

TOURISM IN KAZAKHSTAN: INDICATOR OF PROSPERITY

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Tourism is being seen as a perspective sector of the economy, a catalyst for the development of small and medium-scale businesses in the regions, a source of employment in Kazakhstan. On the other hand, the development of outbound and domestic tourism shows the presence of opportunities for people to travel, which is an indicator of prosperity of people. Currently, the priorities and key projects at state level have been defined, on the basis of formation of relevant regional clusters, which in turn should ensure the sustainable development of tourism. Strategic vision for the development of the tourism industry in the Republic of Kazakhstan is to promote it as a global tourist destination by 2020. In this article have been used the data obtained by the authors in the course of a research project "Development of conception of regional development and territorial organization of domestic tourism in the Republic of Kazakhstan".

Introduction

Tourism in Kazakhstan is one of the strategic directions of economic development and important indicator of the prosperity of people.

Nowadays, tourism is a catalyst for the development of small businesses and improving of employment. The priorities projects in tourism and hospitality sphere has been oriented to development relevant regional clusters and sustainable development of tourism. As clusters are part of cluster-related projects it is planned to develop local and regional tourism infrastructure.

Five key economic and social interests have been underlined in the new draft of the state concept of tourism development until 2020 to consider tourism as a national priority development of Kazakhstan:

- the ability to provide over 250,000 jobs in tourism sector, including youth in rural and remote areas and without breaking off the threads of the traditional rural way of life;
- promoting an entrepreneurial culture among the general population, creating business opportunities for families, small and medium-sized businesses;
- contribution to the development of regional and rural areas of the Republic of Kazakhstan, including the development of engineering and transport infrastructure

in remote areas and bordering areas within the territory of the Republic of Kazakhstan;

- providing help and cooperation in creating opportunities in other sectors, including agriculture, engineering, light and food industries, non-production sectors;

- promoting the positive and productive intercultural relations conducive to the promotion of national and transnational understanding.

Thus, tourism is being seen as a tool for economic diversification and improving quality and standard of life and wellbeing of the people of Republic of Kazakhstan.

Tourism as a unique socio-economic phenomenon is designed to solve a lot of problems for the welfare of the people. On the one hand, tourism directly or indirectly contributes to the development of the industry of the country, has influences on related industries, creates additional benefits and jobs, solving the problems of income generation and employment. On the other hand, it improves the quality of life of the population. Moreover tourism improves the nation health, its cultural and educational levels, increases life expectancy. These two facts are related.

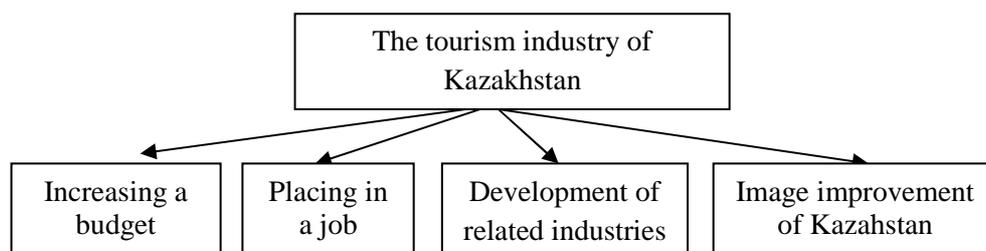
According to the World Tourism Organization, tourism activity is a catalyst for more than 30 sectors of the economy. These are transport and trade, communications and telecommunications, hotels and catering, museums, theaters and entertainment centers, national parks, nature reserves and more.

The direct and indirect costs of tourists have an income in the form of wages, rent for the Kazakhstan population. Spending the money for the purchase of domestic goods and services, the locals create a new round of economic activity.

Main directions of the economic impact of tourism are shown in *Figure 1*.

FIGURE 1

Main directions of influence of tourism industry on the economy



Source: compiled by authors

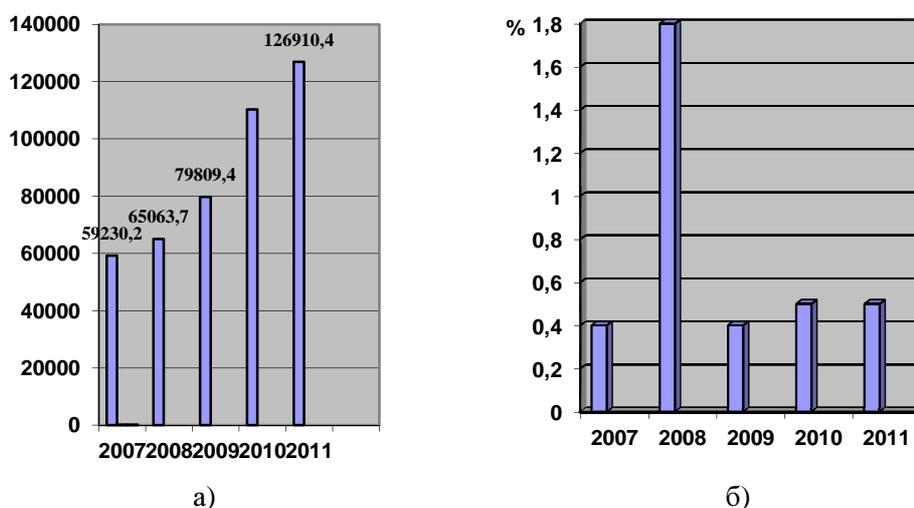
Now with the new market infrastructure of tourism the questions of replenishment of the state budget by tourism activity are successfully solved.

To understand the true significance of tourism, an important indicator should be assessed as a percentage of the total volume of rendered services in the GDP of the country (Figure 2).

In 2007 it amounted to 0.4%, reaching 1.8% in 2008, 0.4% – in 2009, 1.5% – in 2010 and 2011 [1].

FIGURE 2

The relationship dynamics of the tourism industry and GDP growth rates: a) the dynamics of tourism services for 2007-2011 (million tenge); b) the dynamics of the tourism industry in GDP for 2007-2011



Source: compiled by authors from Tourism in Kazakhstan. Statistical Bulletin. Astana: Statistics Agency of the Republic of Kazakhstan, 2012

The total volume of goods produced and services rendered in tourism of Kazakhstan in 2008 rose by 11.4% compared to the year 2007. This low figure is associated with the global economic crisis affecting all sectors of the economy. In 2009 year was pronounced growth relative to the previous 2008 year - 30%. In 2010 compared to 2009 year there was an increase of 24.5% and in excess of the amount of goods produced and services rendered in 2011 compared to 2010 was 16.5% [1]. In General, the growth in of goods produced and services rendered in tourism was 60% (Table 1).

The growth in the number of visitors has resulted that in the country related industries serving the tourist sphere are developing, thus has a beneficial effect on economic development of Kazakhstan.

TABLE 1

The dynamics of total services of the tourism industry of Kazakhstan, million tenge

2007	2008	2009	2010	2011	2011 compared to 2007, %
51464,0	57306,8	74869,4	110383,0	128 760,1	60

Source: Tourism of Kazakhstan 2005-2012. The statistical compilation. Astana, 2013

The main role of the tourism industry in the Republic of Kazakhstan economic well-being is the budget of the country at the expense of incoming and internal tourism. This is due to the fact that the money the tourists fully work on the country's economy only when local tourism organizations are beginning to implement local goods and services.

According to statistical studies of tourist activity on the basis of the year 2011 for the country as a whole, the number of visitors compared to 2010 year increased by 16.0% increase from 2009, 2008, 2007 is 22%, 22.5% and 17.1% respectively. There is a general positive trend of tourism development for all types of tourism: inbound tourism in 2011 compared to year 2007 increased by 6.6% and made up 5685.1 thousand people (29.9% of the total number of visitors), the number of overseas tourists increased by 57% compared to the year 2007 and amounted to 8020.4 thousand people (42.1%), and the number of domestic visitors has also increased at 74% and amounted to 5327.7 thousand persons, or 30% (Table 2) (S.Erdavletov, 2012).

TABLE 2

Number of visitors, thousand persons

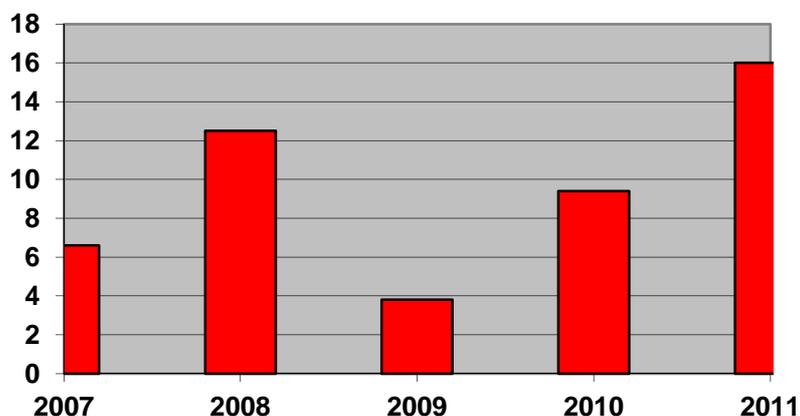
	2007	2008	2009	2010	2011
<i>Inbound</i>	5 310,6	4 721,5	4 329,8	4 712,6	5 685,1
<i>Outbound</i>	4 544,4	5 242,6	6 413,9	7 412,3	8 020,4
<i>Domestic</i>	3 932,6	4 254,1	4 055,7	4 473,7	5 327,7
<i>Total</i>	13 787,6	14 218,2	14 799,4	16 598,6	19 033,2

Source: compiled by authors from Tourism in Kazakhstan. Statistical Bulletin. Astana: Statistics Agency of the Republic of Kazakhstan, 2012

The number of tourists of the domestic tourism since 2007 to 2009 years was at the

stage of growth, as in 2007, their number increased by 6.6%, in 2008 by 12.5%. And there was a fall in 2009 – 3.8% (Figure 3). This decline is due to the current crisis in the country. In the 2010-2011 there was a strengthening in-country travel by 9.4% and 16% respectively.

FIGURE 3
The growth in the number of domestic tourists (%)



Source: compiled by authors from Tourism in Kazakhstan. Statistical Bulletin. Astana: Statistics Agency of the Republic of Kazakhstan, 2012

According to the World Tourism Organization (UNWTO) full service per tourist equivalent to creating 9 jobs, the cost of which is several times lower in comparison with other branches of national economy ([www.europe.unwto.org/UNWTO Publications](http://www.europe.unwto.org/UNWTOPublications)).

In the next ten years tourism will become the largest source of employment not only in Kazakhstan but also in the world. Each year the number of jobs in tourism industry increased by 1%. In the tourist industry the growth of volumes of services results increases the number of jobs much faster than in other industries. The time lag between the growth of demand for tourist services and the emergence of new jobs in the tourism business is minimal.

The tourism industry today employs approximately 159 000 people, and the average monthly wage of employees in the tourism industry is 75 000 tenge.

According to the Committee for tourism industry of the Ministry of industry and new technologies of Kazakhstan in the summer more than 20% of the working population is involved in activities directly or indirectly connected with tourism and create more new jobs than other industries.

The modern Kazakhstan is characterized by intensive development of the hotel industry. In 1997, there were 58 hotels in the country, as of 2011, their number reached 692 [1].

Mainly female population is employed in the tourism industry, whose number in the hospitality business is greater than men's in 2 times.

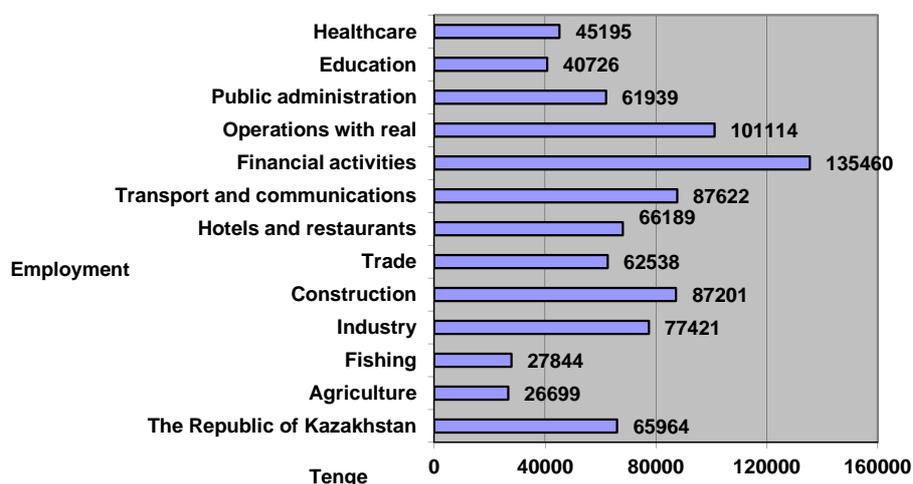
At this stage of development of the tourism industry in the Republic of Kazakhstan, employment in this industry is difficult to take into account that the tourism industry is mainly covered by private companies, and as practice shows, not all private institutions maintain a register of their employees.

In 2011, the total number of employees of travel agencies was 5.4 thousand men, where women - 4.2, men - 1.2, and the number of employees of hotels amounted to 22.6, where women - 15.1 workers and men - 7.5.

The wage of the employees of hotels and restaurants is 66 189 tenge. This is a good indicator in comparison with the wages of workers in other sectors of the economy (Figure 4) and in comparison with average salaries in other areas of employment.

FIGURE 4

Average monthly nominal earnings of one employee of hotels and restaurants in 2011 in comparison with other activities



Source: compiled by authors according to data from The living standards in Kazakhstan 2007-2011. Statistical Bulletin. Astana: Statistics Agency of the Republic of Kazakhstan, 2012

Thus, the tourism industry, as a source of additional employment, carries out an important role in raising the standard of living. As noted earlier, the improvement of

the well-being of the population of Kazakhstan is the main priority of socio-economic development of the country.

Modern methodological guidelines of statistics contain a set of benchmarks and socio-economic indicators to assess the standard of living. As a baseline, the following groups are used: expenses; income and consumption of material goods and services; savings; accumulated assets and housing provision; differentiation of incomes of the population and poverty level; social-demographic characteristics.

The groups generalizing assessment of living standard have been distinguished. Their use is due to the fact that they take into account the indicators, usually regarded as the most important for the analysis of the standard of living (income, consumption), but they do not cover all aspects of it.

For a more complete characterization, the welfare indicators of social statistics have been used, reflecting the quality of life (indicators of demographic statistics, health status, structure of food consumption, literacy, social development, etc.).

One of qualitative indicators of the quality of well-being in a country can be considered the impact of tourism to the socio-economic development.

Development of outbound and domestic tourism demonstrates the capacity of people to travel, that is an indirect indicator of the well-being of local communities.

Consumption related to tourism in Kazakhstan amounted to 628.5 billion tenge, that above the level of the year 2010 at 27.6 %. A large share of consumption patterns in tourism industries is the domestic tourism (78.7%), and consumption generated by inbound tourism amounted to 21.3%. In domestic tourism consumption transportation costs were 36.1%, services catering 5.0%, services in the field of culture 6.3%.

The outbound tourism consumption amounted to 271.3 billion tenge, which is above the level of the year 2010 at 59.6 %. The accommodation costs are dominated in the structure of specific products (30.5%) while transport costs accounted for 11.9%, catering enterprises 9.0%, recreational services 4.8%, travel agency services 19.6% and services in the field of culture 2.1%.

As shown in *Figure 5*, tourism consumption in Kazakhstan has positive dynamics.

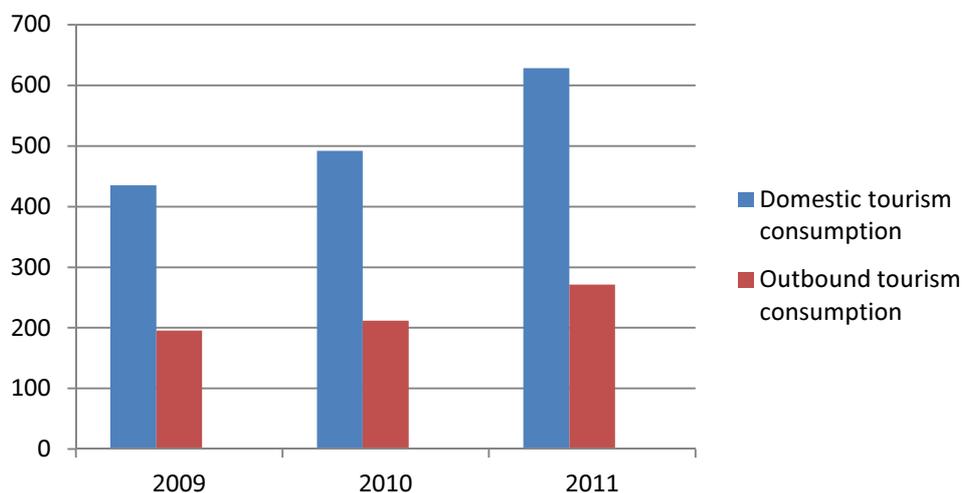
Indicative indicators of impacts of tourism can provide such statistical measures as the number of travelling tourists and tour prices. We should try to analyze how these two factors affect the income from tourism in Kazakhstan for 2007-2011.

Separately considering the activities of travel agencies for 2007 and 2009, you can see also that the travel agencies, foreseeing the decline of tourist flow in the market, compensate for a possible drop in income by raising prices.

So in 2007, the number of tickets sold by travel agencies of Kazakhstan without regard to individual entrepreneurs amounted to 29251, the total value of which was equal to 13 890745.9 tenge, therefore the average price of the tickets was about 60 500 tenge. In 2008, the number of sold tickets was 187 723, whose total cost was 16 926 864.1 tenge. From here, the average price of tour 90 000 tenge.

Compared to the year 2007, the cost of one ticket increased by 47.5% on average and overall value of sold tickets in 2009 compared to the previous year fell by 22.3%. In 2009, 162 685 pcs were sold for \$ 19 281 603.7 tenge, an average price amounted to 118.5 thousand tenge. In 2010 year it implemented 214 186 pcs

FIGURE 5
Tourism consumption



Source: compiled by authors according to data from The living standards in Kazakhstan 2007-2011. Statistical Bulletin. Astana: Statistics Agency of the Republic of Kazakhstan, 2012

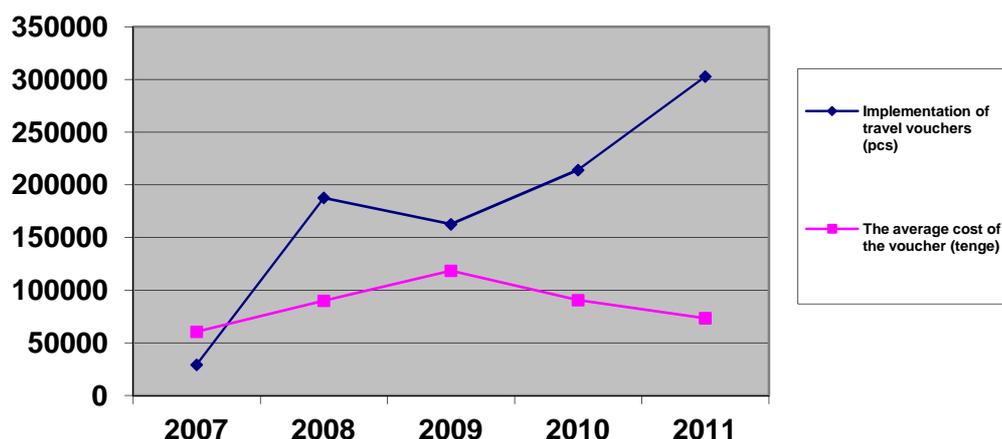
amounting to 19 400 430.7 tenge, the average price of a voucher totaled 90.6 thousand tenge. In 2011 the year it implemented 302 911 vouchers for 22 233 751.9 tenge, so the average price of tickets was 73.4 thousand tenge. (*Figure 6*) [1].

Every year the number of tourists travelling within Kazakhstan is growing which shows the popularity of the local tourism product among the domestic consumers.

In 2011, tourist firms of Kazakhstan implemented 70 441 tourist trips of domestic tourism totalling 1 001 865.3 thousand tenge. The average cost of travel voucher was 14.2 thousand tenge, that is 41% lower than the average value of a voucher in year 2011. This amount is quite adequate and accessible for Kazakhstani citizens. It is significant that 13% of all completed vouchers were vouchers for children (until 16 years), which is the development of domestic tourism of children and youth. Thus, the interdependence of indicators characterizing the development of the tourism industry in Kazakhstan and the indicators of economic and social

development have been determined. The role of tourism as a promising sector of the economy, a catalyst for development of small and medium-sized businesses in the region, a source of employment was defined. Currently it has been specified priorities and key projects of international level, providing for the creation of regional clusters, which would ensure the sustainable development of tourism in the country.

FIGURE 6
The dynamics of implementation and costs of travel vouchers



Source: compiled by authors according to data from The living standards in Kazakhstan 2007-2011. Statistical Bulletin. Astana: Statistics Agency of the Republic of Kazakhstan, 2012

In the strategic development plan of the State Strategy "Kazakhstan-2050" the main achievement of the implementation should be a considerable improvement of the well-being of the citizens of the country as a result of the consistent diversification and qualitative improvement of Kazakhstan's economic growth. Tourism in Kazakhstan is one of the strategic directions of the development of the economy. Identified positive tendencies of development of outbound and domestic tourism demonstrate the capacity of people to travel, that is an indirect indicator of the well-being of the local population.

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