and activities. Public-private partnership ensures supporting the industry and related SMEs with funding, grants, training and consultancy and facilitating foreign direct investment in tourism-related businesses together with public partners.

Kazakhstan

Tourism is an important sector in Kazakhstan which has contributed 1.4% of national economy in 2017. The industry is made up of 118800 registered businesses employing 463700 people across the country, and accounting for 5.3% of total employment in 2018. Inbound tourism contributed 4.4% of total export income, representing 36% of all service exports. The number of inbound arrivals in 2018 reached 8.8 million, an increase of 14.1% from 2017, and 28.5% over five years. The main source of visitors is traditionally the ex-Soviet countries, accounting for 91.7% of arrivals and 70.6% of spending. Visitors from other countries made up 8.3% of the total visitors but 29.4% of the spending.

Kazakhstan approved 'The Program for the Development of the Tourism Industry for 2019-2025' in May 2019. The Program aims to position Kazakhstan as one of the 50 most attractive countries for travel in the world by 2025. The Program is designed to improve the availability and quality of tourist services and products, as well as the quality of life of the population of the country by developing places of tourist interest. It also focuses on the growth of external and internal tourist flows, increasing investment in the tourism industry by creating a favorable tourist climate and promotion of the tourist potential of Kazakhstan in both domestic and international markets. Kazakh Tourism JCS, the national tourism organization of Kazakhstan, used this Program to guide its marketing and promotion activities and to attract investment in tourism.

To achieve these targets set forth at the 2019-2025 Program, the institutional framework has been strengthened, national and local executive bodies formed, working alongside the Kazakh Tourism JSC and additional co-ordination measures developed to deal with the cross-cutting nature of tourism, which is estimated to link 30 different sectors in Kazakhstan. In order to attract investors to the tourism industry, a preferential regime for investors, including the provision of grants and exemptions from corporate income tax, land and property tax is formed.

On August 27-28, 2019, in the city of Aktau, the Ministry of Culture and Sports of the Republic of Kazakhstan together with the Akimat of the Mangystau Region hosted the International Tourism Forum and the first Five-sided Consultations of the Caspian littoral states (Kazakhstan, Azerbaijan, Turkmenistan, Russia, Iran) on the topic "Tourism in the Caspian Sea". Following the consultations, the parties made a number of joint decisions on the further development of tourism in the Caspian, the creation of new joint combined tours, the development of cruise tourism, the liberalization of visa and migration regimes to simplify mutual visits, the development of a common concept for the simultaneous development of tourism in the Caspian region and the creation of a single tourist brand under the auspices of the Caspian Sea, as well as the development of a unified certification methodology for tourist facilities and services, etc.

Almaty hosted the 19th Kazakhstan International Exhibition "Tourism and Travel" - KITF 2019 on April 17, 2019, in which representatives of Azerbaijan and Turkey participated. On June 29-30, 2019, the international ethnic festival "Kóshpendiler Álemi" and the exhibition "The Country of the Great Steppe" were held, in which representatives of Azerbaijan took part. In the period from September 18 to 21, 2019, the international tourism exhibition PATA Travel Mart 2019 was held in Nur-Sultan, including the accompanying youth symposium, forums on technology and marketing in tourism.

One of the key sections of the State Program for the Development of the Tourism Industry of the Republic of Kazakhstan is the liberalization of visa and migration regimes that determine the competitiveness of Kazakhstan's travel and tourism in the world. The list of states (73

countries) that citizens have the right to visa-free entry into Kazakhstan has been expanded. To date, Kazakhstan has signed agreements with 20 countries on the exemption from visas of holders of national passports.

Along with this, the Government of Kazakhstan took unprecedented steps to attract international tourists. Special attention is being paid to promoting the tourism potential of the Republic of Kazakhstan by publishing articles on popular information sites in Uzbekistan, the Russian Federation, Turkey, Azerbaijan, Iran.

During the meeting of the representatives of Ministry of Culture and Sports of the Republic of Kazakhstan, Kazakh Tourism JSC and Turkic Council Secretariat on March 3, 2020, top-10 investment projects were presented, as well as the initiative of the Kazakh side to implement a unified visa system i.e. 'The SILK ROAD VISA' was announced. A Protocol was adopted according to which the parties agreed on establishing cooperation between tourism universities, creating a "Tourism Competence Center" in universities of participating countries and implementing the "Tourism Capitals Initiative" project, creating a promotional video on the tourism potential of Turkestan, Shymkent, Almaty and Aktau.

Kyrgyzstan

Kyrgyz Republic views the tourism industry as a priority sector capable of propelling the country's economic development. Since 1995, the Kyrgyz Republic has adopted a multitude of normative-legal acts, regulatory policies, programs and action plans concerning the tourism sector, which has been implemented with varying degrees of success.

There are various tourism services and destinations in Kyrgyzstan, which are packaged by tourism companies. The existing tourism value chains are grouped into three broad categories based on the type of core tourism product. These value chains are: 1) Issyk-Kul Lake beach tourism; 2) cultural and soft adventure tourism, including eco-tourism; and 3) extreme sports and hard adventure tourism. These categories account for the bulk of the tourism sector's revenue and reflect the broad spectrum of tourism activities in Kyrgyzstan.

The tourism industry in the Kyrgyz Republic contributes an estimated 5,2% to GDP and represents an important growth industry for jobs and economic development. The Kyrgyz Republic features numerous unique natural and cultural attractions such as Lake Issyk-Kul - the second-largest alpine lake in the world, the prominent Tian-Shan mountain range and a section of the historic "Silk Road," all with potential to attract additional international visitors.

In September 2018, the Kyrgyz Republic successfully hosted the third World Nomad Games and a concerted campaign attracted global media attention to the Games, which effectively promoted the Kyrgyz Republic's unique brand on the international stage.

The number of tourists has steadily rebounded to 1.8 million in 2019 and visitors from the former Soviet Union continue to comprise the overwhelming majority of tourists who travel to the Kyrgyz Republic. According to estimates, approximately 70% of tourists visit from Kazakhstan and 13% from Russia, with roughly 2% from European countries. Tourism sector employs approximately 40,000 people, or roughly 2% of the Kyrgyz Republic's total formal employment.

Turkey

Turkey has several unique opportunities for different types of tourism compiled under the category of alternative tourism, which include, in addition to coastal tourism, health and thermal tourism, winter sports, mountain climbing and layout tourism, adventure trips, plateau tourism and ecotourism, conference and expo tourism, cruise ship and yacht tourism, golf tourism and etc. However, it is yet hard to say that this potential is used in a rational manner. Therefore, the Tourism Strategy of Turkey - 2023 and the Action Plan for 2023 collectively target wiser use of natural, cultural, historical and geographical assets and increasing the share of Turkey from tourism business.

Tourism Strategy of Turkey - 2023 proposes a variety of long term strategies in the realms of planning, investment, organization, domestic tourism, research and development (R&D), Services, Strengthening Transportation and Infrastructure, Promotion and Marketing, Education, Branding at City Level, Diversification of Tourism Products, Rehabilitation of Existing Tourism Areas and Improvement of Destinations. The Strategy adopts a planning approach that supports economic growth, is physically applicable and socially oriented and fairly reflects the principle of sustainable tourism.

To ensure development of tourism activities both at national and regional levels is an objective that is attainable only when top priority regions and areas are determined and the required sets of infrastructure projects appertaining to these areas are included in the investment schedules of relevant entities and organizations.

TURKPA member countries constitute an important target audience in the field of tourism for Turkey to realize the expected change and transformation. Turkey and other Turkic speaking states are connected with unshakable bonds coming from the depths of the history with common culture and similar consumer habits. The number of tourists coming to Turkey from TURKPA member countries seems to increase but not at the desired level. Surely Turkey's natural beauty, high level of development of tourism and service sectors and experience gained in the process of institutionalization has a large contribution in this increase.

According to the statistical data collected by Statistical Institute of Turkey, the ratio of the total number of tourist arrivals to Turkey from Turkic speaking countries is 2.9% of the total number. When the countries are examined separately, it is understood that the number of tourists coming from Kazakhstan with 402,384 tourists is higher than the other three Turkic-

speaking countries. The number of Kyrgyz citizens traveling to Turkey from Kyrgyzstan exceeded 100 thousand for the first time in 2017. The role of workers from Kyrgyzstan who went to work in seaside hotels has played an important role in this increase. In 2018, it reached 114,926 people with an increase of 9.55% compared to 2017.

CONCLUSION

TURKPA member countries with common historical and cultural roots have a tremendous potential in terms of tourism. However, the level of tourism activities among member countries is not at the desired level. Furthermore, Covid-19 pandemic struck a huge blow to tourism as well.

The already existing efforts should be strengthened both in bilateral and multi-lateral level in order to develop tourism among Turkic speaking countries in Covid-19 pandemic era.

Member states can increase the gains that can be obtained from tourism by formulating a common strategy and action plan for the development of tourism in Turkic speaking states.