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MODERN TRENDS AND PROSPECTS FOR THE DEVELOPMENT OF THE HOTEL BUSINESS IN UZBEKISTAN

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Abstract

This thesis examines the current trends and development prospects of the hotel business in Uzbekistan in the context of the rapid growth of inbound tourism. Based on official statistics for 2020–2025, it analyses the dynamics of hotel capacity, its regional distribution and the entry of international hotel chains. The results show that the room stock grows more slowly than tourist demand and remains concentrated in four destinations. Recommendations are proposed on mid-scale hotel investment, digitalization, staff training and the regional diversification of hotel supply.

Keywords: Hotel business; hospitality industry; inbound tourism; accommodation capacity; international hotel chains; digitalization; smart hospitality; Uzbekistan.



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Introduction

Tourism has been declared one of the strategic sectors of the economy of Uzbekistan, and the hotel business forms its core infrastructure. The Strategy "Uzbekistan – 2030" set the goal of increasing the number of foreign tourists to 15 million and domestic tourists to 25 million by 2030 [1]. Actual growth has outpaced these plans: the country now receives more than 11 million foreign visitors a year, and the updated version of the strategy targets 20 million foreign tourists by 2030, together with a doubling of the number of four- and five-star hotels [7].

Such demand turns into export revenue only if accommodation supply grows in volume, quality and geography at the same time. In hospitality theory, the hotel product is a bundle of tangible and intangible services whose value is created at the moment of contact with the guest; service quality, pricing and distribution channels are therefore the decisive competitive factors [2]. This makes the hotel sector the bottleneck through which tourist flows either become income for the national economy or are lost to competing destinations.

The purpose of this thesis is to identify the main trends in the hotel business of Uzbekistan in 2020–2025 and to substantiate directions for its further development. The study uses official data of the National Statistics Committee and the Tourism Committee of the Republic of Uzbekistan and applies methods of comparative, structural and dynamic analysis.

Main Part

The analysis of official statistics makes it possible to identify six interrelated trends in the development of the hotel business of Uzbekistan.

First, rapid quantitative growth of accommodation capacity. Between 2020 and 2024 the number of hotels and similar accommodation facilities doubled,

from 1,156 to 2,383 units, while the number of guests accommodated increased about fourfold (Table 1). Growth accelerated sharply in 2024, when the number of facilities rose by 71.8% in a single year [6].

Table 1. Key indicators of hotels and similar accommodation facilities and of inbound tourism in Uzbekistan, 2020–2024

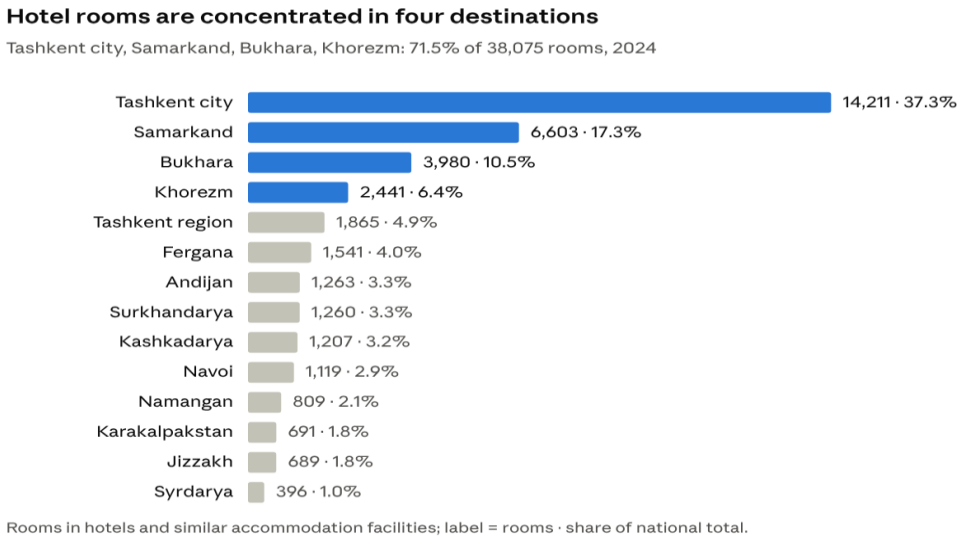
Indicator	2020	2021	2022	2023	2024	2024/2023, %	2024/2020, times
Hotels and similar facilities, units	1,156	1,085	1,167	1,387	2,383	171.8	2.06
Rooms, units	25,584	21,814	29,218	34,316	38,075	111.0	1.49
Beds, units	50,408	43,504	59,327	69,705	79,469	114.0	1.58
Guests accommodated, thousand persons	702.8	1,217.0	2,250.3	2,524.3	2,864.3	113.5	4.08
Average size of a facility, rooms*	22.1	20.1	25.0	24.7	16.0	64.6	0.72
Inbound tourist trips of foreign citizens, thousand	1,504.1	1,881.3	5,232.8	6,626.3	7,957.2	120.1	5.29

Source: compiled by the author on the basis of data of the National Statistics Committee of the Republic of Uzbekistan [6]; * calculated by the author.

Second, a shift towards small-format properties. The number of facilities grew much faster than the number of rooms (2.06 against 1.49 times), so the average size of a property fell from 22.1 to 16.0 rooms. The market is being filled by boutique hotels, hostels and family-run mini-hotels rather than large full-service hotels. This lowers the entry barrier for local entrepreneurs, but limits economies of scale and the capacity to host tour groups, conferences and other MICE events.
Third, a widening gap between tourist demand and room supply. Inbound tourist trips increased 5.3 times over 2020–2024, whereas the room stock grew only 1.5 times. In 2024 the number of guests accommodated in hotels, domestic

travellers included, equalled only about 36% of the number of inbound trips. The structure of demand explains much of this gap: 76.7% of foreign trips in 2024 were made to visit relatives and only 14.9% for leisure and recreation [6]. Leisure, business and MICE travellers, the segments that generate hotel revenue, are therefore the main reserve for growth.

Fourth, strong spatial concentration of hotel supply. Tashkent city alone accounts for 37.3% of all hotel rooms, and together with Samarkand, Bukhara and Khorezm the four leading destinations hold 71.5% of the national room stock (Figure 1). The eight least-equipped regions together hold less than one fifth of the rooms. This structure follows the classical Silk Road itinerary and leaves regions with strong mountain, eco- and health-tourism potential, such as the Fergana Valley, Surkhandarya, Kashkadarya and Jizzakh, with little quality accommodation; Musayeva likewise points to the untapped potential of these areas and the insufficient capacity of their tourist infrastructure [4].



National Statistics Committee press release, 12 Aug 2025 · rooms by region, 2024

Figure 1. Distribution of hotel rooms in Uzbekistan by region, 2024

Source: compiled by the author on the basis of data of the National Statistics Committee [6].

Fifth, internationalization of the market through global hotel chains. As of 31 December 2025, 40 hotels of 25 international brands with 5,191 rooms operated in Uzbekistan; by 1 August 2026 the figures reached 51 hotels of 31 brands with 6,664 rooms, an increase of 27.5% in hotels and 28.4% in rooms in seven months [8]. Wyndham (from 6 to 11 hotels) and Accor (from 3 to 7) expanded fastest, and the brands are moving beyond Tashkent to Bukhara, Samarkand, Nukus, Termez and the Chimgan and Beldersay mountain resorts [8]. Even so, branded rooms equal only about 14–18% of the national room stock recorded in 2024. Abdullayeva and Ubaydullayev, tracing the formation of the national hotel industry, argue for the systematic adaptation of foreign countries' and international chains' experience to domestic hotels [5].

Sixth, digitalization of hotel operations and distribution. Online booking platforms, channel managers and revenue-management systems have become standard for branded hotels. Buhalis and Leung describe the next stage as a smart hospitality ecosystem, in which interconnected and interoperable systems link property management, distribution, guest devices and big-data analytics with suppliers and the destination [3]. For small Uzbek properties the practical entry point is integration with global booking channels and with national e-visa, payment and tourist-registration services.

The analysis also reveals constraints that slow the sector down. Musayeva notes that the level of hotel service does not yet fully meet international standards, that low service quality is accompanied by high prices, and that staff qualifications lag behind the market's requirements [4]. To these should be added the high cost of long-term financing for hotel construction and the scarcity of mid-scale branded and business-class hotels outside the capital.

The prospects of the sector are set by the updated national targets: 20 million foreign tourists by 2030, a doubling of the number of four- and five-star hotels and an increase in tourism's share of GDP from 3.5% to 7% [7]. A simple proportional estimate shows the scale of the task: if hotel demand grew in line with inbound trips (2.5 times from the 2024 level) and the number of guests per room stayed at about 75 a year, Uzbekistan would need roughly 95–96 thousand rooms in hotels and similar facilities by 2030, two and a half times the current stock.

Conclusion and Recommendations

The hotel business of Uzbekistan is in a phase of rapid but uneven growth. The number of facilities has doubled while the room stock has grown by only half; the market is fragmenting into small properties; supply lags behind inbound demand and is concentrated in four destinations; international chains and digital tools are raising the quality benchmark. Meeting the 2030 targets requires a shift from counting facilities to building quality rooms where demand is expected to grow. The following measures are proposed:

1. Redirect state incentives (subsidies, preferential loans, tax relief) from the number of facilities to the number of quality rooms, giving priority to mid-scale three- and four-star hotels of 80–150 rooms able to serve groups and business travellers.
2. Diversify hotel supply geographically by creating hotel clusters with ready engineering infrastructure in the Fergana Valley, Surkhandarya, Kashkadarya and the mountain zones of Zaamin and Chimgan, linked to eco-, health and pilgrimage tourism routes.

3. Attract international operators through franchise and management contracts, with a focus on mid-scale brands, and include local staff training obligations in such agreements.
4. Support the digitalization of small hotels through a national booking and channel-management platform integrated with e-visa, payment and tourist-registration systems, together with training in revenue management.
5. Develop human capital through dual training programmes run jointly by universities and hotel operators, with certification of foreign-language and service-standard skills.
6. Extend official hotel statistics with occupancy rate, average daily rate (ADR) and revenue per available room (RevPAR), so that investors and regional authorities can base decisions on market performance rather than on capacity alone.

Implementing these measures would allow the hotel sector to convert the growing tourist flow into sustainable export revenue and to spread the benefits of tourism to all regions of the country.

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