

# Analysis of the economic status and tourism management in Kazakhstan

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ORIGINAL ARTICLE

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**Abstract.** The article analyses the enhancement of tourism management in Kazakhstan. The research examines the current state of tourism industry management, identifies its challenges, and proposes possible solutions. The results will allow us to develop effective measures to improve the tourism industry in the country. The problem of the research is the need to analyse and improve tourism management in Kazakhstan. The objects of the research are the organisations and structures responsible for the development of tourism in Kazakhstan. The purpose of the research is to identify the main challenges in tourism management in Kazakhstan, propose recommendations and measures to increase the efficiency and competitiveness of the tourism sector. The results include an analysis of industry current state, key challenges of its development, and proposals to improve tourism management in Kazakhstan. These results can be used by government authorities, travel companies, and other stakeholders to implement tourism development strategies in the country.

**Keywords:** tourism management; economic status; Kazakhstan; development

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## Introduction

The purpose of the research is to assess the current state of the tourism industry in Kazakhstan, identify problematic aspects in tourism management resources, and develop recommendations for their solution.

Indeed, tourism is one of the key sectors of Kazakhstan economy. As a rule, tourism contributes to the development of regional economies, attracts foreign investment, provides new jobs, and improves the country's image worldwide.

The theoretical significance concerns with expansion of theoretical knowledge on tourism management, and establishing of a base for further scientific research in this field. Moreover, public authorities, travel companies, and entrepreneurs can implement research results to optimise the management of the tourism business and increase the competitiveness of the industry as a whole.

Literature review. The study of scientific literature allows us to identify understudied aspects in terms of the research field [2-7].

According to Livenets M.I. and Andreeva E.L.: «to determine the ways of ethnotourism development it is necessary, first of all, to correctly assess its potential. In combination with other types of tourism that can play a key role in both the development and promotion of regional brands» [2].

E. Kochkurova A. et al. consider the development of medical tourism. It involves design of new attributes of travel. It can be implemented through integrated approach to providing complex of medical and non-medical services. Each region should develop its own digital platform capable to support a tourist-patient at all stages of a medical tour, starting with awareness of the need (services with virtual medical tours), trip planning (recommendation services, personal accounts, applications for the formation of personal offers with the calendars of services availability, registers of medical organizations, medical personnel, and additional services)» [3].

Yashalov N.N. and Ruban D.A. suggest forest tourism to increase tourist attractiveness of Kazakhstan. Nowadays, there is an interest in various types of outdoor recreation. It is difficult to assess forest tourism due to absence of statistical information (primarily regarding unorganised tourists). However, the increase in the number of ecotopes and routes in the territories of state nature reserves and national parks in 2001-2020 from 550 to 1,520, the number of museums from 65 to 135, the number of visitor centers from 67 to 290 (Rosstat data), shows the sustainable development of environmental education and educational tourism, including forest tourism on the territory of the Russian Federation» [4].

According to Kotelevskaya Yu.V. and Osmanova E.U., in the new era of tourism development, population health and safety are of great importance. Personal experience, fear of changing entry rules, physical distancing and flexible rules for lifting restrictions determine demand in the short and medium term. Current trends in tourism development show the popularisation of environmentally friendly accommodation facilities. Tourists often choose hotels and inns taking care of nature; the most tourists are ready to overpay for «green» products and services [5].

Shigilcheva S.A., Zadorova T.V. and Stepanova A.N. consider rural (agrotourism) as one of the most sought-after areas among residents of Russia. This trend has begun to develop in Kazakhstan. On the one hand, this is a range of services, a demonstration of cultural traditions, and on the other hand, additional jobs, development of tourist infrastructure and conditions for a comfortable life in rural areas» [6].

Shchipanova D.G. et al. highlights the direct effect of tourism on the economy. It causes changes in production associated with the direct consequences of changes in tourist spending. For instance, an increase in the number of tourists directly increases sales in the hotel sector. Additional hotel sales and related wages and taxes are direct consequences of travel expenses [7].

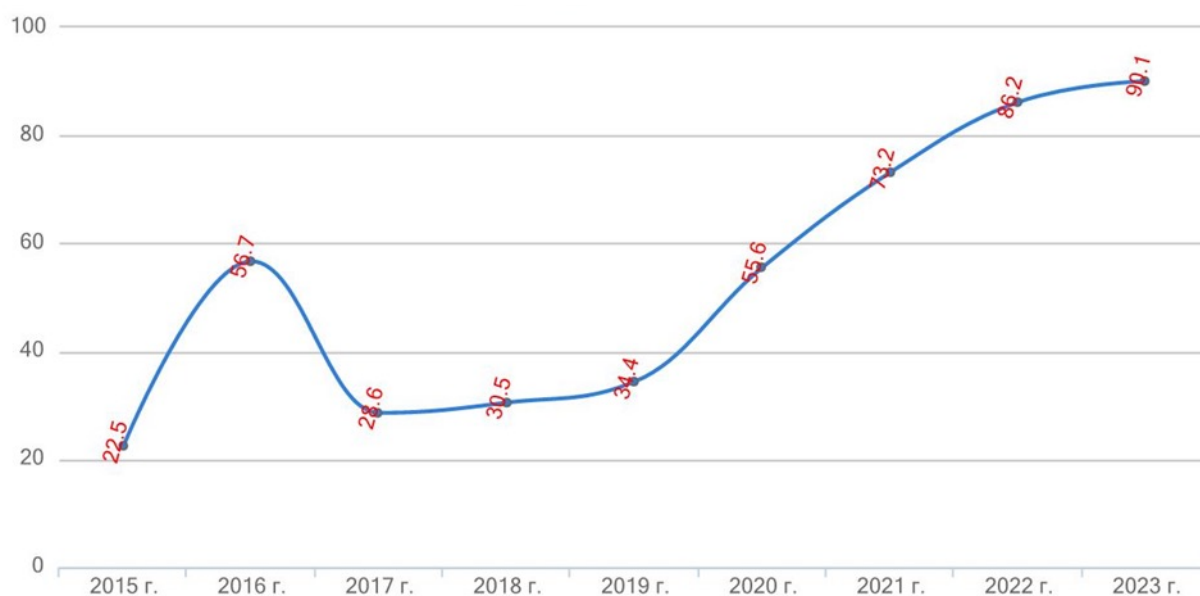
### **Main part**

We used graphs (Figures 1-7) and Table 1 to confirm the results and conclusions.

Figure 1 shows the indicator of Expenses per visitor in Kazakhstan increased significantly in 2015-2023. An increase in the Expenses per visitor in 2015-2023 in Kazakhstan may have the following consequences for the economy and society:

**Growth of the tourism sector:** An increase in expenses per visitor can cause an increase in the total volume of country tourism market. This can contribute to the growth of the tourism industry, employment, and tourism revenues.

**Infrastructure development:** The increase in tourist expenses requires the development of infrastructure adapted to the needs of visitors. It can result in investment in tourism infrastructure, new services and improved quality of facilities.



**Figure 1.** Dynamics of the indicator Expenses per visitor

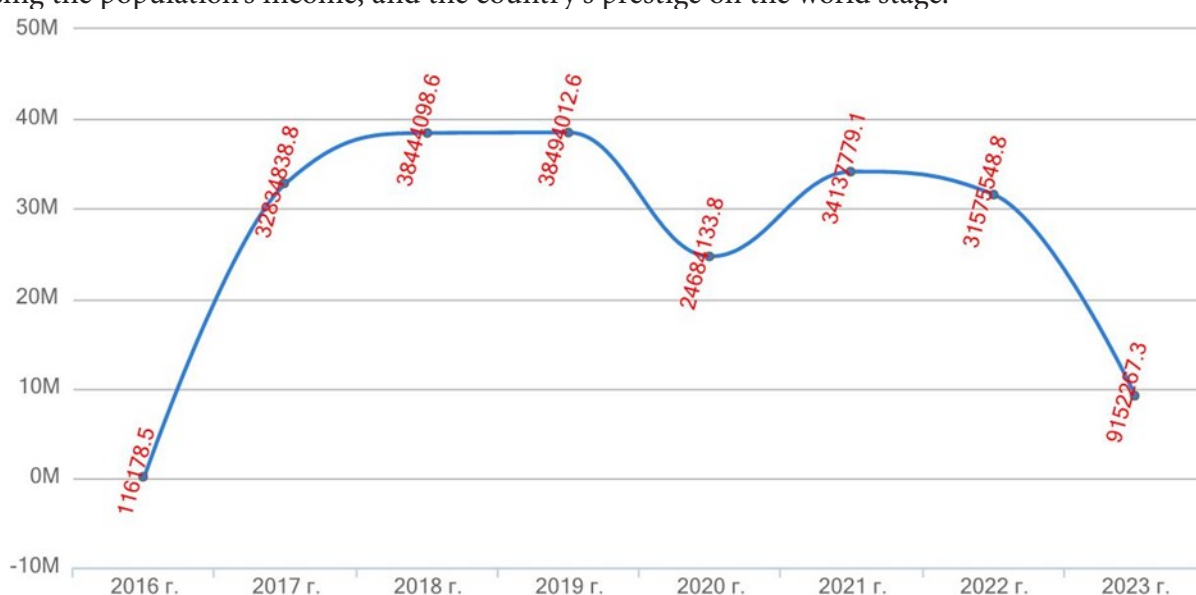
Source: [1]

**Increase in personal income:** Increased visitor expenses can help to raise the income of residents in the tourism sector. High tourist expenses can increase the demand for goods and services in various sectors of the economy, resulting in higher personal income.

**Growth in foreign exchange revenues:** An additional expenses per visitor can also contribute to an increase in a country's foreign exchange revenues. It will have a positive impact on foreign economic activity and the stability of the national currency.

**Enhancement of country's prestige:** An increase in the tourist expenses can help to enhance the image and prestige of Kazakhstan. It will attract more visitors and investments.

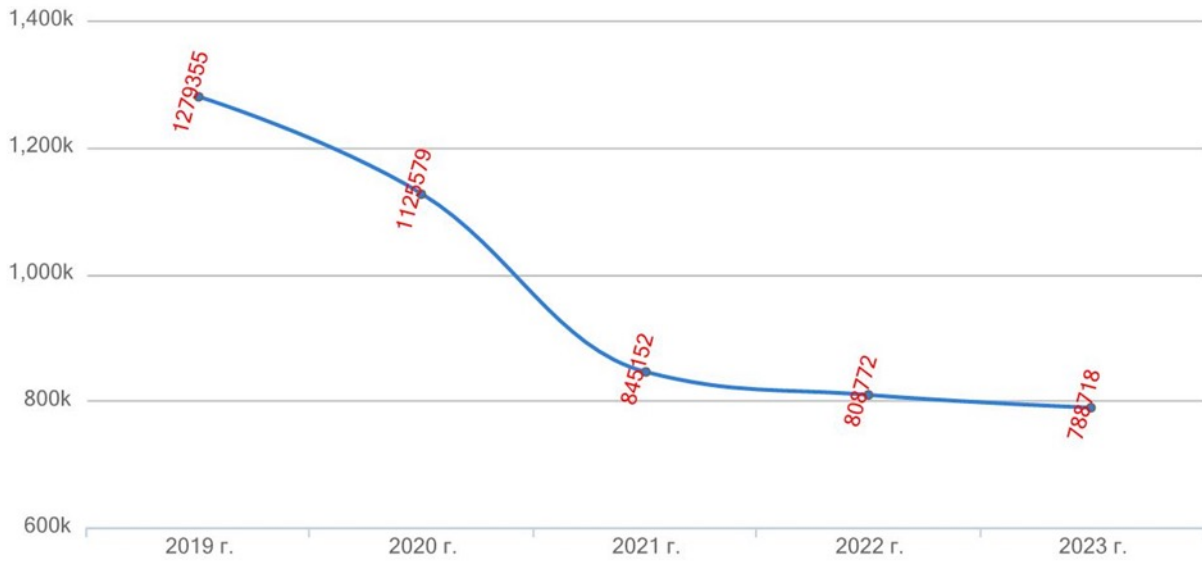
Therefore, an increase in the indicator of Expenses per visitor in Kazakhstan can provide many positive consequences for its economy and society. It contributes to tourism growth, infrastructure development, increasing the population's income, and the country's prestige on the world stage.



**Figure 2.** Dynamics of the indicator Visitors total expenses

Source: [1]

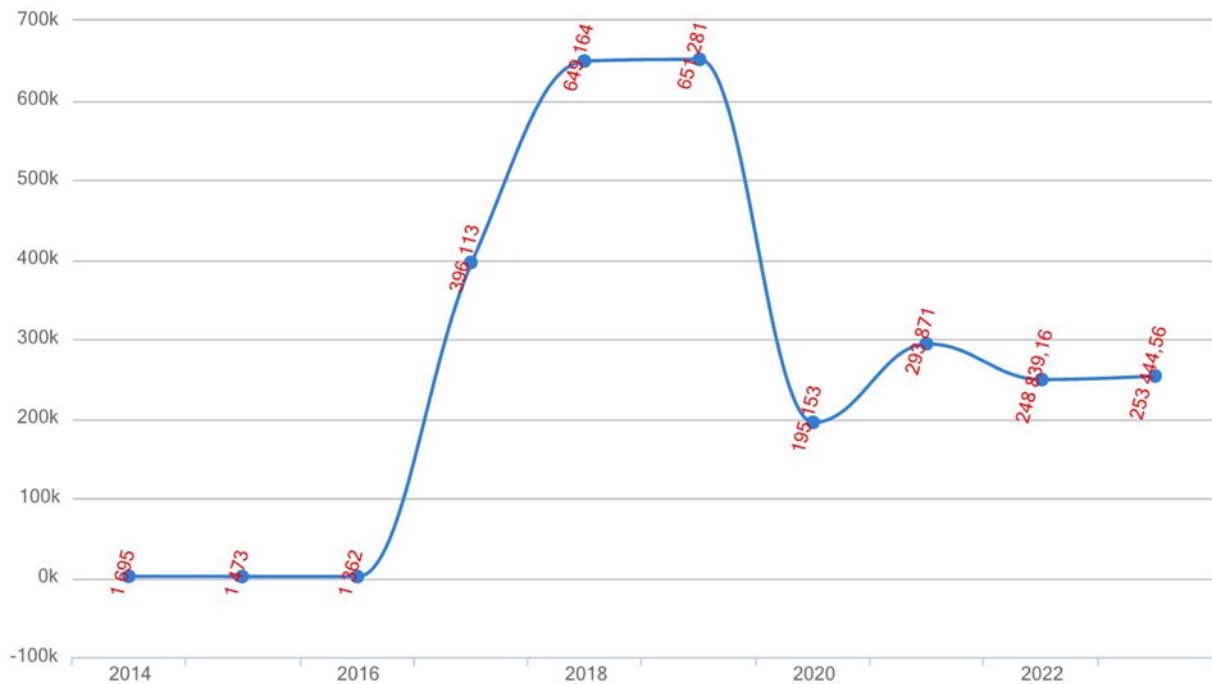
Figure 2 shows the indicator of Visitors total expenses in Kazakhstan significantly decreased in 2023 compared to the period 2016-2022 [1].



**Figure 3.** Dynamics of the indicator Number of visitors (household members) staying in fee-based accommodation (with the exception of sanatoriums)

Source: [1]

Figure 3 shows the number of visitors (household members) staying in fee-based accommodation (with the exception of sanatoriums) significantly decreased in Kazakhstan in 2019-2023.

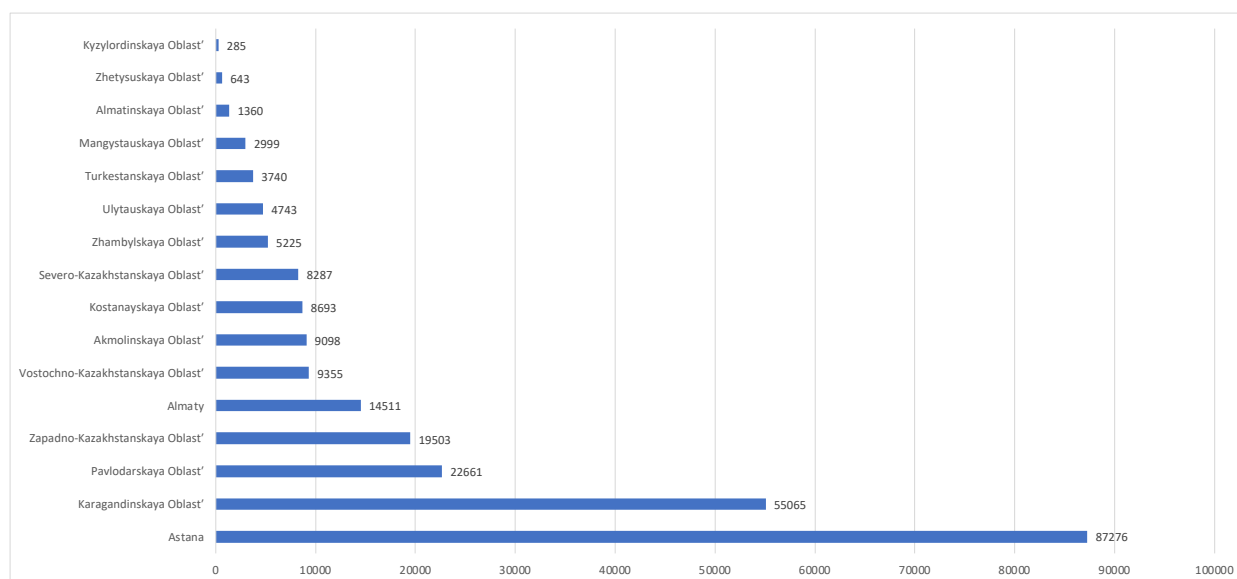


**Figure 4.** Dynamics of the indicator Number of visitors (household members) served by travel agencies

Source: [1]

Figure 4 shows the number of visitors (household members) served by travel agencies in Kazakhstan in 2020-2023 significantly decreased compared to the period 2017-2019.

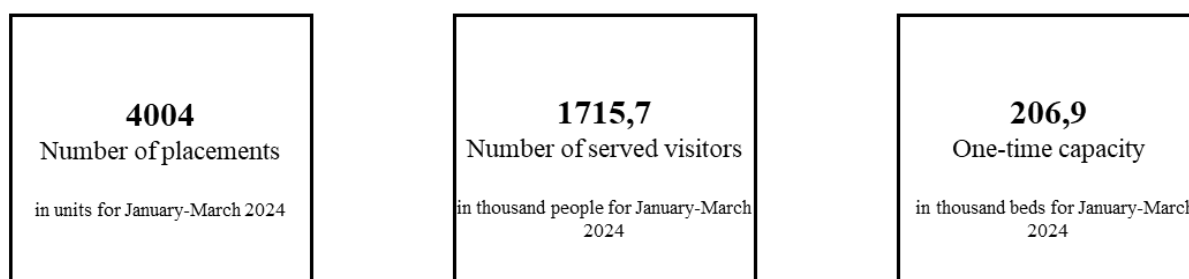
Figure 5 shows the number of visitors (household members) served by travel agencies in the city of Astana and the regions: Karaganda, Pavlodar, and West Kazakhstan regions. In other regions and cities of Kazakhstan the number of visitors (household members) served by travel agencies is significantly lower.



**Figure 5.** The number of visitors (household members) served by travel agencies in the regions and cities of Astana and Almaty

Source: [1]

## Key indicators



**Figure 6.** The number of placements, visitors served, the one-time capacity for January-March 2024

Source: [1]

**Table 1 – Visitors served by type of tourism in the Republic of Kazakhstan, 2023 (thousand people)**

	Incoming tourism	International tourism	Domestic tourism
Total	10, 523.7 <sup>1)</sup>	9, 204.2 <sup>1)</sup>	9,569.7
among them			
accommodation <sup>2)</sup>	-	1,084.8	7,054.5
sanatorium-resort organisations <sup>3)</sup>	-	0.8	412.6
pecially protected territories <sup>4)</sup>	-	323.3	2,102.6

<sup>1)</sup>Data of the Border Service of the National Security Committee of the Republic of Kazakhstan

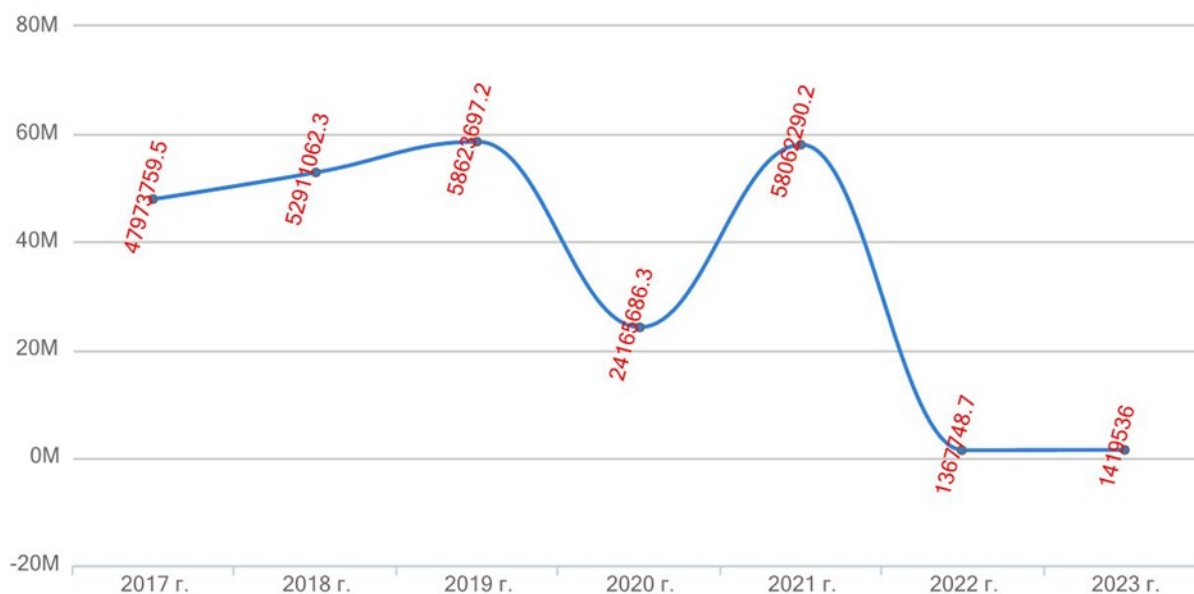
<sup>2)</sup>Data of the National Statistical Observation on the form 2-tourism «Report on the Activities of Accommodation Facilities»

<sup>3)</sup>Data of the National Statistical Observation on form 1-sanatorium «Report on Sanatorium and Resort Activities»

<sup>4)</sup>Assessment on the data of the Departmental Statistical Observation of the Committee of Forestry and Wildlife of the Ministry of Ecology and Natural Resources of the Republic of Kazakhstan on the form 1 of the protected area «Accounting of Specially Protected Natural Territories»

Source: [1]

According to Table 1, the number of visitors served by types of tourism in the Republic of Kazakhstan in 2023 for international tourism is more than for incoming and domestic ones.



**Figure 7.** The cost of the tourist package of the Republic of Kazakhstan, 2017-2023

Source: [1]

By Figure 7, in 2022 and 2023, the cost of the tourist package of the Republic of Kazakhstan significantly decreased compared to the period 2017-2021.

The main challenges of the economic state and tourism management in Kazakhstan are as follows:

1. Reducing overall visitors spending. Despite the increase in expenses per tourist, the total amount of expenses in 2023 decreased significantly. It indicates decline in the total number of tourists or tourist trips.

2. Reducing the number of visitors staying in fee-based accommodation. In 2019-2023, the number of visitors staying at fee-based accommodation decreased significantly. It indicates a decline in demand for the services of hotels and other fee-based accommodation facilities.

3. Reducing demand for the services of travel agencies. In 2020-2023 there is a decrease in the number of tourists served by travel agencies. It may be due to the COVID-19 pandemic.

4. Regional disparity in tourist services. The greatest activity of travel agencies is in Astana, Karaganda, Pavlodar, and West Kazakhstan regions. However, in other regions the number of tourists is significantly lower. It provides an imbalance in tourism infrastructure development.

5. The excess of incoming tourism over international and domestic ones. In 2023, the number of incoming tourists served exceeded the indicators of international and domestic tourism. Indeed, people in Kazakhstan prefer travelling abroad more than within the country.

6. Reducing the cost of travel packages. In 2022 and 2023, there was a growth in the cost of travel packages compared to 2017-2021. It may indicate a decrease in prices for travel services, or a change in offered travel products structure.

The main factors influencing the economic conditions and tourism management are as follows:

1. The COVID-19 pandemic. It had a significant impact on the tourism industry, especially in the period 2020-2021. It reduced the number of both domestic and international trips.

2. Economic conditions. An increase in expenses per visitor may concern with inflation and growth of service costs. However, a decrease in the total number of tourists and expenses may indicate a weak economy and declining of population income level in general.

3. Infrastructural imbalances. Imbalanced development of tourism infrastructure and services across Kazakhstan's regions limits opportunities to attract tourists to less developed regions.

4. Low attractiveness of domestic and incoming tourism. The predominance of international tourism may indicate a low competitiveness of the tourism industry in Kazakhstan in comparison with foreign

countries.

5. Lower prices for travel products. The decrease in the cost of travel packages can be both a consequence of a decrease in demand and a strategy to retain customers through price competition.

6. Changing consumer preferences. A decrease in interest in traditional forms of tourism (accommodation in fee-based accommodation, travel agency services, etc.) may indicate an increase in the popularity of independent travel and alternative types of recreation.

Recommendations for improving the economic conditions and tourism management in Kazakhstan are as follows:

Domestic tourism promotion. To compensate the decrease in the total costs of visitors, there is a need to develop domestic tourism intensively. Therefore, to stimulate travel within the country, it is necessary to provide the state programs to popularise domestic tourist destinations, organise events and promotions for residents of Kazakhstan.

Improving the quality of fee-based accommodation. A decrease in the number of visitors staying at fee-based accommodation may indicate their low quality or high prices. Therefore, it is necessary to improve service standards, introduce flexible tariffs, and promote alternative forms of accommodation (glamping, agrotourism, ecotourism, etc.).

The development of digital services and independent travel. As the number of visitors served by travel agencies decreases, it is necessary to develop online platforms. Those will allow tourists to plan and book trips on their own. Travel companies should adapt to the visitors demand by offering specialised and unique tours for small groups of tourists.

Balanced regional development. To reduce the disparity in attendance in different regions, it is necessary to invest in the development of less popular areas' infrastructure. It may include repairing roads, developing air links, building new hotels, and developing regional tourist routes currently visited by fewer tourists.

Support for incoming tourism. To reduce the imbalance between incoming and international tourism, Kazakhstan should to be actively promoted as an international touristic country. Moreover, to attract tourists from other countries, it is relevant to develop the country's brand, participate in international exhibitions, organise information tours for foreign journalists and bloggers, improve visa policy, etc.

Price competitiveness. The decrease in the cost of tourist packages in 2022 and 2023 indicates the urgency of revising the pricing policy. Indeed, to attract tourists, it is necessary to develop competitive offers in terms of price and quality of tourist services. It may include flexible discount systems and all-inclusive packages.

Support programs for tour operators. The decline in the number of tourists served by travel agencies requires a review of their role in the market. It is necessary to develop government programs to support and train tour operators, encouraging them to offer more diverse and innovative services meeting the needs of tourists.

The development of specific types of tourism. To increase interest in the country, it is necessary to develop ecological, cultural, historical, sports, and wellness types of tourism. It will help to attract specific target audiences and increase the number of both domestic and international tourists.

Development of a national tourism strategy. It is necessary to develop a long-term national tourism strategy in terms of current trends and challenges. This strategy should include sustainable development to attract investors to the tourism industry and minimise tourism environmental impact.

## **Conclusion**

The increase in expenses per visitor did not compensate for the overall decrease in visitors' expenses. It indicates a tendency to reduce the total number of tourists or tourist trips, despite the increase in the cost per tourist.

The overall decline in the number of visitors staying in fee-based accommodation (except sanatoriums) may indicate a decrease in interest in traditional forms of tourism and the choice of alternative accommodation options (for example, short-term rental housing through platforms, i.e. Airbnb).

The decrease in the number of tourists served by travel agencies in 2020-2023 shows a possible change in tourist preferences.

The greatest number of tourists is in several large regions. It indicates a regional imbalance in the development of tourist infrastructure and services in other regions.

International tourism prevails over domestic and incoming ones. It indicates low competitiveness level of tourist offers within the country and low interest of foreign tourists in Kazakhstan.

The decrease in the cost of travel packages in 2022-2023 may indicate an attempt to adapt to a decrease in demand made by tour operators. It may also indicate a decrease in the solvency of the population or economic difficulties.

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#### CONFLICT OF INTEREST

The authors declare no conflict of interest.

#### AUTHORS' CONTRIBUTION

Zhanna R. Ashimova – conceptualization, project administration, writing – original draft.

Svetlana E. Epanchintseva – writing – review & editing.

Gaukhar B. Sakhanova – supervision.

Zhanay J. Abitov – investigation.

Diana Z. Abitova – formal analysis.

Amina M. Uristembeke – validation.

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