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**COMPETITIVENESS OF TOURISM IN THE REPUBLIC OF KAZAKHSTAN:  
CURRENT TRENDS AND CHALLENGES**

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Nowadays, the government of the Republic of Kazakhstan pays great attention to the establishment of international tourism. The primary objective of the country's tourism development strategy is to create the conditions for an advanced, fully proficient, and highly competitive, to grow the industry as a potentially successful sector of the local economy as well as support its integration into the global tourism market and the growth of further international cooperation. There are numerous opportunities for this: Kazakhstan's tourism product is abundant and divergent expanding rapidly in almost all its forms, from cultural and historical to commercial and alternative forms of tourism.

Despite a plentiful of resources, the country's tourism industry is currently marked by a significant mismatch between structures, levels, and quality of services provided to tourists. In 2017, Kazakhstan was ranked 81st in the World Economic Forum's Travel and Tourism Competitiveness Index [1, p. 13]. Even though the index is a measurement of the factors that make it attractive to develop business in individual countries' travel and tourism industries rather than a

measure of a country's attractiveness as a tourist destination, it still demonstrates the republic's low level of competitiveness. In the past few years, the major negative factors that contributed to the deterioration of the tourism service market were the following conditions: the global pandemic and inaccessibility of traveling, the fall in real incomes of the population, and the resulting decline in domestic and outbound tourism traffic, the tourism industry's reduced investment attractiveness, and the lack of effective public policy in this field [2, part 1]. The study's main premise is that the country's tourism competitiveness has yet to resolve conception and evaluation challenges.

## Methodology

The research paper discusses the challenges of tourism competitiveness in the Republic of Kazakhstan and the metamorphosis it has to undergo to reverse these effects. The methodology chosen for this research entails inquiring and examining the current literature in the relevant field of study concerned with the local tourism industry, lack of competitiveness, and its consequences. It was utilized to build the theoretical framework from which the current study derives as well as to establish a conceptual framework, which then serves as the foundation for the current research.

The critical literature review approach is used in this paper because it involves the assessment, critique, and synthesis of relevant literature on the topic under investigation in a way that facilitates the emergence of new theoretical frameworks and perspectives from a wide range of different fields [3, pp. 333-339]. In the consideration of the above, this work used archival data from journal articles, expert statistical reports, government and related stakeholders' policy papers, and policy feedback literature relevant to the tourism industry of Kazakhstan and the state of competitiveness it has.

Following the identification of relevant articles and records, their contents were reviewed to determine inclusions and exclusions based on their relevance to the issue under this research. The concepts and ideas precipitated after analyzing the articles were then utilized to build a theoretical framework on problems Kazakhstan's competitiveness suffers from.

## Results

### *Estimate of Competitiveness and Its Challenges*

According to the statistics, around 4,559,500 people visit Kazakhstan each year, spending an average of US\$336 [4, p. 239]. The industry employs approximately 150,585 people or 1.7 percent of the workforce. This data is quite remarkable for the developing country and highly appreciated by the competitiveness report. There are a variety of pillars that brought Kazakhstan higher in the positions. For example, Kazakhstan is ranked sixth in the index for health and hygiene, the highest ranking for the country out of all other sectors [1, p. 24]. Kazakhstan's high ranking in that category is due to its low HIV-positive population, lack of malaria, low amount of tuberculosis incidents, and relatively high life expectancy. In addition, Kazakhstan ranked eighth in price competitiveness, which was its second-best ranking [1, p. 165]. This category investigates ticket taxes and airport fees, hotel prices, purchasing power parity, and the level of fuel prices. The low prices, however, are not essentially a good thing and may be the main reason for low international tourism revenues and receipts throughout the country. The World Economic Forum also ranks Kazakhstan's business environment 36th in the world. Out of many indices in that category, Kazakhstan showed good results in the time required to receive construction permits, costs to start a business, and tax rates. However, many pillars out of this category are at an all-time low, for instance, local supplier quantity and quality, state of cluster development, and value chain breadth. Other satisfactory results are evident in Kazakhstan's information and communications technologies readiness, which was ranked 52nd with a large number of Internet users and mobile broadband subscriptions. Human resources and the labor market ranked 35th due to high redundancy costs and a great share of female participation in the labor force.

The three worst results were reached in international openness at 113th, environmental sustainability at 99th, and tourist service infrastructure at 97th. Visa requirements, the openness of bilateral air service agreements, and the number of regional trade treaties in force were all indicators of international openness. Environmental sustainability was evaluated as poor, owing primarily to low indicators in environmental treaty ratification and baseline water stress. According to the report, the quality of tourist infrastructure and the presence of major car rental companies dragged it down within the tourist service infrastructure pillar as well. The most problematic factors affecting the competitiveness of the travel and tourism business in Kazakhstan were low access to financing, corruption, an inadequately educated workforce, tax regulations, poor work ethic in the national labor force, and insufficient capacity to innovate.

In the Eurasian region, Kazakhstan occupied fourth place after Russia (43rd in the global rank), Georgia (70th), and Azerbaijan (71st). The country was followed by Armenia (84th), Tajikistan (107th), and the Kyrgyz Republic (115th).

“The whole Eurasian sub-region faces challenges in the context of global openness and transportation infrastructure. However, this sub-region has more qualified and efficient human resources while also offering more price-competitive options due to lower hotel rates and fuel costs,” according to the report.

### *Future Trends*

As the main obstacle in the competitiveness report was international openness, it is predicted that Kazakhstan will build bilateral relations with other countries of the world, preferably outside Eurasia. The crisis caused by the invasion of Ukraine by Russia, although tragic, give our country immense opportunities regarding air service and freight delivery agreements. It could in turn generate a vast influx of tourists from Eastern European countries. Therefore, significant attention should be paid to the development of tourist and recreational zones and the promotion of tourist destinations in the domestic market and abroad.

The main principle of tourism development all over the world in recent years was the transition to a green economy and the achievement of sustainable development goals. Tourism companies, local people, and tourists together take care of the environment, care about the preservation of national culture, but also focus on touristic destinations’ capabilities. Kazakhstan, as it is suffering greatly from an absence of ecological sustainability, could learn from the world’s example. Ecotourism, ethnic tourism, and agrotourism are becoming more and more prevalent each day. All regions in Kazakhstan have the capacity to develop these types of authentic tourism and satisfy local and international tourists’ needs in the travel experience without harming the environment. Without much investment in high-rise infrastructure, the country can make great use of its existing resources not only becoming environmentally and economically sustainable for the future but also improving its competitiveness.

The third worst result was related to the tourist infrastructure. Most countries around the world are developing their national economies through the development of tourism infrastructure and evolving its quality in the current economic climate. Kazakhstan should not be an exception. Right now the condition of many tourist facilities and internal roads leading to hotels or tourist sites has deteriorated. In almost every tourist facility in Kazakhstan, whether it be a museum, hotel, or restaurant, no accommodations are being made for people with disabilities. It must be prioritized that all infrastructure being built is resilient, made of durable eco materials, and accessible. After good quality infrastructure will be constructed, should be evaluated annually by neutral experts and the practice of issuing special ecological or standardization certificates should be applied.

### Discussion and Conclusion

Despite an extremely rich tourism product, suitable conditions for competitive cluster development, and considerable growth possibilities, an analysis of the current state of the tourism

industry in Kazakhstan and the findings of the current study reveal that tourism competitiveness in the country remains quite low with the main problems being lack of communication with the international community, environmental deterioration, and appalling level of tourist infrastructure.

As this paper only focuses on surface-level challenges interfering with being competitive, future research could focus on tourism innovativeness as an essential factor for a region's tourism competitiveness. Utilizing innovations can raise the likelihood of adapting tourist activities and product offerings to ever-changing trends in tourism demand and the market environment [5, pp. 66-74]. It has the potential to help Kazakhstan gain a more competitive position. At the same time, it must be emphasized that an important aspect of innovation is its social utility, which results in improved satisfaction of tourists' needs and expectations, as well as increased tourism business effectiveness [6, pp. 15-22]. Introducing innovative solutions is possible by developing a unique tourism product and a professional marketing environment for the natural and cultural assets of a specific area from the ground up. The research findings provided can indeed be useful and practical to various stakeholders directly or indirectly related to the tourism sector in different areas (local officials, financial advisory institutions, trade organizations, lobbyists, entrepreneurs offering tourism and recreation, and food premises) for analyzing the factors influencing a given region's tourism attractiveness to provide the foundation for integrated actions for a joint and holistic sector development strategy.

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