

THE ROLE OF BANKING AND FINANCIAL SYSTEM IN DEVELOPMENT OF TOURISM IN UZBEKISTAN

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Annotation: This article discusses recent development of tourism in Uzbekistan and the role of banking and financial institutions in the development of tourism. Moreover, possible challenges to the visitors to the country and their solutions as well as suggestions to flourish tourism industry are stated in the article.

Key words: economy, finance, banking system, credit cards, currency, loan.

Tourism industry has been making a substantial contribution to the national economy of any country, including Uzbekistan. In recent years, historical and pilgrimage tourism, cultural tourism, adventure tourism, ethnic tourism, ecological tourism, culinary tourism, medical tourism, agricultural tourism, education tourism, entertainment tourism, and sports tourism, etc. have emerged as potential sources of income due to the many scenic and natural beauties, ancient cities of Uzbekistan. Nevertheless, these emerging tourism fields require special investment from both the public and private stakeholders. To promote the tourism industry globally, it is important to improve pertinent logistics and infrastructure, including banking and financial services. From this point of view, this article explores the role of banking and financial system to facilitate and invest in the tourism industry.

Our findings revealed that banks and financial institutions need to design friendly products and services for tourists. It is true that, in Uzbekistan there is poor banking system including credit cards, currency exchanging destinations excepting banks. Therefore, what we are going to suggest here is that proper banking rules and regulations should be put in place to integrate tourism-friendly products and services. Ultimately, the partnership between the bank and the tourism industry will contribute to the promotion of the tourism industry of Uzbekistan.

Social and economic development of the Republic of Uzbekistan until 2021 according to the strategy "Tourism-recreational complex is a multi-disciplinary complex one of the most promising and priority areas of development of the republic's economy is considered the interests of economic subjects are expressed. Each increasing the level of socio-economic development of an area that is largely touristic depends on the use of capacity in the provision of services.

In addition, improvement or new materials, equipment, creation of technological processes, products, services and methods, not only tourism will fundamentally change and significantly increase the efficiency of the entire economy.

The successful development of a certain sector of the economy depends on many aspects not only to the field of science and technology, but also to economic and social changes. A periodic innovation closely related to depending on the processes. Innovation in tourism is the development of new tourist routes and projects output, creation, their introduction to increase the employment of the population and its income is to ensure its growth. Innovations in the field of tourism have quality news and in the region bringing about positive changes that ensure stable operation and development of the industry should be considered as systemic events. So, a big profit at the beginning the idea of creating and implementing tourism projects that do not bring tourism to stimulate development and thereby create additional jobs and population can actively contribute to the increase of income.

The scope of innovation is very large, it is not only scientific and technical developments and covers the practical use of inventions, but also products, processes, marketing, including organizational changes. Innovations are new or improved products, technological processes, new services and social as a result of activities embodied in new approaches to meeting needs acts as a clear agent of change.

Moreover, it is clear that nowadays the tourism sector is becoming one of the main factors of creating additional jobs. Also, tourism is of great importance in the rapid development of road and hotel construction, the promotion of the production of all types of motor vehicles, the preservation of folk crafts and the national culture of the country.

Why is tourism so important?

The tourism industry paves the way for the creation of infrastructure such as roads, parks, hospitals, schools and public spaces. Tourism also provides an opportunity for people to showcase their cultural traditions and protect their sacred sites.

It should be noted that tourism is the main source of income for many developing countries. Export of tourism services plays an important role as a driving force of economic development.

Taking into account these factors, under the leadership of the President of the Republic of Uzbekistan Sh.M. Mirziyoyev, the video selector meeting "On measures to further increase the domestic and foreign tourism potential of our country" was held on September 19, 2022 in an extended manner. Special attention was paid to the issue of preferential loans for the development of the tourism industry.

For information, preferential loans of this type are granted by commercial banks to business entities in the field of service provision, especially in the household, educational, medical, information and communication and other areas of high demand (finance and business entities in trade sectors) and up to 2 billion soums will be allocated for equipment at a rate of 14 percent.

Mikrokreditbank Joint-Stock-Commercial Bank is also carrying out a number of activities in order to ensure the implementation of Decision No. PQ-4752 "On measures to support the service industry" and to develop the tourism potential of our country.

In particular, preferential loans of 145 billion soums were allocated to 455 projects, as a result of which 2,880 jobs were created. During the current year, preferential loans worth 75.5 billion soums were allocated to 99 business entities from the returned resources, and as a result, 647 additional jobs were created.

In addition, 7 resorts, 65 hotels, 4 passenger transport (buses) services, 4 tourist kitchens, 5 sports and ecotourism facilities were launched. As a result, 767 jobs were created.

All-above mentioned are just primary steps to enhance banking and financial system in the field of tourism in Uzbekistan. We should take further steps to develop the tourism industry significantly. For this, national and local banks are considered as the most important sectors.

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