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ECONOMIC ESSENCE, STRUCTURAL COMPOSITION AND DEVELOPMENT FEATURES OF THE REGIONAL TOURISM SERVICES MARKET

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Abstract
The thesis reveals the economic essence of the regional tourism services market, systematises its structure into demand, supply, infrastructure and institutional subsystems, and analyses its development in Uzbekistan in 2019–2025. Proposals are made to diversify regional products and raise receipts per visitor.

Keywords: regional tourism market, tourism services, economic essence, market structure, tourism demand, tourism supply, destination management, destination competitiveness, tourism infrastructure, accommodation services, tour operators, inbound tourism, domestic tourism, export of tourism services, multiplier effect, regional development, seasonality, diversification, digitalisation, Uzbekistan.



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INTRODUCTION

In the twenty-first century tourism has turned from a peripheral leisure activity into one of the most dynamic sectors of the world economy, generating foreign-exchange earnings, employment and investment. Since a tourism service is consumed at the place where it is produced, its economic effects are realised primarily within particular territories, and the efficiency of national tourism policy largely depends on how regional markets of tourism services are organised. Modern tourism economics treats tourism not as a single industry but as a demand-defined set of industries whose output is purchased by visitors, which complicates both its statistical measurement and its regulation [1].

For Uzbekistan this problem is especially topical. Visa liberalisation, the expansion of air connectivity and large-scale investment in infrastructure have made the country one of the fastest-growing destinations in Central Asia: in 2025 it received a record 11.7 million foreign visitors. At the same time, the range of tourism services is still focused mainly on historical sightseeing, while recreational services remain underdeveloped [3], and tourist flows are concentrated in a limited number of heritage cities.

The aim of the thesis is to clarify the economic essence of the regional tourism services market, to systematise its structural composition and to identify the features of its development in Uzbekistan. Methods of systemic and structural analysis, comparison, grouping and index analysis of official statistical data were applied.

MAIN PART

1. Economic essence of the regional tourism services market.

From the standpoint of economic theory, the regional tourism services market is a system of economic relations between consumers of tourism services (tourists

and same-day visitors) and their producers, which arises within an administratively and geographically delimited territory with regard to the exchange of tourism products whose prices are formed under the influence of local supply and demand. Its essence is revealed through four interrelated functions: the realisation function, through which the natural, historical-cultural and man-made resources of a region are transformed into marketable products; the price-forming and informational function; the regulating function, which redistributes labour and capital among regional industries; and the stimulating function, which is expressed in the multiplier effect, as visitor expenditure is transmitted to accommodation, catering, transport, retail, handicrafts and agriculture.

The specificity of this market follows from the nature of the tourism service itself. It is intangible, inseparable from the place and time of its provision, perishable and heterogeneous in quality; moreover, it is spatially immobile, so that it is the consumer, not the product, that moves. As a result, the visitor buys not a separate service but a complex experience assembled at the destination. D.Buhalis interprets a destination as an amalgam of tourism products offering consumers an integrated experience and identifies its core components through the “six As” framework: attractions, accessibility, amenities, available packages, activities and ancillary services [2]. Hence, the regional tourism services market is simultaneously a market of individual services and a market of the destination as a whole, and the competitiveness of an individual enterprise is inseparable from the competitiveness of the territory in which it operates [1; 2].

2. Structural composition of the market.

Taking these features into account, the structure of the regional tourism services market can be represented as four interrelated subsystems — demand, supply,

market infrastructure and institutional regulation — whose interaction forms the regional tourism product and its economic results (Figure 1).

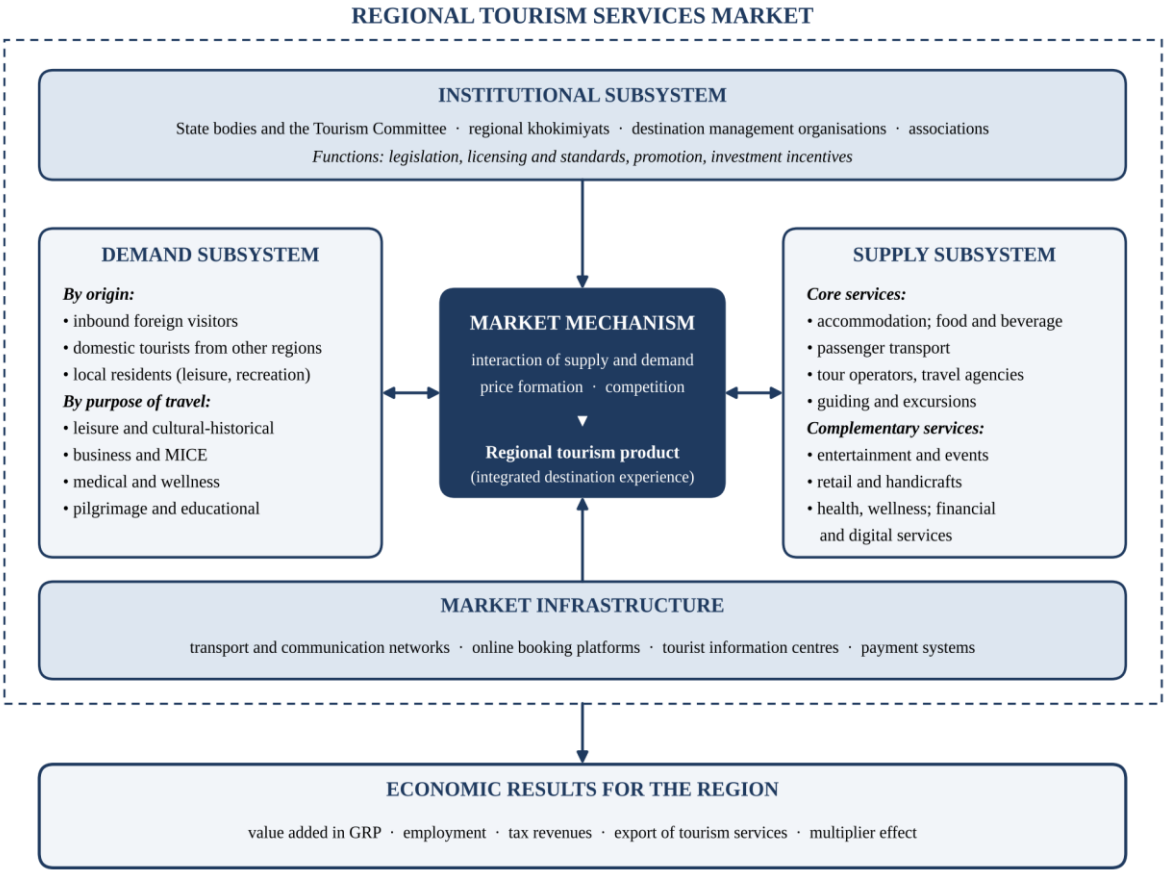


Figure 1. Structural model of the regional tourism services market

Source: developed by the author on the basis of [1; 2].

The demand subsystem includes inbound foreign visitors, domestic tourists from other regions, local residents consuming leisure services and specialised segments such as business (MICE), medical, pilgrimage and educational tourism. The supply subsystem combines core services — accommodation, food and

beverage, passenger transport, tour operator and travel agency services, guiding and excursions — with complementary services, including entertainment, retail and handicrafts, health and wellness, financial and digital services. Market infrastructure ensures the interaction between buyers and sellers, whereas the institutional subsystem establishes the rules of the game through legislation, licensing, standards and promotion. The decisive condition of market efficiency is the coherence of all four subsystems: an attractive heritage site without transport access, accommodation and a packaged product does not become a market good.

3. Development features of the market in Uzbekistan.

The dynamics of the main indicators of the inbound segment of the national tourism services market, which is formed as the sum of regional markets, are presented in Table 1.

Table 1 Main indicators of the inbound tourism services market of Uzbekistan, 2019-2025

Indicator	2019	2022	2023	2024	2025**	2025 / 2019, times
Foreign tourist arrivals, million persons	6.75	5.20	6.60	8.20	11.70	1.73
Export of tourism services, USD billion	1.31	1.60	2.14	3.52	4.80	3.66
Export receipts per foreign arrival, USD*	195	308	324	429	410	2.11
Index of arrivals (2019 = 100), %	100.0	77.1	97.8	121.5	173.4	–
Index of tourism exports (2019 = 100), %	100.0	121.9	163.0	268.1	365.6	–

Note: * calculated by the author; ** preliminary data. Source: compiled by the author on the basis of data of the National Statistics Committee of the Republic of Uzbekistan (stat.uz) and the Tourism Committee of the Republic of Uzbekistan.

The data show that after the pandemic decline the market not only recovered but entered a phase of accelerated growth: in 2025 the number of foreign visitors exceeded the pre-pandemic level of 2019 by 1.73 times, while the export of tourism services increased 3.66 times. Since receipts grew considerably faster than arrivals, average export earnings per foreign arrival more than doubled — from about USD 195 to USD 410, which reflects the qualitative development of supply. The slight decrease of this indicator in 2025 compared with 2024 is apparently associated with the structure of demand: 81.5% of visitors in 2025 were citizens of neighbouring countries, whose trips, as a rule, generate lower receipts per capita than long-haul markets. The growth of the market is also reflected in employment: according to the Center for Economic Research and Reforms, in 2017–2024 the number of jobs in the tourism sector doubled, reaching 391 thousand people, which confirms the multiplier role of tourism for regional economies.

The analysis makes it possible to distinguish the following features of the development of regional tourism services markets in Uzbekistan:

–**high dynamics and export orientation** — tourism has become one of the leading sources of service exports, and the targets of the “Uzbekistan – 2030” Strategy (15 million foreign tourists and USD 5 billion of tourism exports) are already within reach in terms of revenue, which shifts the policy focus from quantity to quality;

–**spatial concentration** — tourism development has been prioritised in Samarkand, Bukhara and Khiva, where the most famous historical monuments are located, while more than 8,000 cultural heritage sites across the country could potentially become new points of attraction [4];

–**narrow product structure** — supply is dominated by cultural and historical sightseeing, while recreational and entertainment services that extend the length of stay remain underdeveloped [3];

–**infrastructure dependence** — transport accessibility, accommodation capacity and service infrastructure act as key determinants of the development of regional tourism markets [4];

–**growth of domestic demand** — within the "Travel Uzbekistan" programme residents made 23.7 million trips to other regions in January–November 2025, which makes domestic tourism a stabilising factor for less-visited regions;

–**institutional expansion of supply** — in 2025 alone 662 new travel agencies were opened, bringing their total number to more than 4,300, and the number of licensed guides reached 4,345, which indicates intensifying competition;

–**seasonality and uneven service quality** — demand in heritage cities peaks in spring and autumn, service quality outside major centres is heterogeneous, and the shortage of qualified personnel remains a constraint [3].

Taken together, these features indicate that the main reserve for the growth of regional tourism services markets lies not in a further increase in the number of arrivals, but in the deeper integration of less-visited regions into the national tourism product, the extension of the average length of stay and the increase in the share of high-value services in visitor expenditure.



CONCLUSION AND SUGGESTIONS

The study leads to the following conclusions. First, the regional tourism services market is a territorially localised system of economic relations whose essence lies in the transformation of regional tourism resources into value added and in the realisation of the multiplier effect for the regional economy. Second, its structure includes demand, supply, infrastructure and institutional subsystems, and market efficiency is determined by their coherence rather than by the mere presence of resources. Third, the market of Uzbekistan demonstrates rapid quantitative growth and rising receipts per visitor, but its development is constrained by spatial concentration, a narrow product structure and infrastructure gaps.

To overcome these constraints, the following measures are proposed:

1) to establish regional destination management organisations on the basis of public–private partnership, responsible for branding, packaging of regional products and collection of market data;

2) to introduce regional tourism satellite accounts in order to measure the contribution of tourism to gross regional product and to justify investment decisions [1];

3) to develop inter-regional routes linking major heritage cities with less-visited regions (Karakalpakstan, Surkhandarya, Kashkadarya, the Fergana Valley) and to diversify products towards eco-, agro-, gastronomic, health and MICE tourism;

4) to direct infrastructure investment — regional air and rail links, roadside services, mid-range accommodation — on the basis of tourism demand forecasts [3; 4];

5) to replace the number of arrivals as the main target indicator with yield indicators: receipts per visitor, length of stay and the share of long-haul markets;

6) to accelerate the digitalisation of the market through a single national tourism platform, cashless payments and data-driven promotion in priority markets.

The implementation of these measures will make it possible to distribute the benefits of tourism growth more evenly across regions and to turn the tourism services market into a sustainable driver of regional development.

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