

# Untapped potential of Kyrgyzstan's tourism industry

Reforms undertaken by Kyrgyzstan's Government, including the introduction of a visa-free regime for 45 developed countries, have helped to increase the number of tourists visiting the country. Leading world journals have included Kyrgyzstan in their lists of recommended travel destinations.

The Second World Nomad Games held on September 3-8 in the Issyk-Kul province contributed to Kyrgyzstan's recognition throughout the world. The Games brought together athletes from 62 countries and were attended by around 60 thousand tourists. Major international TV corporations covered the event.

At the recent roundtable to discuss problems and prospects of the tourism industry in Kyrgyzstan, the Head of the Foreign Policy Department at the President's Office, Sapar Isakov, thanked business for contributing nearly \$3 million to support the Games. Representatives of Presidential and Governmental offices, Parliament, heads of state agencies, tourism associations and hospitality services attended the roundtable organized by the International Business Council (IBC) based in Bishkek.

Isakov urged business to collaborate closely with the State in strengthening the tourism potential, and suggested making the IBC a permanent platform to discuss tourism issues within the public-private partnership.

## *Untapped potential*

According to international experts, Kyrgyzstan currently uses less than 15 percent of its tourist potential.

"Further development of tourism requires urgent solution of many issues at the state and interstate levels," IBC Executive Director Askar Sydykov said.

"Kyrgyzstan's airlines have been in the so-called blacklist of the European Union for the past ten years, which prevents direct air links with the EU countries and hinders the growth of passenger traffic. The system of issuing electronic visas has not been introduced so far, and there are many complaints about difficulties in obtaining visas and their extension," Sydykov added.

The tourism sector has strong multiplier economic effect on more than 30 related industries. However, according to the National Statistics Committee of Kyrgyzstan, the share of tourism in GDP has not exceeded 4.5% in the past five years.

According to different sources, the real share of the tourism industry in GDP is much bigger, if apply other counting methods and take into account the multiplying effect of the industry, although the number of visitors, on the contrary, is considerably less than Kyrgyzstan's border service reports, Economy Minister Arzybek Kojoshev said.

## *Independent body needed*

For some illogical reason, tourism, which is among the priority sectors of the economy, was included in the structure of the Culture Ministry, which is in charge for the social sector. The roundtable participants agreed that tourism is primarily a business and an independent body should coordinate the tourism sector.

The State has been allocating seven million soms for the tourism sector over the past years, and that amount is not enough for the development of the sector. It is necessary to provide a separate article in the national budget for tourism, while it is now included in the miscellaneous article, Kojoshev said.

Given the importance of the tourism industry in Kyrgyzstan, it makes sense to transfer it under the supervision of the Economy Ministry, which has funds, or to create an independent agency.

British Ambassador to Kyrgyzstan Robin Ord-Smith endorsed the idea of establishing a separate tourism agency in Kyrgyzstan.

The UK has a successful experience of creation of such agencies, and it is ready to share experience with Kyrgyzstan. About 36 million tourists visit the UK and the country has \$22 billion income from tourism annually. Robin Ord-Smith praised positive steps taken by Kyrgyzstan for the tourism industry development, including the introduction of a visa-free regime for many countries.

### *Improving safety*

To improve the safety of tourists, the Ministry of Culture, Information and Tourism plans to create a tourist police, introduce travel insurance and develop standards for ski bases. To improve domestic tourism, itineraries for local tourists and an environmental education program will be drafted for the local population, Tourism Department Director Azamat Jamankulov said.

Most of tourists come to Kyrgyzstan from Russia and Kazakhstan (70% of all travelers), followed by the Arab countries and India, who are interested in eco-tourism, educational and business tourism. Travelers from Europe prefer skiing, hiking, horse riding, and biking.

### *Airports*

Cooperation of aviation and the tourism sector will help increase the number of tourists and open new air routes.

Tourism development is impossible without strengthening the capacity of airlines and airports. The Issyk-Kul Airport in Tamchi, launched recently, is capable of receiving modern aircrafts around the clock. New direct routes have been opened to cities in Russia, China, Pakistan and India, Deputy Director of the Civil Aviation Agency Bakyt Junushaliyev said.

However, these measures are not enough. It is necessary to reconstruct Bishkek's Manas International Airport, and possibly transfer it to external control. Several companies, including Korean, Turkish and Russian, are interested to invest in the airport's development.

To increase regular flights, it is necessary to introduce the "open skies" policy in the country.

### *Development program*

The roundtable participants also discussed the Government's tourism development program until 2020, and suggested how to better promote tourism products, increase investment, simplify formalities to visit Kyrgyzstan, improve the safety of tourists, and enhance business' involvement in the development of the industry.

Despite some positive aspects, there are still many problems including poor infrastructure and hotel services. The meeting advised to extend the list of countries that could enjoy the visa-free regime with Kyrgyzstan, for example, for fast-growing countries such as Hong Kong and Macau.

There are foreign companies willing to invest in tourism in Kyrgyzstan. For instance, Russian investors are ready to invest about \$30 million in the construction of a large aqua park and hotel at Issyk-Kul, but they face problems with obtaining visas, so the country needs to introduce a system of electronic visas as soon as possible.

It is also important to take care of tourists' security and this requires a reform of law enforcement agencies.

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