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## **PERSPECTIVES INCREASING ATTRACTIVENESS OF TOURISM INDUSTRY IN AZERBAIJAN AFTER THE RESTORATION OF THE COUNTRY'S TERRITORIAL INTEGRITY**

### **Summary**

Karabakh and the occupied territories have a rich history and culture, charming nature, rich economic potential, as well as underground and surface resources, extensive tourism potential. The main purpose of the study is to achieve socio-economic development, as well as the attractiveness of the tourism industry through the implementation of projects developed in the restoration and development of liberated territories. According to the scientific and practical results of the research, in addition to increasing the cost of large-scale construction and rehabilitation work in the liberated territories, at the same time effective use of competitive economic sectors, including tourism, public investment, foreign and local investment. Involvement and support of entrepreneurship, especially the development of micro, small and medium-sized businesses, will be an important stage in the new development process of Azerbaijan, as well as further strengthening the foundations of socio-economic development of these areas in the coming years.

**Keywords:** *tourism, Karabakh, investment, economy, finance*

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### **Introduction**

The travel industry is a piece of social, monetary, political, ecological occasions that has far of authentic foundation. It is one of the most powerfully advancing area with its financial impact on the world economy. Key change in the innovation, improvement of transportation framework and expanding number of convenience choices add to the extension of the travel industry.

Like other divisions of the economy, tourism is also affected by unprecedented virus: Covid-19 a lot. Entry restrictions of many countries due to protecting human health make traveling sense to be unfamiliar. Examples of this could be unworking air and sea transportation, as well as barriers on the borderline. Rather than the physical hurdles, also there were and still are psychological fears about traveling abroad. World population tends

to travel solo more in order to avoid possible virus spread. Flow of tourism has propensity to move more on safety and hygiene trends, and shift international travel into local options. Generally, due to the current situation, contemporary tourism industry offers contactless payment and leisure options to the travelers.

Undeniably magnificent environment, landscape and rich nature of Azerbaijan allow it to have long-standing and heavy tourism industry. Location of the country gives predominance to prioritize and vary its touristic sectors and be a center of recreation in the region. After territorial integrity in 2020, economic, social, geographical preconditions were analyzed and future strategies in Karabagh were established with higher sustainability and then, ameliorating processes were commenced as well. Major strategy can be

the building up international airports in regained zones. Newly started project of building Lachin, Fuzuli, Zangilan international airports will ease traveling process and certainly, encourage tourists to visit Karabagh, investigate its ancient history. Furthermore, as improvement processes started in this zone, future possible tourism formation in Karabagh can be obtain by suggesting various resting areas, new accommodation options, sanatoriums, balneological services and well-assured hotel complexes. Environment of Karabagh allows constructing well-equipped and prosperous sanatoriums especially in Kalbajar, Shusha, which will surely bring a number of foreigners to the newly liberated region. Karabagh is a domain that is rich on regular assets, has an unquestionable wonderful nature, and huge the travel industry potential open doors which can include financial backers to co-work with nearby organizations for

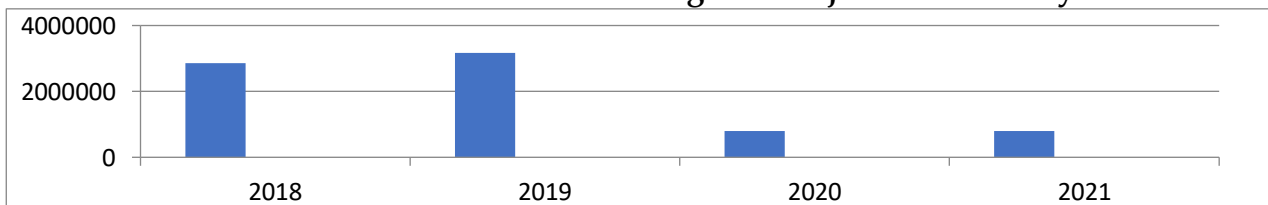
remodel and potential results after the uprightiness. Global co-operation in this field will bring high level of economic income and foster tourism industry in the region, as well.

**The modern state of the tourism industry in Azerbaijan**

For Azerbaijan, which has constructed its economy on oil for a long time, until ongoing years, extraordinary consideration was paid to the travel industry. In spite of the fact that travel industry is one of the most rewarding enterprises on the planet, in spite of the fact that Azerbaijan's topographical area, rich nature and environment make incredible potential and ground for the travel industry, it has frequently been disregarded. In particular, the improvement of the travel industry is one of the main apparatuses for the advancement of the country, according to a monetary perspective, yet in addition according to a political perspective.

**Diagram 1**

**The number of tourists visiting Azerbaijan in the last 4 years**



Source: <https://www.stat.gov.az/source/tourism/?lang=en,01.01.2022>

In 2018, the total number of tourists who visit the territory of Azerbaijan is denoted as 2 million 848, 5 thousand, which brought mass amount of foreign capital to the local budget. The next year 2019 for the report of State Statistical Committee, it was increased by about 11.3% and was 3 million 170, 4 thousand tourists. The rise in the number of tourists visiting Azerbaijan is clearly differing by countries. The highest increase in number of tourists was visited from Turkmenistan (84.2%), then from India

(66.8%), China (62.4%), Egypt (55.6%), and Saudi Arabia (46.3%). For the one of the main reason Covid pandemic, in 2020 the number of tourists decreased dramatically and reached at 795, 7 thousand. In 2021, the quantity went down again by 0.5% and was 791, 8 thousand tourists.

In January 2020, 87,000 (18.5% increase) tourists came from the countries where the missions were established (China, India, Russia, Germany, Saudi Arabia, UAE). Excluding the UAE, there was a 23.8%

increase in the number of visitors from countries with representations.

**Table 1**

**Number of foreign travelers from different countries and regions, January 2020 and 2019.**

Region	2020	2019
	January	January
Russia	67 884	56 339
Georgia	63 824	55 685
Near East	24 617	20 375
Turkey	24 075	21 481
Iran	13 076	10 336
South Asia	8 388	5 865
Central Asia	7 833	6 615
Eastern Europe	6 351	5 351
Western Europe	5 210	5 138
North-East Asia	1 765	1 235
America	1 391	1 313
South East Asia	735	571
Africa	611	765
Other	405	355
TOTAL	226 165	191 424

**Source:** <https://www.stat.gov.az/source/tourism/?lang=en> , 01.01.2021

According to the schedule, in 2017, 66% of tourists accommodated in the country were in Baku, 0.9% in Absheron, 4% in Ganja-Gazakh, 5% in Sheki-Zagatala, 3% in Lankaran, 6% - i Guba-Khachmaz, 2% Aran, 1% Mountainous Shirvan, 10% Nakhchivan Autonomous Republic. In 2018, respectively, this figure is Baku -59%, Absheron - 1%, Ganja-Gazakh - 8%, Sheki-Zagatala - 5%, Lankaran - 3%, Guba-Khachmaz - 7%, Aran - 2%, Mountainous Shirvan - 2%, Nakhchivan AR - 11%, in 2019 Baku - 57%, Absheron - 0.8%, Ganja-Gazakh - 13%, Sheki-Zagatala - 4%, Lankaran - 2%, Guba-Khachmaz - 8%, Aran - 2%, Mountainous Shirvan - 2%, Nakhchivan AR - 9%, Baku in 2020 - 53%, Absheron - 0.8%, Ganja-Gazakh - 3%, Sheki-Zagatala - 21%, Lankaran - 2%, Guba-Khachmaz - 9%, Aran - 2%, Mountainous Shirvan - 2%, Nakhchivan AR - 7%, Baku in 2021 - 60%, Absheron - 0.8%, Ganja-Gazakh - 3 %,

Sheki-Zagatala - 12%, Lankaran - 2%, Guba-Khachmaz - 13%, Aran - 1%, Mountainous Shirvan - 2%, Nakhchivan AR - 5%.

Emerging new tourism destinations are trying to benefit more from the development of tourism. As a result, competition between destinations is growing. If we evaluate the Karabakh region as a tourist destination, it has a high potential in many alternative types of tourism. In this region, as well as cultural tourism, dark tourism, thermal tourism and other types of tourism, there is great potential in ecotourism, which is an alternative type of tourism. The rich flora and fauna of the Karabakh region, the mainly mountainous terrain, the charming nature, the presence of monuments dating back thousands of years, the rich culture necessitate the development of ecotourism in this region. The emphasis on ecotourism in the country's Strategic Road Map makes

it inevitable that the Karabakh region will also be assessed as part of ecotourism.

1. Cave tourism: Azykh cave near the city of Fizuli in the south-west of Azerbaijan is one of the oldest human settlements in the world. It is believed that the first people settled here in the Paleolithic period. This provides a basis for the development of cave tourism used in ecotourism.

2. Thermal activities: The availability of rich thermal sources in the Karabakh region is one of the main resources to be used in ecotourism. This will not only spend time in nature today, but also play an important role in attracting tourists who care about their health.

3. Mountain tourism: The fact that the relief of the Karabakh region is mainly mountainous provides a basis for the development of this type of tourism. Mountain tourism is one of the most important types of tourism that will be successfully applied within ecotourism and will make the destination more attractive.

4. Agrotourism: The development of this type of tourism will increase the social welfare of the population living in the region in the future, will lead to the survival and promotion of the culture of the region's population.

5. Trekking: Trekking activities in mountainous areas and in more groups will attract more tourists to the region as part of ecotourism. 6. Botanical tourism: The richness of the Karabakh region in endemic and rare plants facilitates the development of this type of tourism and attracts tourists to the region who want to spend more time in nature. At the same time, cycling tours, equestrian, religious tourism, introduction of cultural and historical sites to tourists and teaching visitors about the unique culture of the Karabakh region can help the

region compete with other destinations and diversify tourism products as a tourist destination.

One of the biggest motivations in tourism is the interest in natural corners, which brings Shusha to the fore. The historical and cultural potential of Shusha is one of the main factors that will develop tourism here, because:

1. As mentioned, acquaintance with the historical and cultural heritage is the most important tool for attracting tourists, the strongest tourist motive;

2. Historical and cultural heritage sites are an important asset that can be profitable and have a significant impact on economic development;

3. Creates a positive image of the region, ensures that the historical and cultural heritage used as an effective tool for leadership in the tourism arena is treated as a "brand".

### **Conclusions and recommendations**

➤ The tourism potential of the region is very wide. New hotels will be built in Karabakh. But the previous steps are to ensure security, build infrastructure and get people back here. Also, the training of human resources and personnel for tourism has already begun. According to the tourist routes, the first route under the motto "Our way is to Agdam" will be presented. Then routes are built with the concept "Our way is to Karabakh". Several routes will be presented to the public in the near future. These routes will take into account security issues through special corridors. At the initial stage, it is planned to build sanitary facilities on these corridors, address issues related to waste and nutrition. Thus, these routes will be used by domestic tourists.

➤ Each region has its own tourism potential. For example, if we take the

Kalbajar region, it is planned to further develop the products of nature, culture, health and winter tourism. An important point in Shusha is the promotion of historical and cultural monuments, resources, tourism plans for festivals. More business tourism opportunities are being explored in Agdam to be put into operation in the future. The plans are big. As the work is done, of course, more information will be provided to the public. As the State Tourism Agency, one of our main activities is to develop the tourism potential of Karabakh and promote the tourism destination of Karabakh.

➤ As a result, it is necessary to attract foreign investors in tourism, but it becomes more attractive if the local population can also benefit. In this case, investors are also free from additional costs, such as transportation and accommodation. The vast majority believe that if people return there, entry and exit will be easier. In the process of building infrastructure, on-site production of materials in construction and infrastructure works is more convenient and cheaper than its transportation. In order to do all this without hindrance, the security issue must be fully resolved.

➤ Citizens with high financial means are also assisting in the reconstruction work in Karabakh. First of all, it is possible to involve wealthy Azerbaijanis living in Russia, Turkey and other foreign countries in the recovery process. For example, to address these people, to convey the purpose of building a house at their own expense, based on a specific project, following the rules of architecture and urban planning. If they join the process, the burden on the state can be reduced at a certain stage. But later, in parallel, the state will carry out construction for needy families. Thus, it is

possible to achieve a high level of development of all areas, including tourism, by providing the "Great Return" in a short time.

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## ПЕРСПЕКТИВЫ ПОВЫШЕНИЯ ПРИВЛЕКАТЕЛЬНОСТИ ТУРИСТИЧЕСКОЙ ИНДУСТРИИ В АЗЕРБАЙДЖАНЕ ПОСЛЕ ВОССТАНОВЛЕНИЯ ТЕРРИТОРИАЛЬНОЙ ЦЕЛОСТНОСТИ СТРАНЫ

### Резюме

Карабах и оккупированные территории имеют богатую историю и культуру, очаровательную природу, богатый экономический потенциал, а также подземные и наземные ресурсы, обширный туристический потенциал для достижения социально-экономического развития, а также привлекательность туристической отрасли. Согласно научно-практическим результатам исследования, помимо удорожания масштабных строительно-восстановительных работ на освобожденных территориях, эффективное использование конкурентоспособных отраслей экономики, в том числе туризма, государственных инвестиций, иностранных и местных инвестиций, предпринимательства, особенно Поддержка развития микро-, малого и среднего бизнеса станет важным этапом современного развития Азербайджанской Республики, а также укрепление основ социально-экономического развития этих сфер в ближайшие годы.

**Ключевые слова:** туризм, Карабах, инвестиции, экономика, финансы

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## ÖLKƏNİN ƏRAZİ BÜTÖVLÜYÜNÜN BƏRPASINDAN SONRA AZƏRBAYCANDA TURİZM SƏNAYESİNİN CƏLBEDİCİLİYİNİN ARTIRILMASI PERSPEKTİVLƏRİ

### Xülasə

Qarabağ və işğal edilmiş ətraf rayonların zəngin tarixi-mədəniyyətə malik olması, füsunkar təbiəti, zəngin iqtisadi potensiala, həmçinin yeraltı və yerüstü sərvətlərə, geniş turizm potensialına malik olması tədqiqat mövzusunun aktuallığını əsaslandırır. Tədqiqatın əsas məqsədi işğaldan azad olunmuş ərazilərin bərpasında və inkişafında hazırlanmış layihələrin tətbiqi ilə sosial-iqtisadi inkişafa, həmçinin turizm sənayesinin cəlbəediciyinə nail olmaqdır. Tədqiqatın elmi-praktiki nəticələrinə əsasən işğaldan azad olunmuş ərazilərdə geniş miqyaslı quruculuq və bərpa işlərinin həyata keçirilməsi xərcləri artırmaqla yanaşı, eyni zamanda rəqabətqabiliyyətli iqtisadi sahələrin, o cümlədən turizm potensialından səmərəli istifadə edilməsi, dövlət investisiyaları, xarici və yerli investisiyaların cəlb edilməsi, sahibkarlığın, xüsusilə də mikro, kiçik və orta biznesin inkişafının dəstəklənməsi növbəti illərdə həmin ərazilərin sosial-iqtisadi tərəqqisinin əsaslarını gücləndirməklə bərabər, Azərbaycan Respublikasının müasir inkişaf prosesində vacib mərhələ olacaqdır.

**Açar sözlər:** turizm, Qarabağ, investisiya, iqtisadiyyat, maliyyə

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