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Analysis of Cooperation in the Tourism Sector between Uzbekistan and Kyrgyzstan: a Study of Cross- border Value Chains

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Bishkek, 23-24 October 2019

Partners

- Central Asia Regional Economic Cooperation (CAREC) Institute
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Methodology

Method: case study

Data collection: qualitative interviews with:

- representatives of central and local authorities;
- business sector (cafe, restaurants, hotels, tour operators/companies, associations);
- tourists.

Geography

Uzbekistan: Tashkent city, Fergana, Andijan, Bukhara, Samarkand

Kyrgyzstan: Bishkek city, Osh city, Osh, Jalal-Abad and Issyk-Kul oblasts

Cross-border value chains

People come to the Kyrgyz Republic from the following parts of RU:

- Namangan, Fergana, Andijan (to Osh city, Osh oblast, Jalal-Abad oblast) – *family ties, trade, religious tourism, leisure.*
- Tashkent city (to the Issyk-Kul lake) – *leisure*

Cross-border value chains

- Marketing
- Medical insurance
- Border crossing
- Registration
- Transport
- Accommodation and nutrition
- Travel agents
- Entertainment

VC_Marketing

- State (informational support)
- Private sector (info tours, fairs, online advertising, websites)



VC_ Insurance

- Tourists from Uzbekistan do not buy insurance to stay in the Kyrgyz Republic.
- If there is an insurance, then it is purchased in Uzbekistan.



VC

Border and transport

- **Osh:** Dostuk
- **Jalal-Abad:** Madaniyat
- **Issyk-Kul:** Chaldovar (Kyrgyz-Kazakh checkpoint), Jibek-Jolu (Kazakh-Uzbek checkpoint), Karasu (Kyrgyz-Kazakh checkpoint)



VC

Border and transport

- Air traffic

Tashkent – Tamchy – Tashkent (Uzbekistan Airlines) -
\$250

USAID project in partnership with Inspiro, AsiaLux. On June 27, 2019 was the first flight flying every Thursday.

The cost of a full tour package of \$ 500:

- Air travel (Uzbekistan)
- 6-day accommodation in a boarding house in IK (Kyrgyzstan)
- 3 meals a day (Kyrgyzstan)
- commissions of tour companies

VC

Border and transport

- Buses

- Bishkek-Tashkent – around \$15 (4 border checkpoints, including 2 in Kazakhstan)

- Tashkent-Issyk-Kul – around \$30 (3 border checkpoints, including 1 in Kazakhstan)

- Micro-bus Osh-Andijan (from September 2019) - \$1.7 (every day, every 20 minutes)

- Micro-bus Kyzyl-Kia - Fergana (from 2019 г.) \$1 (4 times a day)

- Services of a loader at the Dostuk border - \$ 7 on average per 1 bag

VC

Border and transport

- Railroad

Tashkent-Balykchy-
Tashkent

-Weekly

-Economy class- \$43,
coupe - \$56, lux- \$100

- Operated by Uzbek
Temir Jolu

Railroad station in Balykchy



VC

Border and transport

North

- Long verification of documents
- Queues (from 1.5 to 3 hours)
- Toilets in poor conditions at checkpoints in all three countries (Kazakhstan, Kyrgyzstan, Uzbekistan)
- *Among three countries, roads in Kyrgyzstan are the best*

South

- Foreign tourists pass quickly and without queue
- Citizens of the Kyrgyz Republic and the Republic of Uzbekistan as a whole do not face big difficulties, however, depending on the flow of people, there are queues

VC_Registration

- The period of stay of citizens of Uzbekistan in the Kyrgyz Republic without registration is 5 days
- The period of stay of citizens of the Kyrgyz Republic in the Republic of Uzbekistan without registration is 3 days
- 110-1616 Kyrgyz soms
- Outside registration
- Distant registration

VC_Accommodation and nutrition

South

- Accommodation from \$2 to \$5
- Nutrition from \$1 to \$5

North

- Accommodation from \$4 to \$34
- Nutrition from \$1,5 to \$20

VC_Travel agents

- Visa. KR - liberal visa regime for 52 countries. RU - full / limited visa-free travel for 85 countries.
- Successful cooperation between Uzbek and Kyrgyz tour operators (companies in Bishkek, in Osh) in organizing combined tours and tours between citizens of the Kyrgyz Republic and the Republic of Uzbekistan.
- Uzbekistan is a tourist hub of Central Asia today. All tourists who come to Central Asia, first of all, choose Uzbekistan (about 70% of all Central Asian tourists take Uzbekistan, the remaining 30% are distributed between Kyrgyzstan, Kazakhstan, Tajikistan, sometimes Turkmenistan).
- Mutual settlement with Uzbek companies is in dollars. Bank commissions are high.
- The initiative of boarding houses in Issyk-Kul (boarding house Ak-Bermet)

VC_Entertainment

South

- Handicraftsmen fairs
- Arslanbob Walnut Forests
- Arslanbob Walnut Forest
- Cost from \$0.3 to \$1.4 per person

North

- Grigoriev and Semenov gorges
- Hot Springs
- Bazaar in Cholpon-Ata
- Fairs in Bosteri
- Cost from \$1.5 to \$24 per person

Recommendations

- Extension of the period of stay without registration up to **at least 15 days in both countries** / Register immediately at the border, at the airport.
- Informing tourists about the need for registration immediately upon arrival
- A clear definition of who the tourist is.
- The only service standard for the whole country for all services provided in the tourism sector. Service improvement.
- The Kyrgyz Republic can attract more tourists from Fergana, Andijan, Namangan (population of 11 million people - huge potential):
 - -decrease in accommodation prices;
 - -opening and continuous operation of the Khanabad checkpoint, from where tourists can directly get to Arslanbob.

Recommendations

- Improving the conditions of all border checkpoints. Creation of separate corridors in southern checkpoints for traders and tourists.
- Consideration of tours with guides from the Kyrgyz Republic to the Republic of Uzbekistan. Uzbek guides can conduct tours in Kyrgyzstan, but Kyrgyz guides cannot conduct tours in Uzbekistan.
- The problem of the lack of professional guides in the Kyrgyz Republic. Creation of a faculty (a lot of materials on only one Bishkek) for the preparation of tour guides (expectations of tourists, the country's image).
- Aligning with Uzbekistan the list of countries with free-visa entry