

Developing a hub for tourism in Central Asia

Tourism is a priority area for development in Kazakhstan, with plans to double visitor numbers by 2020. The country's diverse offerings ensure that there is significant potential for growth

Kazakhstan's tourism industry has come a long way in recent years. The country has something to offer every traveler, whether business or leisure, ranging from five-star hotels to homestays in a yurt, and from hikes in the countryside to the historic Silk Road. Access to this beautiful and vast country, the ninth largest in the world, is relatively easy, with its 25 airports, 15 of which are international. However, the industry is nowhere near its potential. Tourism and travel directly contribute 2.9 per cent to global gross domestic product (GDP); in Kazakhstan, it generates 1.6 per cent of GDP. But the country's share of tourism is growing each year.

The Government of Kazakhstan realizes the country's potential to become the hub of Central Asia's tourism industry, and wants tourism to account for a higher percentage of GDP. In order to achieve this, however, huge strides will need to be made to further develop tourist product offerings and market the country's assets in a sustainable way.

Growth in tourism is forecast to rise steadily, as Kazakhstan has the most developed tourism products in the region. In 2013, the number of tourist arrivals increased by 11 per cent to reach 4.9 million trips, according to the United Nations World Tourism Organization (UNWTO). A growing number of international events, such as EXPO 2017, will improve the



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awareness of Kazakhstan as a destination among international travelers, thereby increasing demand for travel services. The EXPO is expected to attract around two million visitors, each of whom is expected to visit the exhibition at least twice, resulting in five million visits (see page 35). Many of these will come from abroad, adding a further boost to tourist arrivals.

The government is showing its support for tourism, and development of the sector has become a national priority as a means of diversifying the economy. As part of the government reorganization undertaken in August 2014, the Tourism Industry Committee was replaced by the Department of Tourism, which has been charged with tapping the potential

Cable cars connect Chimbulak ski resort with the Medeo speed-skating rink in Almaty. Kazakhstan has a varied terrain that ranges from mountains to deserts

of this underdeveloped sector by widening the industry's reach, promoting Kazakhstan's image to source markets, and improving essential infrastructure. Furthermore, the new visa-free system for 10 key markets reflects the government's dedication to welcoming more visitors (see page 136).

The government has also established special economic zones (SEZs), which offer businesses a number of economic incentives, allowing exemptions from corporate tax, land tax, property tax and value-added tax (VAT). They also offer

□ Potential areas for investment in Kazakhstan's tourism industry



Tourism cluster	Tourism areas	Investment projects
1) North Kazakhstan Astana	The capital, Astana, and surrounding natural areas including UNESCO's Saryarka natural heritage site. Prime target area for business travelers and developed to handle MICE (meetings, incentives, conventions, and exhibitions) tourism	Burabai international tourist center
2) South-east Kazakhstan Almaty	From ski resorts to the historical former capital city of Almaty, the landscape varies from mountainous to urban. Highlights include Kapshagay Reservoir, Charyn Canyon, and the UNESCO-listed Tamgaly Petroglyphs	Gaming and hotel industry in the Kapshagay Reservoir region, including a sports and entertainment center, targeting domestic and international business travelers Talhis mountain panorama resort in the Almaty region
3) East Kazakhstan Ust Kamenogorsk	Branded as the world of natural wonders and ecotourism, targeting domestic and regional tourists	Katon Karagai, specializing in international health tourism
4) South Kazakhstan Shymkent, Kyzylorda and Zhambyl regions	Promoted as the center of the Silk Road. Major tourist destinations will include the UNESCO-listed Mausoleum of Khoja Ahmed Yasawi in Turkestan; the archaeological sites of Otrar and Sauran; national parks; and the historic town of Taraz. It will also include the Baikonur Cosmodrome	The 'Ancient Turkestan' and 'Ancient Otrar' projects aim to turn Kazakhstan's portion of the Silk Road into a popular tourist centre demonstrating the country's rich history and culture, and generating a revival of ancient crafts and trades Koksai and Kaskasu ski resorts Kambash beach resorts, including ecotourism in Kyzylorda region Korkyt Ata ethno-geographical complex – education and training facilities for the study of Kazakh culture and music Yurt hotel in Kyzylorda Baikonur – development of the world's first spaceport, offering scientific potential and a place for new discoveries
5) West Kazakhstan Aktau and Atyrau	Beach tourism in Aktau; in Atyrau and the surrounding areas, the focus will be on religious tourism, for example to ancient mosques, mausoleums and other historical monuments	International health resort Kenderli Resort on the Caspian coast Greenland recreation center in Aktobe Caravanserai Irgyz ethno-village in Aktobe

SOURCE: MINISTRY OF TOURISM AND SPORT OF THE REPUBLIC OF KAZAKHSTAN

institutional support, while KAZNEX Invest, the national export and investment agency, was developed to become a one-stop shop for international investors. Part of the Ministry of Investment and Development, the agency offers consulting services, assists with bureaucratic procedures, and supports the promotion of products to foreign markets. These agencies are working together to shape the country into an attractive destination.

The main inbound markets are Uzbekistan, Kyrgyzstan and Russia (accounting for 85 per cent of arrivals), with the primary purpose for travel being to visit friends and relatives in the country. Strong potential markets are city dwellers in Turkey, Russia, China, India and the Middle East, and, through the creation of tourist attractions and

improvements to infrastructure, developing these markets could have a wider positive effect on the country's economy.

In 2012, leisure tourists accounted for 82 per cent of all arrivals, while business arrivals composed the remaining 18 per cent, with an increase in arrivals of business tourists from China due to the demand for oil and gas.

Opportunities for improvement

While challenges remain to attracting additional tourists, the government is taking steps towards addressing these, improving transport infrastructure and customer service; working to bring prices down and make accommodation more affordable; and promoting the country more effectively as a travel destination. For example, the government is

□ **Tourism indicators for Kazakhstan (2013)**



International arrivals
4.9 million



Tourism receipts
\$1.5 billion

investing five trillion tenge (\$32.4 billion) as part of a new Railway Development Program.

As a leisure tourism destination, Kazakhstan mostly competes with other Central Asian countries, including Kyrgyzstan, Uzbekistan, and Tajikistan. Though tourism in Kazakhstan is more expensive compared with that in neighboring countries, the products and services it offers are high quality. Globally, Kazakhstan is a new destination to be discovered for many tourists, which provides opportunities for promotion, and the government is putting forth great efforts to boost Kazakhstan's attractiveness in this respect. The official tourism website, www.visitkazakhstan.kz, offers information for travelers and a booking facility, while social media and online services such as TripAdvisor and Expedia could also be exploited to raise the country's profile further.

In terms of accommodation, there is a shortage of three-star hotels, which are necessary to attract greater numbers of both domestic and international travelers. Conversely, there is a surplus of expensive, five-star hotels, filled mostly with business travelers. As a result, domestic tourists generally prefer to travel abroad. It is hoped that, with the development of inbound tourism and sufficient foreign investment in the mid-range hotel market, this situation could be reversed as hotels take the opportunity to improve their performance.

Tourism cluster areas

Developed by the Ministry of Tourism and Sport, the 'Concept of Tourism Industry Development in Kazakhstan to 2020' aims to establish Kazakhstan as an internationally recognized tourism destination. This ambitious plan, designed to more than double the number of visitors to eight million, will require around \$10 billion in private investments, and government and borrowed funds. It divides tourism development into five cluster areas, which align closely with the SEZs, and offer special incentives to international investors. The goal is to boost domestic and inbound tourism in the areas of nature-based tourism; cultural and historical Silk Road tourism; skiing and adventure tourism; beach resort tourism; and MICE (meetings, incentives, conventions, and exhibitions) tourism for business travelers.

In terms of nature-based tourism, it will be important for developments to take environmental factors into consideration and minimize any negative impacts – essential principles in any ecotourism development project. Kazakhstan has the

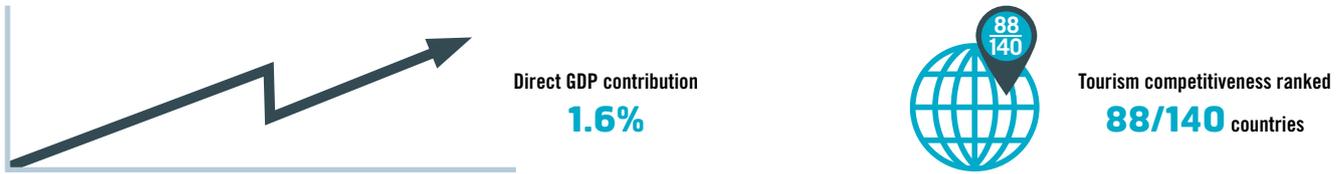


ROBERT HARDING WORLD IMAGERY/LAWMY

Part of the Khan Shatyr Entertainment Center in Astana, Suntana Aquapark is one of the city's major attractions, with an indoor beach and artificial tropical climate

opportunity to set a high standard in terms of sustainable tourism development, which in turn will create a favorable image on the global stage.

Cultural and historical tourism has also been highlighted as an area of significant growth potential for Kazakhstan. In 2014, UNESCO (the United Nations Educational, Scientific and Cultural Organization) accepted the nomination for a 5,000km section of the Silk Roads network, the Chang'an-Tianshan Corridor, to be added to the World Heritage List. This is evidence of Kazakhstan's commitment to promoting



SOURCES: UNWTO TOURISM HIGHLIGHTS 2014; WORLD TRAVEL & TOURISM COUNCIL, TRAVEL & TOURISM ECONOMIC IMPACT 2014; WORLD ECONOMIC FORUM, THE TRAVEL & TOURISM COMPETITIVENESS REPORT 2013

MINISTER'S MESSAGE



**Arystanbek
Mukhamediuly**
Minister of Culture
and Sport

The tourism market is fiercely competitive, demanding enterprise and skills in order to generate employment and drive economic growth. Inbound tourism to Kazakhstan is on the rise, and our promotion of homestay tourism – where tourists are given the opportunity to participate in Kazakh village life – has been successful.

We have outlined strategic plans for the coming years that will transform our tourism industry, making Kazakhstan a globally competitive destination. We have much to offer prospective visitors, and in the long term we want Kazakhstan to become the 'Land of Tourism Resorts'. Identifying regional strengths is key to the success of these strategies.

Some areas are famed for their ski resorts, others for their history and culture, and some for their beaches and adventure activities. We have approved plans for the creation of an international ski resort, and demand for nature tourism remains strong. The increasing number of international flights from the airports in Astana and Almaty in particular are helping with visitor volumes.

The Tourism Development Plan, which will be in place until 2020, will shape developments in the sector around the needs and demands of prospective visitors and the domestic industry. It will identify key tourism projects, create a national brand and implement necessary infrastructure. All of this will give new momentum to this promising area of our economy.

Our hosting of tourism-related events is drawing global attention, and numbers of visitors to our cities are rising. As we approach our hosting of EXPO 2017, Astana is preparing to welcome a forecast five million visitors. New hotels and resorts will accommodate event attendees and we are making improvements to all tourist transport routes. Having highlighted what Kazakhstan has to offer, it is hoped that our hosting of international events will leave a legacy of growth to our tourism industry.

In sport, we have directed numerous resources towards our bid to host the 2022 Winter Olympics in Almaty, and we have been delighted to see Kazakh nationals succeed in sports internationally. In 2017, Almaty will welcome competitors and spectators to the 28th Winter Universiade, and I am confident that these events will enthuse and inspire our next generation of athletes.

Kazakhstan has great potential to showcase its wealth of culture, tourism offerings and sporting prowess, and our doors are open to global investors in these areas. As we work towards becoming Central Asia's tourism hub, I look forward to the numerous exciting developments due in the coming years.

and protecting its heritage, while the close cooperation with Kyrgyzstan and China required to make this a nomination a success is testament to the country's resolve in collaborating with its neighbors. This new inscription to UNESCO's list has paved the way for other Silk Road corridor multi-country nominations, which will strengthen the brand and solidify Kazakhstan's position as a leader.

The UNWTO and UNESCO are partnering up to develop a sustainable strategy for the Silk Roads. In 2013, Kazakhstan hosted a workshop for the Silk Roads Heritage Corridors Tourism Strategy Project, with support from the then Ministry

of Industry and New Technologies, and the UNESCO/Netherlands Funds-in-Trust. Bringing together heritage and tourism experts, the project aims to develop a comprehensive and sustainable strategy for the management and conservation of this historical area. As the website for the project states, "the Silk Road's exceptional cultural and living heritage creates incredible opportunities for tourism."

With such plans in place for the sustainable development of its tourism industry, Kazakhstan is set to become the leader of sustainable tourism in Central Asia, which would be something especially worthy of promotion. ●