



# **STUDY OF THE EXPERIENCE OF FOREIGN COUNTRIES IN THE ESTABLISHMENT OF FREE TOURIST ECONOMIC ZONES AND ANALYSIS OF THE SITUATION IN UZBEKISTAN**

**Asadova Aziza Olimjonovna**

International university of tourism "Silk road", Science and Technology  
department programs (project office), Specialist  
E-mail: aziza\_asadova@mail.ru

**Muhammadiyeva Nodira Xusanovna**

International university of tourism "Silk road", Head of Science and Technology  
department programs (project office)  
Email: nodirabegim1988@gmail.com

Article history:		Abstract:
Received	October, 28 <sup>th</sup> 2020	This scientific article describes the free tourist economic zones, the purpose of their establishment, the situation in China and Russia, their analysis, existing problems and opportunities. In particular, advice was given on the existing opportunities in Uzbekistan, the potential of tourist resources, the state of the established free tourist zone "Charvak", the existing shortcomings and foreign experience that should be used to address them.
Accepted:	November 7 <sup>th</sup> 2020	
Published:	November 27 <sup>th</sup> 2020	
Keywords: Free economics zones. free touristic zones. opportunities. experience of China and Russian.		

## **1. INTRODUCTION**

Today, the establishment and use of free economic zones has become one of the traditional ways of regional development around the world, with more than 4,000 free economic zones in the world. The first free economic zone in 1595 was the Italian port of Genoa (V.A. Shumayev, n.d.). Since then, many more important industrial zones have been granted the status of "Free Economic Zone" or "Main Economic Zone". Free economic zones have played an important role in the world economy since the 1970s and have been officially recognized. The rapid development of tourism in the XX century has shown the need to form free tourist economic zones, such as free economic zones.

A free economic zone is a specially designated area with clearly defined administrative boundaries and a special legal regime, created to attract local and foreign investment, advanced technologies and management experience for the socio-economic development of the region (Yaran consulting, 2018).

A free tourist economic zone is defined as the location of one or more tourist resources (natural, historical, socio-cultural, medical, health facilities, as well as other facilities that can meet the needs of tourists and excursionists) within certain limits. is a region created for the development of domestic tourism, tourism industry, protection and rational use of tourist resources (Low of Uzb on Tourism, 2019).

Free tourist economic zones, like the main economic zones, can be organized in the following types:

- Free tourist zone;
- Small tourist zone;
- Special tourist zone;

The main purpose of this classification is the effective development of the regions based on their potential.

## **2. THE GOAL OF ESTABLISHING FREE TOURISTIC ECONOMIC ZONES IN UZBEKISTAN**

Free economic zones, based on the potential of a particular area, for the purpose of socio-economic development, attraction of local and foreign direct investment, to provide special benefits to all business entities operating in this area, to exercise all their rights. protection in accordance with the law, in order to form the infrastructure. With the same goals in mind, free tourist economic zones or tourist-recreational zones will be established to protect tourism facilities and effectively organize tourism on the ground. The main idea is to further develop the economy and improve the living standards of the population, saving natural resources and using the existing cultural heritage. Effective organization of free tourist economic zones provides opportunities to solve the main problems in the economy.

Such as:

- Management of large and small areas at once, combined;
- Efficient use of available labor force;
- Creating more new jobs;
- Development of domestic and foreign tourism;
- Ensuring the penetration of modern technology in the field;
- Provision of cheap goods and services to the population;
- Full use of the potential of the regions;
- Full control over the use of benefits provided to business entities;
- Pursuing a policy of transition to the digital economy;
- Reform of the banking sector and regulation of money circulation;
- Improving other areas and sectors related to tourism;
- Organization of self-sufficiency of territories, etc.

In the free tourist economic zones, all subjects of tourism will be able to engage in all types of activities not prohibited by the laws of the Republic of Uzbekistan. Legal entities and individuals engaged in economic activities in free tourist economic zones are registered in the directorate. The Directorate issues a certificate of registration in a free tourist zone to a registered legal entity or individual and notifies the relevant government agencies in the manner prescribed by law (Law on "Free economic zones", 1996).

### 3. EXPERIENCE OF FOREIGN COUNTRIES IN THE ORGANIZATION OF FREE TOURISTIC ZONES

China. Today, there are 400 free trade zones, 400 research and production parks, more than 300 export-production parks, 100 special zones in the world (Khosil Karimov, 2019). The best developed economic zones in the world are located in China. Today, there are four special economic zones in China - Shenzhen, Zhuhai, Shantou and Xiamen. In addition, there are 21 free trade zones, 53 zones of high and new technologies, more than 70 scientific and technical zones for specialists trained abroad, 38 zones for processing products for export (Khosil Karimov, 2019). In 1978, the Chinese government decided to reform national economic relations. The state policy was aimed at the implementation of a policy of openness, directing access to the outside world and production. During the 1980s, China went through several stages, including the creation of special economic zones, the opening of port cities and districts, and a policy aimed at forming economic and technological development zones. In 1980, free economic zones such as Shenzhen, Zhuhai, Shantou were established. The Chinese government has taken the path of providing many tax incentives in special zones to develop these areas and attract foreign and domestic investment. Free economic zones have become particularly developed in terms of production and trade. China has followed the path of development of science, technology and production. There are no separate free tourist zones in China, as tourist anthropogenic resources are abundant and have not lost their appeal to this day. During the development of economic zones, as a result of positive changes in the economic situation in the country, China has become one of the largest developed countries in tourism. Today, domestic and foreign tourism is very well developed in China. According to Forbes in 2019, China ranks 4th in the ranking of the most visited countries (China tourism statistics, 2020). At the same time, domestic tourism in China is larger than all other types of tourism (Figure 1) (China tourism statistics, 2020):

Outbound tourism	134 million trips	4.5%
Domestic tourism	5.5 billion trips	10.8%
Domestic tourism revenue	CNY 5.05 trillion	13%

Figure 1. Indicators of entry and domestic tourism in China.

There are no problems with the creation of separate zones in China, but the problem of "pollution" from air and waste in China is very high due to the large population and the large number of people living in developed areas, the density of transport.

Russian. The Russian Federation, which ranks first in the world in terms of area, is creating major economic zones in order to develop the economy and fully manage large areas. Today, the number of economic zones in Russia is more than 33 (Ministry of Economic Development of the Russian Federation, 2020), organized mainly in 5 types (Figure 2):

- Industrial production zones;
- Tourist and recreational zones;
- Areas of application of equipment;
- Coastal port areas.
- Zones established for other purposes.

Figure 2 below shows all types of interregional major economic zones in Russia on a "demonstration map".



According to the data, 656 residents work in 25 major economic zones of Russia and more than 28,000 jobs have been created. The number of territorial tourism zones, i.e. tourist and recreational zones, is 14. For example, port areas such as "Biryuzovaya Katun", "Baykalskaya Gavan", "Vorota Baykala", "Altayskaya Dolina" and "Ulyanovsk", "Murmansk", "Sovetskaya Gavan" are tourist and recreational areas (MD Koshkarova, 2015). Russia has created the following opportunities for entrepreneurs in the establishment of free tourist economic zones:

- Minimal administrative barriers have been introduced;
- Tax and customs benefits are provided;
- The lowest prices are set for the lease and purchase of land;
- Assistance from experienced companies in the implementation of investment projects.

All major economic regions in Russia are equipped with modern and completely new infrastructure. But their shortcoming is that the number of key workers are migrants.

#### 4. STATUS OF FREE TOURISM ZONES IN UZBEKISTAN

Today, there are 14 free economic zones in Uzbekistan, in particular, Navoi, Angren, Jizzakh, Urgut, Gijduvon, Kokand and Hazarasp. 62 projects worth \$ 486 million have been implemented in the regions, more than 4,600 jobs have been created, more than 96 small industrial zones, Charvak, Qadimiy Bukhara free tourist zones and Nanay tourist zone of Namangan region. established (Hosil Karimov, 2019).

After independence, Uzbekistan first of all established free economic zones and on its basis free tourist economic zones. These two concepts complement each other, and all the laws and privileges pertaining to free economic zones also apply to free tourist economic zones. Implementation of the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated October 25, 2017 No PP-3356 "On additional measures to increase the efficiency of free economic zones and small industrial zones" Regulations on the procedure for selection of investment projects for placement in the territory of free economic zones and registration of participants of free economic zones, provided for in the resolution "On measures" for tourism and all business entities also applies (Law of the Republic of Uzbekistan, 2019). There are more than 7.4 thousand objects of cultural heritage in Uzbekistan (Concept of tourism development in the Republic of Uzbekistan for 2019-2025, 2019), most of which are located in Samarkand, Bukhara, Khiva, Shakhrisabz, Tashkent. These days, there are effective works are being done to establish free tourist economic zones in these cities. According to the Decree of the President of the Republic of Uzbekistan "On the establishment of a free tourist zone" Charvak "(President of the Republic of Uzbekistan" On the establishment of a free tourist zone "Charvak", 2017) modern In order to attract investment in areas with high tourism potential, which have tourism infrastructure, to develop specific tourist routes, taking into account the ecological environment of the regions, to further develop the transport network, to establish the use of alternative energy-saving equipment "Charvak" a free tourist zone was established. These days, Charvak is one of the regions of Uzbekistan with high tourist potential. Not only foreign guests but also locals visit a lot for recreation. It has all the necessary communications and Internet access. Most importantly, the pools are organized for leisure and recreation. However, it should be noted that during the season it is necessary to book in advance due to the large number of regular customers in the area. Although there are decrees and decrees on the establishment of free tourist economic zones in Uzbekistan, there is still a shortage of experienced staff to organize and operate in this area. In addition, there are other problems in tourism in Uzbekistan:

- Lack of qualified personnel;
- Very low quality of service and service;
- Price disproportion;
- Lack of attractive tour packages;
- Lack of tourism culture in the population;
- Insufficient compliance of food enterprises with sanitary and hygienic requirements;
- Lack of rational use of available tourist resources;
- Lack and non-compliance of placement enterprises;
- Insufficient development of information and communication technologies, almost no communication in remote areas;
- Lack of number of clinics with international status in the field of medical services;
- Low salaries of employees in the service sector, etc.

Given that the tourism industry is associated with almost all sectors and industries, not only the Cabinet of Ministers and the State Committee for Tourism Development, but all sectors and ministries in the country should seek measures to address the shortcomings in tourism.

## **5.CONCLUSION AND RECOMMENDATION**

Free economic zones develop the region mainly through the organization of natural resources and production, with the help of technology and affect the socio-economic lifestyle of the population. The organization and development of free tourist economic zones will serve to improve the infrastructure of the region and adjacent areas, solve problems of transport, energy, water, improve living standards, increase incomes, broaden worldview, modernize, accelerate urbanization.

A study of the Chinese experience shows that the Chinese pay more attention to the development of domestic tourism than foreign tourism. In the existing economic zones, there are a large number of large international companies and small businesses. They have a strong family business and are able to adapt quickly to modern requirements. World experience shows that in times of global crisis, large companies suffer more than small businesses. Therefore, it is necessary to create special tourist zones in Uzbekistan to increase the number of small businesses and promote domestic tourism.

The Russian Federation has rationally assessed the potential of the regions and acquired large centers. Russia's experience can be used in the organization of tourist and recreational zones in Uzbekistan, and this country can be a good example for us.

In conclusion, it is necessary to continue the establishment of free economic zones and free tourist economic zones in Uzbekistan, to create new jobs in the country, to solve the biggest problem of "Unemployment". It is necessary to use the existing potential properly. Natural resources will run out one day, but if we can organize tourism properly, the income from it can feed our children for a lifetime.

## **REFERENCES:**

1. Shumayev V.A (n.d). Russian free economic zones abroad. Retrieved from <https://lit-collider.ru/wp-content/uploads/2019/10/StSHumSEZ-Za-rubezhom.pdf>
2. Yaran consulting (November 2, 2018). Free economic zones. Retrieved from <https://yaran.uz/svobodnye-ekonomicheskije-zony/>
3. Law of Republic of Uzbekistan on Tourism (July 18, 2019). Retrieved from <https://lex.uz/docs/-4428097>
4. Law of Republic of Uzbekistan on Free economic zones (April 4, 1996). Retrieved from <https://lex.uz/docs/-2046?otherlang=1>
5. Khosil Karimov (February 22, 2019). Free economic zones: world experience and the situation in Uzbekistan. Retrieved from <https://www.spot.uz/oz/2019/02/22/eiz/>
6. China tourism statistics 2019. (March 7, 2020). Inbound and outbound. Retrieved from <https://www.china-mike.com/china-travel-tips/china-tourism-statistics/>
7. Ministry of Economic Development of the Russian Federation (2020). Retrieved from [https://www.economy.gov.ru/material/directions/regionalnoe\\_razvitie/instrumenty\\_razvitiya\\_territoriy/osoby\\_e\\_ekonomicheskije\\_zony/?domainId=1](https://www.economy.gov.ru/material/directions/regionalnoe_razvitie/instrumenty_razvitiya_territoriy/osoby_e_ekonomicheskije_zony/?domainId=1)
8. M.D.Koshkarova (2015). Special economic zones of the Russian Federation in the investment process. Russian. Retrieved from [https://present5.com/osoby\\_e\\_ekonomicheskije\\_zony-rf-v-investicionnom-processe-vypolnila/](https://present5.com/osoby_e_ekonomicheskije_zony-rf-v-investicionnom-processe-vypolnila/)
9. Implementation of the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated October 25, 2017 No PP-3356 "On additional measures to increase the efficiency of free economic zones and small industrial zones" Resolution "On measures". Retrieved from <https://lex.uz/uz/docs/-4262208>
10. The concept of tourism development in the Republic of Uzbekistan in 2019-2025 (January 5, 2019). Retrieved from <https://lex.uz/docs/-4143188>
11. Resolution of the President of the Republic of Uzbekistan "On the establishment of a free tourist zone" Charvak ". (December 5, 2017). Retrieved from <https://lex.uz/docs/3441087>