

**AN INVESTMENT-CLIMATE AND INCENTIVE-BASED METHODOLOGY  
FOR ASSESSING THE COMPETITIVENESS OF UZBEKISTAN’S TOURISM  
SECTOR: LESSONS FROM TÜRKİYE’S TOURISM INVESTMENT POLICY**

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**INTRODUCTION**

Investment has become a central driver of tourism development in emerging economies. New hotels, resorts, cultural facilities, transport infrastructure, and recreational complexes determine not only the capacity of a destination to receive visitors but also the quality of the tourism experience, the distribution of economic benefits, and the environmental footprint of tourism growth. In this context, the competitiveness of a tourism sector can be understood as the ability of a country to create an attractive, stable, and efficient investment environment that channels capital into high-value, sustainable, and regionally balanced tourism projects. Uzbekistan has actively promoted tourism investment as part of its broader economic reform agenda. Between 2019 and 2023, the country implemented more than 1,000 tourism-related projects, with a total investment value of approximately USD 4.3 billion, despite the disruptions caused by the global pandemic (UN Tourism, 2023). The government has established special economic zones, including tourist-recreational zones, to develop tourism infrastructure such as hotels, cultural and recreational facilities, and seasonal recreation areas (Government of Uzbekistan, 2026) . Businesses with foreign capital registered in free economic or special industrial zones are eligible for additional incentives, and foreign companies investing in priority sectors or remote regions can receive case-by-case benefits (U.S. Department of State, 2025) . These measures indicate that Uzbekistan recognises investment policy as a strategic instrument for tourism development. However, the mere existence of investment projects and special zones does not guarantee high competitiveness. Investment may be concentrated in a limited number of locations, focused on low-value accommodation, or implemented without adequate environmental or social safeguards. In addition, the effectiveness of investment incentives depends on legal clarity, administrative efficiency, access to finance, and the alignment of investment policy with broader tourism strategy. Without a systematic methodology to assess these dimensions, policymakers risk treating investment volume as a proxy for competitiveness, even when the quality and developmental impact of investment remain weak.

of its investment policy instruments.

**Literature Review**

Traditional models of tourism competitiveness emphasise natural and cultural resources, infrastructure, price levels, and destination management. Dwyer and Kim (2003) highlight created resources, supporting factors, and destination management as key determinants of competitiveness. Ritchie and Crouch (2003) extend this view by incorporating qualifying determinants such as infrastructure, technology, and human resources. However, these models often treat investment as an implicit background condition rather than an explicit analytical dimension. Recent policy-oriented literature places greater emphasis on investment

climate as a determinant of tourism development. The OECD Tourism Trends and Policies 2024 report analyses tourism performance and policy trends across 50 OECD countries and partner economies, with thematic chapters on strengthening the tourism workforce and building the evidence base for sustainable tourism policies (OECD, 2024) . The report notes that the post-pandemic recovery has created challenges in destinations that are struggling to manage demand and invest in sustainable infrastructure (OECD, 2024) . This implies that investment capacity and policy design are integral to competitiveness. Türkiye’s tourism investment policy is characterised by a differentiated regional incentive structure, facility-type thresholds, and a combination of fiscal, customs, and social-security supports. Tourism investments that can benefit from regional support in Culture and Tourism Conservation and Development Zones or in thermal tourism receive support equivalent to Region 5 if they invest in Regions 1–4, and benefit from the regional support of the province if they invest in Region 5 or 6 (Kare Ticari Danışmanlık, 2006) . The incentive system divides the country into six regional tiers, with increasing support for less-developed regions (FDI Consultancy, 2026). Foreign investors in Türkiye are protected by legal regulations, especially the Foreign Direct Investments Law No. 4875, and many additional rights and special incentives are provided to foreign investors in return for their investments (Kula Hukuk, 2023) . This legal framework enhances investor confidence and contributes to the country’s ability to attract large-scale tourism projects. According to the Tourism Committee of Uzbekistan, from 2019 to 2022 there were 1,083 tourism-related projects completed, and for 2023, 481 projects were planned, reaching a total value of USD 4.3 billion for the period 2019–2023 (UN Tourism, 2023). As of July 2022, Uzbekistan had 24 economic zones, of which two were touristic zones (UN Tourism, 2023). The country has approved a set of incentives to attract foreign direct investment to the tourism sector in various forms, including cultural, educational, natural, ecological, sports, water, and rural tourism.

## Results

Türkiye’s tourism investment system is characterised by a structured incentive regime that differentiates support by region, facility type, and investment scale. Hotels, resorts, and other tourism facilities meeting specific criteria can access preferential tax treatment, reduced customs duties on imported equipment, and, in certain circumstances, land allocation support (FDI Consultancy, 2026). Any entity seeking to benefit from tourism-specific incentives must obtain a Tourism Investment Certificate or a Tourism Operation Certificate, depending on the nature and stage of the project (FDI Consultancy, 2026) Uzbekistan has established a multi-layered investment framework for tourism. Special economic zones include tourist-recreational zones that aim to develop tourism and related infrastructure, free trade zones that facilitate international trade and logistics, and special industrial zones that combine industrial, service, and logistics functions (Government of Uzbekistan, 2026) . The main advantages of special economic zones include tax and customs exemptions, simplified administrative procedures, investment protection guarantees, and access to modern infrastructure (Government of Uzbekistan, 2026). Between 2019 and 2023, Uzbekistan implemented more than 1,000 tourism-related projects with a total investment value of approximately USD 4.3

billion (UN Tourism, 2023). As of July 2022, the country had 24 economic zones, of which two were touristic zones (UN Tourism, 2023). The government has approved incentives to attract foreign direct investment to various forms of tourism, including cultural, educational, natural, ecological, sports, water, and rural tourism (UN Tourism, 2023).

### Discussion

The main contribution of this study is the argument that Uzbekistan’s tourism competitiveness should be assessed through the lens of investment policy and incentive effectiveness. Türkiye’s experience shows that a well-designed investment incentive system can channel capital into priority regions, support specific facility types, and align private investment with public policy objectives. Türkiye’s regional differentiation, where less-developed regions receive higher support, is particularly relevant for Uzbekistan, which seeks to diversify tourism beyond its main heritage cities. For Uzbekistan, the first policy implication is the need to strengthen the legal and institutional framework for tourism investment. While special economic zones and tourist-recreational zones exist, their legal status, incentive packages, and administrative procedures should be harmonised and clearly communicated to investors. Türkiye’s requirement for Tourism Investment or Operation Certificates provides a model for standardising investment approval processes (FDI Consultancy, 2026). The second implication concerns the design of fiscal and customs incentives. Uzbekistan should consider differentiating incentives by region, facility type, and investment scale, similar to Türkiye’s six-region system. Less-developed regions could receive higher tax reductions, longer exemption periods, and greater social security premium support to encourage investment outside the main tourist circuits. Minimum investment thresholds could be adjusted to attract both large-scale resort projects and smaller boutique or eco-tourism facilities. The third implication relates to spatial investment instruments. Uzbekistan’s 24 economic zones, including two touristic zones, provide a foundation, but the number and quality of tourist-recreational zones could be expanded (UN Tourism, 2023). These zones should be integrated with regional development plans, transport infrastructure, and heritage conservation strategies to ensure that investment contributes to balanced territorial development. The fourth implication concerns access to finance. Uzbekistan’s use of direct state budget financing and private investment attraction should be complemented by concessional loan facilities, interest-rate support, and public–private partnership mechanisms. Türkiye’s use of reduced-rate loans through participating financial institutions for qualified investments provides a reference (FDI Consultancy, 2026).

### Conclusion

This article has proposed an investment-climate and incentive-based methodology for assessing the competitiveness of Uzbekistan’s tourism sector, using Türkiye’s tourism investment policy as a comparative reference. The proposed Uzbekistan Tourism Investment Competitiveness Index moves beyond traditional indicators such as visitor arrivals and tourism receipts. It measures investment policy and legal framework, fiscal and customs incentives, spatial investment instruments, access to finance, administrative efficiency, and investment outcomes. The analysis shows that Türkiye’s relevance for Uzbekistan lies in its structured, regionally differentiated investment incentive system, which channels capital into

priority regions, supports specific facility types, and aligns private investment with public policy objectives. Türkiye’s Tourism Master Plan 2024–2028 integrates investment policy with sustainability and inclusivity objectives, providing a comprehensive roadmap for tourism development (OECD, 2026).

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