



THE IMPORTANCE OF THE TOURISM SECTOR IN DEVELOPING THE ECONOMY OF A COUNTRY AND IMPROVING THE LIVING STANDARDS OF THE POPULATION

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Abstract

This article advances the notion, by supporting the sound reasons with the statistics, of the importance of tourism sector in economy, how it contributes to the living standards of the population. It concludes by pointing to the issues of the field that need to be solved by the experts of the related field.

Keywords: tourism sector, economy, GDP, living standards, population, employment, economic growth, pandemic, job.

Tourism industry is a significant contributor to the global economy and plays an essential role in the development of many countries. Around the world, in countries at all development levels, many millions of jobs and businesses are dependent on a strong and thriving tourism sector. Tourism has also been a driving force in protecting natural and cultural heritage, preserving them for future generations to enjoy. [Mr. Zurab Pololikashvili. Secretary-general of UNWTO (The World Tourism Organization is the United Nations)].

The statistics of top 20 countries, whose GDP mostly relied on Travel & Tourism, is provided in Table 1. These figures reveal the share of the tourism sector in GDP of the below mentioned countries. It compares the statistics of 2019 and 2021. From these figures it is clear that there are the economics, whose activity is mainly dependant on this single sphere.





Table 1

2019 Rank	Share (%)	2021 Rank	Share (%)		
1	Macau, SAR China	85.1	1	Antigua and Barbuda	61.0
2	Antigua and Barbuda	83.3	2	Aruba	59.6
3	Aruba	67.9	3	St Lucia	48.6
4	St Lucia	59.8	4	Macau	47.2
5	Maldives	53.5	5	Maldives	44.6
6	Anguilla	48.7	6	Bahamas	28.1
7	British Virgin Islands	44.4	7	Seychelles	27.0
8	St Kitts and Nevis	43.6	8	Montenegro	25.5
9	Grenada	43.6	9	US Virgin Islands	25.3
10	Bahamas	42.5	10	Belize	23.4
11	Seychelles	42.3	11	Anguilla	21.0
12	St Vincent and the Grenadines	40.5	12	Jamaica	18.6
13	Cape Verde	37.8	13	Other Oceania	18.1
14	Belize	37.6	14	Albania	17.4
15	Vanuatu	32.7	15	Croatia	16.1
16	Fiji	31.3	16	Greece	14.9
17	Montenegro	30.8	17	Barbados	14.4
18	Barbados	29.5	18	Grenada	14.2
19	Jamaica	29.1	19	Iceland	13.6
20	US Virgin Islands	28.7	20	St Vincent and the Grenadines	13.5

Tourism has a direct impact on the economic, social, and cultural development of countries. It creates jobs, generates income, and helps in the preservation of cultural heritage. In addition to providing jobs and income, tourism also generates foreign exchange earnings, which can be used to support infrastructure development and other critical sectors of the economy.

The figures in Table 2 indicate how many job places were created by Travel& Tourism, during the pre- and post-COVID-19 time scale in 2019 and 2021 respectively, in 20 countries.

Table 2

2019 Rank	(Thousands)	2021 Rank	(Thousands)		
1	China	82,240	1	China	73,314
2	India	40,104	2	India	32,105
3	United States	16,804	3	Indonesia	10,947
4	Indonesia	12,376	4	United States	10,498
5	Philippines	9,505	5	Philippines	7,820
6	Thailand	8,192	6	Thailand	6,865
7	Brazil	7,670	7	Brazil	6,404
8	Mexico	7,026	8	Mexico	6,026
9	Germany	5,876	9	Japan	5,503
10	Japan	5,798	10	Germany	5,099
11	Viet Nam	4,903	11	United Kingdom	4,108
12	United Kingdom	4,282	12	Viet Nam	3,899
13	Russia	4,025	13	Russia	3,768
14	Pakistan	3,888	14	Pakistan	3,339
15	Nigeria	3,355	15	Italy	2,641
16	Italy	2,851	16	France	2,599
17	Spain	2,843	17	Spain	2,508
18	France	2,681	18	Nigeria	2,433
19	Turkey	2,592	19	Turkey	2,424
20	Egypt	2,421	20	Egypt	2,162



When it comes to the economic impact of global travel & tourism, according to the World Travel & Tourism Council (WTTC), the global Travel & Tourism GDP (percentage of global GDP or the share of travel and tourism in world GDP) in 2019 and 2020 was 10.3% and 5.3% respectively. Considering the above-mentioned points “the share of travel and tourism in world GDP”, these figures are sound enough to highlight how indispensable has been the tourism sector, and still remains to be, in economy.

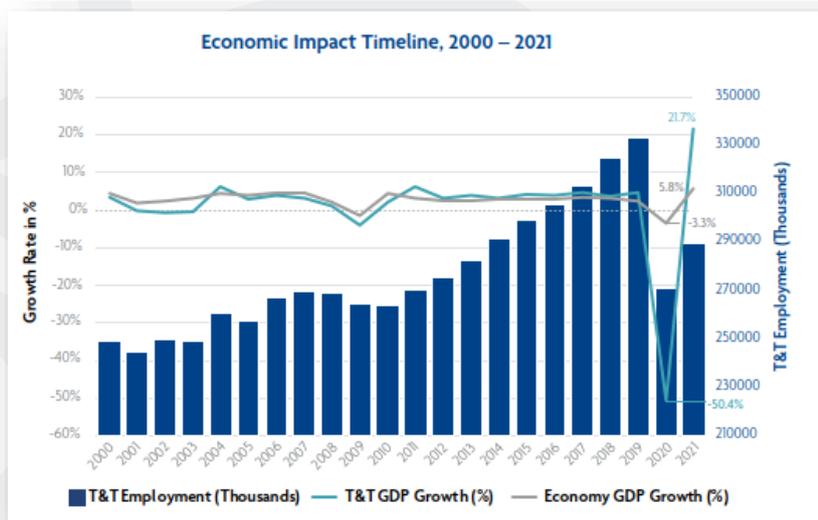
Travel & Tourism Employment (from 2019 to 2021)



Up to COVID-19, the jobs supported by Travel & Tourism accounted for 333mn (1/10 of global employment or equivalent to 1 in 10 jobs worldwide) in 2019. This figure was 271mn (1/12 of global employment or equivalent to 1 in 12 jobs worldwide) and 289mn (1/11 of global employment or equivalent to 1 in 12 jobs worldwide) in 2020 and 2021 respectively.

Due to COVID-19 the world underwent dramatic challenges in almost all fields of activities where tourism was not an exception. During 2014-2019, 1/4 of all global net new jobs were created by Travel & Tourism.

Table 3



The table 3 shows the economic impact of tourism between 2000-2021, which also highlights the tourism as being an integral part of economy.



It is obvious that the pandemic did not remain the Travel & Tourism, along with other spheres, unaffected. If it was not the pandemic, the figures for the Travel & Tourism Employment, GDP Growth, especially considering the development trend in Table 3, would have kept its steady increase over the next years.

The Figure 1 reveals the regional overview of the total contribution of Travel & Tourism to GDP in 3 consecutive years from 2019 to 2021.

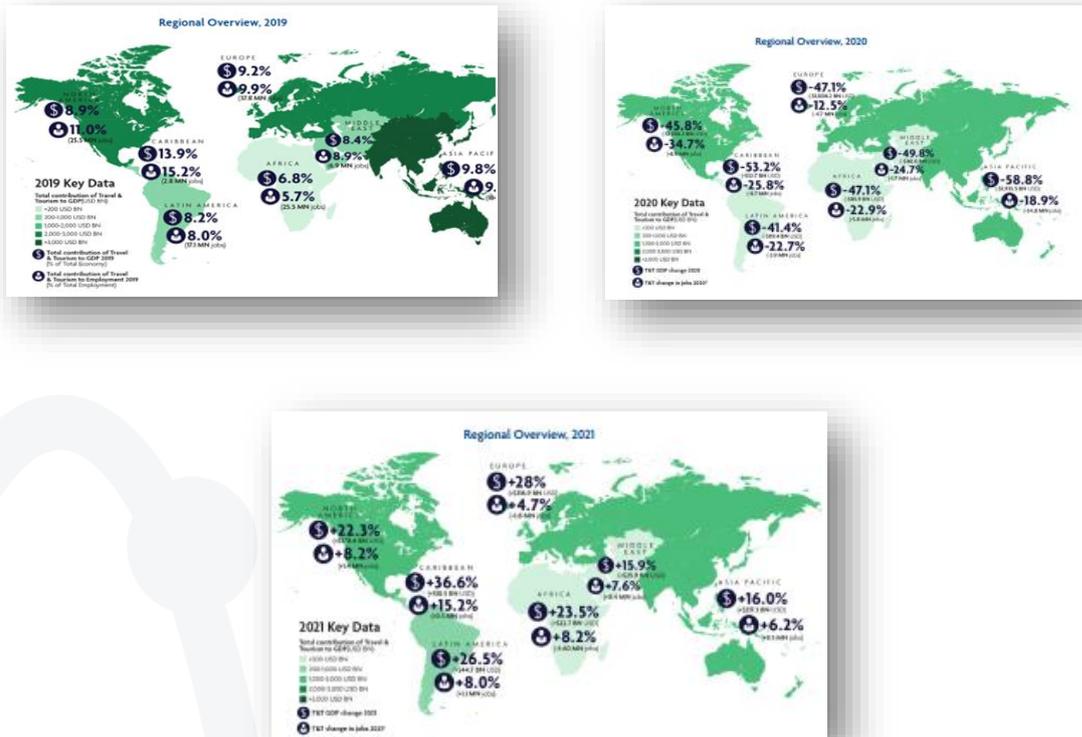


Figure 1

To conclude, the tourism industry has become one of the largest and most dynamic economic sectors in the world. It has also been a major source of employment and income for millions of people around the globe. In recent years, the industry has been undergoing significant challenges due to pandemic. To ensure that tourism continues to support economic growth and improve the standard of living for the population, it is important to identify and pursue new directions for development, especially considering the effect of the pandemic on the sphere. This remains to be “food for thought” and actual issue for the experts of the related field.



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