



UNIVERSITY
OF CENTRAL ASIA



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

Rosa Alieva

Westminster International University in Tashkent (WIUT), Uzbekistan

Roman Mogilevskii, Zalina Enikeeva, Aida Bolotbekova

Institute of Public Policy and Administration, University of Central Asia (UCA)

February 2020

Disclaimer

Under the CAREC Think Tanks Network (CTTN), the CAREC Institute has launched the Research Grants Program in May 2019 to support scholars and researchers from members of the CTTN to produce targeted knowledge products which would add to the body of knowledge on regional cooperation in CAREC.

Scholars from member think tanks were encouraged to research CAREC integration topics and undertake comparative analysis between (sub) regions to draw lessons for promoting and deepening regional integration among CAREC member countries particularly as anticipated in the CAREC 2030 strategy and stated operational priorities.

The 2019 research grants have been awarded to five researchers who presented their preliminary findings during the August 2019 Think Tanks Forum in Xian, the PRC.

This paper presents the cooperation in tourism sector between Kyrgyzstan and Uzbekistan, an outcome of research conducted jointly by a team of researchers from Westminster International University in Tashkent and Institute of Public Policy and Administration, University of Central Asia.

The views expressed in this paper are the views of the author(s) and do not necessarily reflect the views or policies of CAREC Institute, its funding entities, or its Governing Council.

CAREC Institute does not guarantee the accuracy of the data included in this paper and accepts no responsibility for any consequences of their use. Terminology used may not necessarily be consistent with CAREC Institute official terms.

Please contact the author and CAREC Institute for permission to use or otherwise reproduce the content. The CAREC Institute cannot be held liable for any claims that arise as a result of your use of this material.

For additional queries, please contact km@carecinstitute.org

Abstract

The paper analyzes cross-border tourism value chains between Uzbekistan and Kyrgyzstan to examine their operational modes and current successful aspects and barriers in the value chains in delivering cross-border tourism experience between Uzbekistan and Kyrgyzstan. It also studies cooperation at various level of the value chain. The literature review on tourism value chains is limited, due to the complex nature of quantifying value chains and covering formal and informal, backward and forward linkages. Despite the common borders, historical bonds and mutual influence between Kyrgyzstan and Uzbekistan, tourism value-chains between these countries were not well studied. The research summed up that tourist flows between Uzbekistan and Kyrgyzstan, as well as “sharing” foreign tourists represent a growing opportunity for both countries. Governmental cooperation between the countries facilitated cooperation among the business sectors in tourism. The governments’ support was also critical for implementation of large cross-border transport projects, border and visa regulations, as well as marketing of tourism products and services. Cooperation among travel agencies and tour operators of both countries is becoming more intense, while cooperation among other players in the value chain – hotels and smaller transport companies, is sporadic. To leverage the existing untapped tourism potential, both countries should strengthen cooperation in (i) eliminating barriers in the cross-border tourism value chains, (ii) tackling common threats, (iii) strengthening and scaling-up current successful practices, and (iv) facilitating wider systematic regional platforms and knowledge exchanges for sustainable tourism development in the region.

I. Introduction

The Central Asian countries - Kyrgyzstan and Uzbekistan located along the ancient Silk Road, were not widely known to tourists worldwide. While Uzbekistan was opening up to tourism dramatically in the past several years, Kyrgyzstan pioneered in many tourism liberalization efforts in the region. Nevertheless, contribution of travel and tourism industry to the national GDPs was 4.8% in Kyrgyzstan in 2017, and 3.4% in Uzbekistan in 2018, well below the world average of 10.2%, according to the World Travel and Tourism Council. The global Travel and Tourism Competitiveness report placed Kyrgyzstan as 110th in 2019¹, while Uzbekistan is still not represented there². Despite of common border and many links, the dynamics of cross-border tourism between both countries was not well understood.

The **Kyrgyz Republic** (Kyrgyzstan) is a land-locked country with 6.4 million population. It borders with Kazakhstan on the north, China on the east, Tajikistan on the south and Uzbekistan on the west. Besides being located on the route of the ancient Silk Road, the Kyrgyz Republic (Kyrgyzstan) has picturesque landscapes, mountains and lakes. The natural resources define the major tourism offering of Kyrgyzstan - adventure tourism, eco-tourism, beach (due to numerous lakes, especially the largest Issyk-Kul Lake) and skiing tourism. Kyrgyzstan is well placed to attract international tourists. Existing liberal visa regime for citizens of 52 countries makes the country more accessible for visitors. However, according to the latest study of the sector done by the Institute of Public Policy and Administration of the University of Central Asia, tourism sector still has room for extension to the Kyrgyz economy. The industry occupies a share of 4.8% in the national GDP in 2017.

The **Republic of Uzbekistan** (Uzbekistan), a land-locked country of 32.1 million population (almost half of the Central Asia's (CA) population) borders Kyrgyzstan with 1,314 km border line. It is the only country, which borders with all CA "stan"s (Kyrgyzstan, Kazakhstan, Tajikistan, Turkmenistan, and Afghanistan), and thus by its location represents a hub of the CA region. Due to its location along the ancient Silk Road, the country has been known as a cultural tourism destination. Its core tourism offering traditionally included the UNESCO World Heritage sites, such as Samarkand, Bukhara, Khiva (Itchan Kala) and Shakhrisabz cities and intangible culture elements³. In addition to that, the country offers a wide range of agricultural products and

¹Among the CAREC countries, China ranks 13th, Georgia 68th, Azerbaijan 71st, and Kazakhstan 80th (World Economic Forum 2019 *The Travel & Competitiveness Report 2019*, viewed on December 31, 2019, http://www3.weforum.org/docs/WEF_TTCR_2019.pdf)

² Kun.uz 2019 *Uzbekistan May Be Included in Global Competitiveness Index from 2021*, viewed on December 31, 2019, <https://kun.uz/en/news/2019/10/18/uzbekistan-may-be-included-in-global-competitiveness-index-from-2021>

³ In addition to cultural sites, Uzbekistan has a natural heritage site - the Western Tien-Shan Mountains, and intangible cultural heritage elements: Boysun cultural and natural space, "Lazgi" Khorazm dance, Margilan ikat making, Navruz festivities, Palov dish culture, Shoshmaqom traditional singing art and others

UNESCO 2019 *Uzbekistan: Elements on the Lists of Intangible Cultural Heritage*, viewed on December 20, 2019, <https://ich.unesco.org/en/state/uzbekistan-UZ?info=elements-on-the-lists;>

(UNESCO 2019 *Uzbekistan: Properties Inscribed on the World Heritage List*, viewed on March 30, 2019, <https://whc.unesco.org/en/statesparties/uz>)

gastronomy; art products⁴; natural⁵, pilgrimage and heritage⁶ sites; thematic festivals, warm weather with around 300 days of sunshine per year (allowing tourism around the year) and other authentic experiences to tourists. Since 2016, the Government of Uzbekistan pursued active tourism promotion reform to develop the sector and increase its share in the national economy⁷. During 2016 - 2019, Uzbekistan has introduced e-visa and visa free regimes for over 72 countries, and the list will be extended to 94 countries in 2020 (detailed list is available in Annex 7). Uzbekistan thus became a country with the second most liberal visa regime in the Community of Independent State (CIS)⁸, after Georgia. Other important steps were promotion of destinations, diversification of tourist products and seasons, international cooperation agreements, introducing free exchange of foreign currency, revision of tourism legislation and planned transport connectivity reform⁹.

The history of travelling between Uzbekistan and Kyrgyzstan has seen considerable variations. Before 1990s, being part of the Soviet Union, residents of present Uzbekistan and Kyrgyzstan travelled easily and habitually between each other sharing one border regime¹⁰. A cool-down period followed after an end of the Soviet era. The transition period witnessed recurrent interethnic conflicts in the neighboring regions of Uzbekistan and Kyrgyzstan, and border closures in 2010.

A new milestone was 2017 when the borders were reopened for travelers. Since then ***tourist flows between Uzbekistan and Kyrgyzstan have been growing***. The number of Kyrgyz tourists visiting Uzbekistan has increased by about 54% in 2019 as compared to 2018¹¹. Likewise, around 2.7 million Uzbeks have visited Kyrgyzstan in 2018, as compared to 380 thousand in

⁴ E.g. Savitsky Art Collection in Nukus <https://www.theguardian.com/artanddesign/2019/may/21/lost-louvre-uzbekistan-savitsky-museum-banned-art-stalin>

⁵ E.g. Mountains, lakes, protected areas, deserts, Aral Sea human-made disaster area

⁶ Including Buddhist, Hellenistic, Islamic, Zoroastrian, Soviet, Jewish, etc.

⁷ Gotev G. (2018) Euractiv.com *Uzbekistan Announces Ambition to Become Major Tourist Destination*, viewed on November 20, 2019 <https://www.euractiv.com/section/central-asia/news/uzbekistan-announces-ambition-to-become-a-major-tourist-destination/>

⁸ Both Uzbekistan and Kyrgyzstan are part of this regional intergovernmental organization, along with other post-Soviet republics.

⁹ Kun.uz (2019), *V Uzbekistane Zavershilas Restrukturizatsiya NAC Uzbekiston Havo Yullari*, viewed on November 18, 2019, <<https://kun.uz/ru/news/2019/11/11/v-uzbekistane-zavershilas-restrukturizatsiya-nak-uzbekiston-xavo-yullari>>; Center for Economic Development (CED) (2019), *Zapuschena Administrativnaya Reforma V Sektore Aviaperevozok*, viewed on November 18, 2019, <http://ced.uz/sobytiya/zapushhena-administrativnaya-reforma-v-sektore-aviaperevozok/>

¹⁰ Kaliyev A. (2018) *Uzbekistan, Kyrgyzstan Resume Capital-to-Capital Bus Service*, viewed on November 20, 2019, https://central.asia-news.com/en_GB/articles/cnmi_ca/features/2018/05/09/feature-02

¹¹ State Committee for Tourism Development (SCTD) of the Republic of Uzbekistan (SCTD) 2019 *Statistics: Quantity of Foreign Tourists in 2018-2019*, viewed on March 30, 2019, <https://uzbektourism.uz/en/research>

2017¹²¹³. With regard to country of origin of *inbound tourist*¹⁴, in 2017, top visitors to *Kyrgyzstan* were from (i) Kazakhstan (55%), (ii) the Russian Federation (14.2%) and (iii) Uzbekistan (14%)¹⁵. In *Uzbekistan*, according to the World Travel and Tourism Council (WTTC)¹⁶, top visitors in 2018 were from (i) Kazakhstan (61%), (ii) Kyrgyzstan (8%) and (iii) the Russian Federation (4%). The top outbound departures of Uzbek residents included the same countries. The WTTC estimates that by 2028 tourist arrivals in Uzbekistan will increase by 7.5% yearly.

The literature review on tourism value chains is limited, due to the complex nature of quantifying value chains and covering formal and informal, backward and forward linkages¹⁷. Despite the common borders, historical bonds and mutual influence between Kyrgyzstan and Uzbekistan, tourism value-chains between these countries were not studied. At the same time, well-developed value-chains across the countries are needed to maximize tourism benefits¹⁸. In the increasingly competitive tourism market, both countries should stay abreast of the cross-border tourism dynamics and develop them further. This might be an important step in achieving enhanced regional tourism development and regional integration in the CA. Thus, this research was aimed to promote regional integration of the tourism industry in the CA to offer combined products and services to tourists from all over the world.

Research Goals and Approach

¹² Interview with the State Committee of the Republic of Uzbekistan for Tourism Development (SCTD); Kyrgyz Ambassador to Uzbekistan cited by Anhor.uz (2019) *Aviareys Iz Tashkent do Issyk-kulya Nachnet Kursirovat' s 27 Iyunya*, viewed on November 20, 2019 <https://www.anhor.uz/news/aviareys-iz-tashkenta-do-issik-kulya-nachnet-kursirovaty-s-27-iyunya>

¹³ The UNWTO definition of tourists includes a wide range of travel purposes (including visiting friends and relatives and other). A broad definition is as follows:

- ***Demand-side: Tourism*** is defined as the activities of persons travelling to and staying in places **outside their usual environment for not more than 1 consecutive year** for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited. The use of this broad concept makes it possible to identify tourism between countries as well as within a country. "Tourism" refers to all activities of visitors, including both "tourists" (overnight visitors) and "same-day visitors" (*UN World Tourism Organization*)
- ***Supply-side: Tourism*** is "the sum of the phenomena and relationships arising from the interaction, in generating and host regions, of tourists [visitors], business suppliers, government, communities and environments". (Tribe 1997 cited in Fletcher et al., 2018)

Many countries apply this definition in their statistics. Uzbek definition/statistics is aligned with the UNWTO approach <https://www.lex.uz/docs/4428101>

¹⁴ Those who visit a country in which they do not reside (UNWTO).

¹⁵ Sputnik Kyrgyzstan (2018) *Kto Bol'she Vsekh Investiroval v Turizm KR v Proshlom Godu? Otvet Vas Udivit*, viewed on March 31, 2019, <https://ru.sputnik.kg/economy/20180804/1040485312/kyrgyzstan-nacstatkom-turizm-investigii-otdyh-puteshestvie.html>

¹⁶ World Travel and Tourism Council (WTTC) 2019, *Uzbekistan: 2019 Annual Research: Key Highlights*, viewed on March 30, 2019, <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2019/uzbekistan2019.pdf>

¹⁷ Zhang, X., Song, H., and Huang, G.Q. (2009) *Tourism Supply Chain Management: a New Research Agenda*. *Tourism Management*, 30(3), viewed on March 30, 2019 <https://www.sciencedirect.com/science/article/pii/S0261517708002161?via%3Dihub>

¹⁸ Roberts, B., Wilson, C., Kariyawasam, S.S., and Manoharan, S. (2016) *Enhancing Regional Development of Tourism Product, Services, and Supply-Chains in Sri Lanka* World Bank

The paper analyzed cross-border tourism value chains between Uzbekistan and Kyrgyzstan to examine their operational modes and current *successful aspects* and *barriers* in the value chains in delivering cross-border tourism experience between Uzbekistan and Kyrgyzstan. It also studied *cooperation* at various level of the value chain. Based on the research findings, recommendations were derived for various groups of stakeholders on improving cross-border tourism experience. Given the limited availability of quantitative data available as well as due to the research purposes, a qualitative research design was pursued. The research employed case study, secondary data analysis and key informant interview methods, with data being collected of regions of Uzbekistan and Kyrgyzstan. (Detailed methodology is described in Annex 1).

Research Question

How can building enhanced regional value chains deliver a better cross-border tourism experience between Uzbekistan and Kyrgyzstan?

- a. In what ways do the current cross-border value chains operate in the tourism sector of Uzbekistan and Kyrgyzstan?
- b. What are the current success aspects contributing to effective cross-border value chains in tourism?
- c. What are the main barriers in cross-border tourism value chains for delivering a better tourism experience?
- d. What policies and practices are needed to boost tourism value chains across borders, and what benefits might stakeholders expect from resulting strengthened policy and practice?

Research Beneficiaries / Stakeholders for Interviews

There is a complex network of tourism stakeholders in Uzbekistan and Kyrgyzstan operating at different levels, including public and private entities, and those who function as intermediaries versus direct service providers. These include:

- i) State and local authorities
- ii) Businesses:
 - Service providers: accommodation, transport, restaurants, attraction operators, guides, event-companies;
 - Intermediaries in the tourism sector: tour operators and tour agents;
 - Tourism-focused associations.
- iii) Tourists:
 - “*Bilateral*” tourists: Uzbek citizens visiting Kyrgyzstan and Kyrgyz citizens visiting Uzbekistan;
 - *International tourists*: tourists visiting Uzbekistan and/or Kyrgyzstan from other countries (they included CAREC, CIS, CA countries and other groups).
- iv) International organizations

Possible Impact of the Study

- (i) **Enhanced regional cooperation policies** between Uzbekistan and Kyrgyzstan, as well as national policies in tourism.
- (ii) **Elimination of barriers.** Elimination of barriers for cross-border tourism, such as visa regulations, border crossing regulations, etc..

- (iii) **Strengthened value chains and application of the findings to stakeholders' practice.**
Businesses and other stakeholders will be able to streamline their operations and management practices based on the research findings.
- (iv) **Increased competitiveness of tourism businesses, particularly SMEs,** resulting from strengthened and regionally integrated value chains.
- (v) **Tourism facilitation.** E.g. improved transport connectivity; synergy with the Belt and Road Initiative (BRI) to facilitate tourism in the region.

II. Analysis of Findings

Analysis of Findings based on Data Collected in Kyrgyzstan

EXISTING COOPERATION AND CURRENT POLICY

Nowadays there are two state authorities who are responsible for the tourism sector in the Kyrgyz Republic: 1) the Department of Tourism under the Ministry of Culture, Information and Tourism, which was established in 1991 once the country gained independence after the collapse of the Soviet Union; (2) the State Enterprise “Kyrgyz Tourism”, which was established in 2019. The Department is responsible for realization of state policies in tourism sector, statistics and law and regulations. Functions of the new organized state enterprise carry more practical mode; it will be engaged in training staff to service, the construction of new tourist facilities and the restoration of the existing ones. The aim of creation this unit is attraction of investments and realization of public-private partnership projects for construction and modernization of tourist infrastructure.¹⁹

Besides these state authorities, the Interdepartmental Commission for the Coordination of Tourism Development (hereinafter - the Interdepartmental Commission) was established by the Order #98 of the Prime Minister of the Kyrgyz Republic on February 24, 2016. The Interdepartmental Commission was established to ensure effective interaction of state executive bodies, local authorities, tourist associations when considering issues related to tourism development, in accordance with Article 18 of the Constitutional Law of the Kyrgyz Republic “On the Government of the Kyrgyz Republic”²⁰.

The main law regulating tourism sector in the Kyrgyz Republic is the Law #34 “On Tourism” as of March 25, 1999. The law “defines the legal, economic, social and organizational basis of tourism and activities in this area, aimed at realizing the rights of citizens to rest, leisure and the development of entrepreneurial activity.”²¹ According to the Law, “tourist is a citizen visiting a country (place) of temporary stay for health, educational, professional, business, sports, religious, and other purposes without the right to engage in paid activities for a period of 24 hours to 6 months together or at least one night”.

The latest program on tourism development was accepted on January 31, 2019 by the Decree of the Government of the Kyrgyz Republic on approval of the Program of the Government of the Kyrgyz Republic on the development of the tourism sector for 2019-2023. The program defines goals, objectives and activities with specific deadlines, responsible performers and financial resources to achieve effective results in the tourism sector during 2019-2023.

¹⁹ <https://www.tazabek.kg/news:1570867/?from=kgnews&place=maincats>

²⁰

<http://deptourism.gov.kg/%d1%80%d0%b0%d1%81%d0%bf%d0%be%d1%80%d1%8f%d0%b6%d0%b5%d0%bd%d0%b8%d0%b5-%d0%be-%d1%81%d0%be%d0%b7%d0%b4%d0%b0%d0%bd%d0%b8%d0%b8-%d0%bc%d0%b2%d0%ba/?lang=ky>

²¹

<http://deptourism.gov.kg/%d0%bd%d0%be%d1%80%d0%bc%d0%b0%d1%82%d0%b8%d0%b2%d0%bd%d0%be-%d0%bf%d1%80%d0%b0%d0%b2%d0%be%d0%b2%d1%8b%d0%b5-%d0%b0%d0%ba%d1%82%d1%8b/?lang=ky>

‘The National Strategy of the Development of the Kyrgyz Republic for 2018-2040’ signed by the President of the Kyrgyz Republic in 2018 underlines tourism sector as one of priority sectors of the country, contributing significant input into sustainable development of the economy, providing employment and high income among population, stimulating development of allied sectors with tourism one.

Tourism sector is one of the main ones is highlighted in the ‘Concept of Digital Transformation “Digital Kyrgyzstan” for 2019-2023’ as well. The Concept determines structure of transformation, management system and basic processes of country’s digitalization. Access to fast-speed Internet of tourists, promotion of country’s potential in tourism sector with the help of digital technologies, provision of security in touristic purposes are the main potentials of country’s digitalization in tourism segment.²²

Besides abovementioned laws and programs, this year was marked by recovery of councils on tourism development in regions (oblasts) and establishment of the Department on Economic Diplomacy under the Ministry of Foreign Affairs in January 2019. The last unit is aimed at development of effective activities in the field of attracting investments, promoting the export and tourism potential of Kyrgyzstan together with business community.²³

Regarding councils, the initiative on recovery of their activities belongs to the Department of Tourism and is aimed to learn problems and prospects of tourism development in regions and the issues of providing administrative and technical support to tourism and business projects of the regions.²⁴

VISA

As of July 5, 2012 the Law of the Kyrgyz Republic # 121 “On the Introduction of a Visa-Free Regime for Citizens of Some States for up to 60 days” was accepted by the President of the Kyrgyz Republic, which had purpose to provide assistance in stimulating the influx of investments, development of tourism, comprehensive activation of bilateral relations with countries, for whose citizens a visa-free regime is unilaterally introduced according to the attached list (see Annex 2), as well as an analysis of the effectiveness of the introduced standards. The list had 45 countries, and seven years later, in 2019, the law was extended by 2025 and the list of countries was laced with additional seven countries, counting 52 states totally.

Since September 1, 2017 “E-visa” operates in Kyrgyzstan. This service has greatly simplified the arrival of foreign tourists and businessmen in country, and has reduced the time and material costs when applying for visas. All is need is internet connection, credit or debit card for making payment and scanned copies of required documents.

²² <http://ict.gov.kg/index.php?r=site%2Fsanarip&cid=27>

²³ <https://economist.kg/2019/01/28/departament-po-ekonomicheskoi-diplomatii-poyavilsya-v-mid-kyrgyzstana/>

²⁴

<http://deptourism.gov.kg/%D1%81%D0%BE%D0%B2%D0%B5%D1%82%D1%8B-%D0%BF%D0%BE-%D1%80%D0%B0%D0%B7%D0%B2%D0%B8%D1%82%D0%B8%D1%8E-%D1%82%D1%83%D1%80%D0%B8%D0%B7%D0%BC%D0%B0-%D0%B2-%D0%BE%D0%B1%D0%BB%D0%B0%D1%81%D1%82%D1%8F%D1%85/>

Regarding cooperation between Kyrgyzstan and Uzbekistan, during the visit of the President of the Kyrgyz Republic Almazbek Atambaev his colleague, the President of the Republic of Uzbekistan, Shavkat Mirziyoyev, in Tashkent in 2017, there were signed 13 documents, including the Agreement on the Development of Cooperation in Tourism Sector.²⁵ According to the Agreement, the parties will facilitate the mutual participation of state tourism agencies, organizations and companies in events held in both countries, as well as exchange experiences between representatives of the tourism business; the Kyrgyz side expressed interest in inviting citizens of the Republic of Uzbekistan to health centers of the Kyrgyz Republic. The last item is dedicated to necessity to jointly create a special tourist package for citizens of the two countries and to promote tourist routes, as well as to third countries, including along the Great Silk Road.²⁶

OPEN-SKIES

On January 15, 2019 the Law “On Amendments to the Air Code of the Kyrgyz Republic” was signed by the President of KR. With the new amendments, the “fifth degree of freedom of air” has appeared in the country - the right of foreign aircraft to unload or take on board passengers, baggage, cargo, mail, following to the territory of their or another foreign state, or to transport them to the territory of Kyrgyzstan from the territory own or another state.²⁷ The regime opens the republic’s market for international airlines. The key principle is not only the granting of rights to transit flights, but also the government’s non-interference in pricing, route formation, and the absence of restrictions on the types of aircraft and their capacities.

Some positive changes have happened after the amendment. Firstly, the direct flight Sharjah – Bishkek – Sharjah operated by Air Arabia was opened with four regular flights per a week.²⁸ Secondly, the flight Bishkek – Deli – Bishkek operated by Kyrgyz Avia Traffic Company was relaunched.²⁹

KYRGYZ-UZBEK COOPERATION IN TOURISM SECTOR

In 2018, Kazakhstan took the initiative to create a new visa regime under “Silk Visa”, which could be interpreted as “Central Asian Schengen”. Kazakhstan and Uzbekistan agreed to develop a roadmap for establishing a visa-free regime. In August 2018, it became known that Azerbaijan, Tajikistan, Turkey and Kyrgyzstan showed interest in the mutual removal of visa barriers as well. In November 2018, Kazakhstan and Uzbekistan signed an agreement on the mutual recognition of visa regimes by the countries of the Silk Road. Its details have not been disclosed so far. It is only known that it is aimed at the development of tourism and, as planned, will operate on the basis of the Silk Road tourism project. On December 20, 2018 Ulugbek Kasimhodzhaev, First Deputy Chairman of the State Committee for Tourism of Uzbekistan, said that the Silk Visa project “passed all approvals in the departments of the two countries, with only technical details remaining”. The launch of the joint visa program was scheduled for February

²⁵ <http://novosti.kg/2017/10/13-dokumentov-podpisali-prezidenty-kyrgyzstana-i-uzbekistana/>

²⁶ <http://mineconom.gov.kg/froala/uploads/file/6eb223bcfdf710c0373a62814d9089084ca81aae.pdf>

²⁷ https://24.kg/vlast/106181_prezident_kyrgyzstana_podderjal_otkrytoe_nebo/

²⁸ <https://www.akchabar.kg/ru/news/otkryt-novyj-rejs-sharzha-bishkek-sharzha/>

²⁹ https://24.kg/biznes_info/127102_vmejdunarodnom_aerportu_manas_vozobnovlyetsya_reys_bishkek_deli_bishkek/

2019. However, in February 2019, the planned launch of an analogue of the Schengen zone in Central Asia did not happen, and talks regarding this issue are ceased.³⁰

Thus, upon the Agreement, during the visit of the delegation of the Oliy Majlis to Osh to participate in the II Inter-Parliamentary Commission for Cooperation between the Parliaments of the two countries in June 2019, the creation of a single visa regime for Central Asian countries to develop tourism was discussed.³¹

GUIDE SERVICES

According to Kyrgyz legislation, specific licensing of tourism activities, Article 7 of the Kyrgyz Republic Law “On Tourism” was repealed in 2003.³² As well, the Law “On normative-legal acts of the Kyrgyz Republic” relaxed the sector’s overall regulatory environment by abolishing some outdated legal acts. In such way, licensed foreign guides, inter alia Uzbek citizens, might easily work on the territory of Kyrgyzstan as guides. However, the same is not related to Kyrgyz guides in Uzbekistan - in order for a guide from one Uzbek city to get the right to conduct excursions in another Uzbek city, one need to pass a very serious exam on all the monuments and history of each city in Uzbekistan.³³ Consequently, if there is a group of tourists who came to Kyrgyzstan first would like to travel to Uzbekistan, the Kyrgyz guide will be able to reach with them only the border with Uzbekistan and then leave the group to the Uzbek guide, while in opposite situation, the Uzbek guide might cross the border with Kyrgyzstan and provide all guide services fully.

³⁰ <https://russiancouncil.ru/analytics-and-comments/columns/sandbox/shelkovaya-viza-dlya-tsentralnoy-azii/>

³¹ <https://economist.kg/2019/06/06/kyrgyzstan-i-uzbekistan-obsudili-sozdanie-edinogo-vizovogo-rezhima/>

³² https://www.ucentralasia.org/Content/Downloads/UCA-IPPA-WP42_ENG.pdf

³³ <https://inbusiness.kz/ru/news/nedochety-nacionalnogo-turizma>

VALUE CHAIN

		In Uzbekistan				In Kyrgyzstan						
		Marketing & Information	Visa	Insurance	Transportation	Border	Transportation within KR	Registration of passports	Accommodation	Nutrition	Entertainment	Other
North of KR	Tour operators				Air			Online registration	Hotel	Hotel	Tourist guide	Mobile operator
	Independent (Websites of resorts)				Rail			Distant registration		Café	Grigoriev and Semenov gorges	
	Independent (Internet advertisement & Social Media)				Bus					Food in market	Hot Springs	
	Independent (friends, relatives who visited Kyrgyzstan)						Taxi from IK airport to/from hotel				Bazaar in Cholpon-Ata	
							Taxi within IK				Fairs in Bosteri	
South of KR	Relatives in Kyrgyzstan					Services of a loader	Taxi/Microbus from border to destination point		Hotel	Food in market	Handicrafts men fairs	
	Trade partners						Taxi/Microbus within Jalal-Abad and Osh		Guest houses	Hotel	Arslanbob Walnut Forests	Arslanbob Waterfall
											Sulaiman Mountain in Osh city	

1. Marketing and Information

Marketing activities are implemented by business sector as well as through the informational support of the governments of the two countries. The marketing events and tools include informational tours of both Kyrgyz and Uzbek tourist companies and associations; fairs; internet advertisement; websites; social networks. Though internet advertisement can be done by the Kyrgyz companies independently according to the interviewed tourist companies it is always better to enhance the cooperation with the Uzbek companies as this helps to attract much more tourists from Uzbekistan. It should be added that the cooperation of tourist companies of both countries is being developed and being enhanced which shows the companies benefit from it especially in working with the tourists from third countries visiting both Kyrgyzstan and Uzbekistan. Also, some of the interviewed resorts at the Issyk-Kul are also working on attraction of the tourists from Uzbekistan. For example, they invited Uzbek media representatives this year to visit the resort free of charge to circulate the advertisement of the resort in Uzbekistan. Individual tourists who come to Kyrgyzstan independently without a services of a tourist companies know about Kyrgyzstan from their relatives or they used to come to Kyrgyzstan

during the Soviet Union. The table below shows the Uzbek locations from where people come to Kyrgyzstan as well as their trip purposes and source of information about Kyrgyzstan.

Table 1. Visitors from Uzbekistan

Locations in Uzbekistan	Locations visited in Kyrgyzstan	Purpose of visit	Information about Kyrgyzstan is received
Fergana, Andijan, Namangan	Jalal-Abad, Osh oblasts	Visiting of relatives, trade, tourism	Mostly relatives who live in Kyrgyzstan from the period of the Soviet Union until now. However, few people travel to Kyrgyzstan through the Uzbek tourist companies cooperating with the tourist companies based in Osh city
Tashkent	Issyk-Kul lake	Tourism	1) Tourist companies 2) People who used to come to Issyk-Kul during the Soviet Union and their families

It should also be noted that the marketing activities of both countries should consist of information on the specific tourist products, resorts and areas (e.g. Issyk-Kul lake as well its resorts, Arstanbap resort etc., Padysha Ata memorial in Ala-Buka etc.) rather than advertisement of the countries in general. These are two neighboring countries that used to be part of the Soviet Union and the countries does not need to be advertised to each other.

Winter tourism in Kyrgyzstan among the Uzbek tourists is not popular at all. Around 50 visitors from Uzbekistan per year come for skiing in Kyrgyzstan. Thus, the potential of this type of tourism is not studied.

In general, the number of visitors from Uzbekistan is increasing each year. The State Border Service provided the statistics from 2015 to 2018. Full data for 2019 is not yet available. The data separates tourism and private visits. However private visits may include tourism activities as well according to the findings of the qualitative interviews.

Table 2. Number of Uzbek citizens who visited Kyrgyzstan from 2015 to 2018

Number of Uzbek citizens visited Kyrgyzstan from 2015 to 2018 (People)				
	2015	2016	2017	2018
Republic of Uzbekistan	244 802	355 930	694 131	3295804
<i>with the purpose of</i>				
Business	1 683	5 707	3 490	8423
Tourism	709	1 388	1 312	3084
Private	242 410	348 835	689 329	3284297

Source: Kyrgyz State Border Service

2. Visa

Up to 60 days Uzbek citizens might be on the territory of Kyrgyzstan without visa; duration of free-visa stay of tourists from third countries is dependent on their citizenship as the cost of visa itself.

3. Insurance

Uzbek citizens usually do not buy insurance for traveling to Kyrgyzstan. If this is a case, then insurance is purchased in Uzbekistan. According to the Kyrgyz legislation the tourists should buy an insurance for traveling to Kyrgyzstan and tourist companies are to inform their clients on this. However, the tourist companies can buy the insurance for their clients, but individual tourists never buy it. The foreign tourists coming to Uzbekistan and Kyrgyzstan buy insurance in their home countries.

4. Border

There are several Kyrgyz-Uzbek checkpoints where tourists can cross borders in Kyrgyzstan and Uzbekistan:

- Osh-Andijan regions: Dostuk-Dostlik checkpoints
- Jalal-Abad-Namangan regions: Madaniyat-Uchkurgan checkpoints

The road Bishkek-Tashkent is realized by crossing two borders: Kyrgyz-Kazakh border (Chaldovar-Supatar-Baty checkpoints) and Kazakh-Uzbek border (Jibek-Joly – Gisht kuprik checkpoints). Tourists, coming to the Issyk-Kul lake, besides crossing Jibek-Joly – Gisht kuprik checkpoints, cross Kazakh-Kyrgyz border at Karasu – Ak-Tilek checkpoints.

Respondents from Uzbekistan indicated that it is inconvenient to cross borders when travelling through Kazakhstan because they have to pick up their own suitcases and personal belongings from the bus when crossing the borders and pass with them through crossing points.

It takes around 2-3 hours to cross borders because of large queues indicated respondents. And none of all checkpoints is facilitated by toilets for people in the queue; there are only for staff. This absence causes discomfort for pregnant women, old people, children and sick people.

It is worth noting that difficulties in borders crossing are met up by Kyrgyz and Uzbek citizens, while citizens of other countries are allowed to pass the border without waiting in the line. One respondent at the Dostuk-Dostlik border told about life hack she uses to pass the borders quickly – she bought the red binder for her Uzbek passport which is similar to the Russian Federation passport. And when border guards see passports of different colors from passport of Kyrgyzstan or Uzbekistan, they allow passing the border without waiting in the queue. Of course, such latitude toward international tourists are not welcomed among Kyrgyz and Uzbek citizens, who have to wait for several hours in the queue; they start disgusting because of such inequity.

5. Registration of passports

The citizens of Uzbekistan should register their passports at the local authorities in Kyrgyzstan if their stay in Kyrgyzstan is more than 5 days starting the arrival date but weekend days are not taken into account. The hotels and tour companies provide the passports registration service. However, the registration is an issue for the tourists coming independently without a support of tourist companies as they deal with this procedure themselves. The procedure takes from 1 to 3 days at average. This fact discourages the tourists from Uzbekistan to stay in Kyrgyzstan more than five days. The online registration system is not convenient as it requires a visit to the local government office to receive the registration stamp. In addition, the office of the registration authority may be located much far from the tourists' accommodation place and this requires

more time to reach it. The official registration fee is 1.7 USD. It should be noted that the government has started piloting the new registration option which allows the representatives of the registration agencies to visit the tourists' accommodation places upon such order is received. However only few tourists in Issyk-Kul know about this option and according to them the price of this service is much higher than the official price. Based on the feedback of the respondents in Osh and Jalal-Abad oblasts this new type of registration is not known there at all.

One more issue is that sometimes the Uzbek tourists traveling to Kyrgyzstan independently do not even know about the registration. All the visitors should be informed about the registration on the Kyrgyz border or at the Kyrgyz airport. There is a fee of 143 USD in case of non-registration.

Thus, the registration issues do allow the Uzbek tourists to stay in Kyrgyzstan more than five days. Those of the tourists coming with tourist companies stay in Kyrgyzstan mostly from 7 to 14 days. However, there were few respondents that were staying in Kyrgyzstan (at the Issyk-Kul Lake) up to 3 months.

6. Transportation

There are several ways to reach Kyrgyzstan from Uzbekistan.

Air. There are regular flights Tashkent-Bishkek-Tashkent, operated by “Uzbekistan Airlines”. The average one-side flight cost is around \$122.

As well, since June 27, 2019 till September 5, 2019 every Thursday the flight Tashkent-Tamchy-Tashkent was operated by Uzbekistan Airlines as well. The purpose of the recovery of charter flights was to increase the mutual tourist flow between Kyrgyzstan and Uzbekistan, as well as creating the most favorable and comfortable conditions for rest of Uzbek citizens. These flights were part of USAID's project “Competitive Enterprises” with the assistance of the Embassy of Kyrgyzstan in Uzbekistan, the tourist companies INSPIRO TRAVEI (Kyrgyzstan) and ASIA LUX TRAVEI (Uzbekistan), together with the Uzbekistan Airlines. The cost of the Tashkent-Tamchy flight for adults was \$180 (and \$260 with return ticket). The duration is 1h 40 minutes.

Bus. Buses operate in several directions.

Bishkek – Tashkent: the cost is around \$15, operates twice a day. The duration is around 12 hours. It has to cross borders 4 times: Kyrgyz, Kazakh (twice) and Uzbek.

Tashkent – Issyk-Kul: the cost is around \$30, the duration is around 20 hours. Some tourists change buses in Kazakhstan choosing buses with “lying seats”.

Railroad: During summer season, the train flight Tashkent – Balykchy – Tashkent has been operating. It departed every Thursday from Tashkent reaching Balykchy on Friday and leaving it on Saturday. Costs were as following: economy class - \$43, coupe - \$56, and luxe - \$100 in both directions. The train flight was operated by Uzbekistan railroad.

Micro bus:

Osh-Andijan: Since September, 2019 the micro bus (marshrutka) operates from Osh to Andijan. The cost is \$1.5 – \$1.7. Buses depart every 20 minutes. When passing a checkpoint at the border for passengers of the flight simplification is provided.

Since October, 2019 buses and micro buses started to operate from Kyzyl-Kiya (Batken region) to Fergana four times a day. The cost is around \$1 one way.³⁴

As well, there are micro buses that are waiting for clients (tourists) at Kyrgyz-Uzbek checkpoints. Thus, the cost of transportation from Madaniyat checkpoint (Jalal-Abad) to Arslanbob is around \$2 per person.

Taxi:

Along with micro buses, taxi drivers are waiting for their clients at Kyrgyz-Uzbek checkpoints as well. Usually, prices for services are discussed individually in each case. There are some tentative prices, e.g. the cost of delivery from Madaniyat checkpoint to Arslanbob is around \$3 per person. The cost of a taxi from Dostuk check point to Kara-Suu market is \$1.

7. Accommodation

Types and cost of accommodation varies among the Uzbek tourists visiting the southern part and North of Kyrgyzstan. At the Issyk-Kul lake the Uzbek tourists mostly stay at the resorts that were previously owned by Uzbekistan. The cost of accommodation varies from 4USD to 34USD per night per person. In Jalal-Abad and Osh the cost is from 1USD to 5USD per night per person. It should be noted that Uzbeks usually travel to Kyrgyzstan with their families rather than along. The visitors who come to see their relatives in Kyrgyzstan usually stay at the houses of their relatives.

In 2019 some resorts at the Issyk-Kul lake decreased the costs for Uzbek visitors to attract more tourists from there.

It should also be noted that the lower prices for accommodation and transportation in the South of Kyrgyzstan could help to attract more tourists from Fergana, Andijan and Namangan.

8. Guide's services

Guide's services are dependent on tourist route and guide's experience and expertise. Thus, students of Tourism, Philology and Foreign Languages departments who would like to practice their knowledge of languages, provide guide service for free sometimes, or take around \$7.1 for their services. Guides with broad experience, knowledge of history cost much higher.

“Many guides who work for free or small cost taint country's image. Very often they tell everything about the country, talk tough” – tour company representative

9. Nutrition

Uzbek tourists prefer meal at the hotels or resorts they live rather than having meal outside. Based on the feedback of the respondents the tourists mostly cook themselves especially the tourists visiting the South of Kyrgyzstan where guest houses have kitchens that can be rented for

³⁴ <https://www.turmush.kg/ru/news:1570299>

up to 2USD per one cooking. In general, the tourists' meal spending is from 1USD to 5USD per person per day in the South of Kyrgyzstan and from 1,5 USD to 20USD in the North. It is obvious that food tourism in Kyrgyzstan is not interesting for the Uzbek tourists. This type of tourism is more popular among the visitors from the third countries.

10. Entertainment

Each type of tourism implies mostly different types of entertainment.

Issyk-Kul. Uzbek tourists coming to Issyk-Kul, spend their free time participating in excursions, such as motor-vessel trips (cost is around \$7.2), travel to Grigoriev and Semenov gorges (costs depend on the place of departure i.e. resorts where tourists live), visiting local bazaars and shopping festivals, purchasing souvenirs and food products. The same is related to tourists coming from Commonwealth Independent States such as Kazakhstan, Russia etc. Tourists coming from distant countries, especially Europe, USA, Canada, prefer to go to mountains for hiking. They refer to community-based tourism offices (CBT), where CBT consultants might organize trips to mountains, assist in finding guides, transport. Each cost is discussed individually. The starting price is usually \$7.2.

Entertainments in the south of the country are usually the same. The only addition is that tourists from Asia, such as China, Japan, South Korea etc. prefer to visit cultural and historical places, shopping places and night clubs.

11. Security

The respondents did not mention any issues in terms of security except for few cases at the Issyk-Kul lake (e.g. some tourists recommended police staff should be located right at the lake shore). The Kyrgyz Internal Affairs Ministry initiated the creation of the tourist police. The main task of the police is to communicate with tourists. Currently this initiative is being realized in Bishkek, Issyk-Kul and Osh. The staff is required to have a basic knowledge of English language. However, the costs of learning English is not covered by the Ministry. This is the responsibility of the staff itself. Kyrgyz Tourism mentioned its plans to support the Ministry staff working with tourists with learning of English language.

12. Language

Tourists from Uzbekistan and CIS countries do not feel necessity to use translator's services. They might speak Russian and Uzbek (mostly in the southern regions). Tourists from distant countries prefer to hire guides if necessary, who will be a translator as well rather than hiring translator separately. Expenses on such type of services vary on type of route, type of difficulty etc.

13. Other

Uzbek tourists may use the services of the local mobile operators. Though it is not possible to estimate the expenses at least the cost of one sim-card can be indicated which is 1.4 USD.

Analysis of Findings based on Data Collected in Uzbekistan³⁵

The analysis of results covers *positive aspects* and *barriers* in cross-border tourism value chains between Uzbekistan and Kyrgyzstan. Theoretical framework for the analysis is presented in Annex 3.

The following *successes* and *barriers* in cross-border tourism value chain between Uzbekistan and Kyrgyzstan were identified in the observed cases.

Positive Aspects in the Value Chain

Sufficient Range of Touristic Products

It was noted by majority of respondents that the amount and diversity of touristic activities and sites in both Uzbekistan and Kyrgyzstan is sufficient for the current tourist flows between the countries. In Uzbekistan, differentiation of tourist products and destinations across the whole country and throughout all seasons of the year is one of strategic sector priorities. Examples of such diversification efforts are the following: i) in addition to traditionally known Uzbek destinations and types of activities, there are local tourism development strategies fit to local specifics of the territories, e.g. mountain tourism in mountainous areas, etc.³⁶, ii) action plans for development of *ziyarat* (pilgrimage), medical³⁷ as well as other types of tourism, iii) launch of a new skiing and all-season mountain resort in the Tien Shan mountains in Tashkent region in December 2019. This resort is expected to attract 32,800 additional tourists in 2020 and eliminate tourist seasonality issues in that region³⁸.

No Major Barriers in Accommodation

Most of respondents reported that there are no major barriers in the accommodation sector both in Uzbekistan and in Kyrgyzstan for the current tourist flows between the countries. However, based on numerous anecdotal evidence, due to rapid increase of visitors to Uzbekistan during 2017 - 2019, there are problems to find a room across the country in high seasons (especially in larger hotels). In this context, Uzbekistan has initiated hotel infrastructure support programs^{39,40} that provide subsidies, compensations and privileges to attract new investors. As a result, over

³⁵ A separate report with detailed overview of the research findings is available upon request

³⁶ Examples of regional tourism strategies in Uzbekistan - Resolutions of the Cabinet of Ministers of the Republic of Uzbekistan i) #119 dated 13.02.2019 “About Additional Measures for Tourism Development in Khorezm Region in 2019-2020” (<<https://lex.uz/docs/4199720>>); ii) #198 dated 08.03.2019 “About Measures for Effective Use of Tourism Potential of Kashkadarya Region” (<<https://www.lex.uz/docs/4231704>>). In total, there are 13 administrative territories in Uzbekistan, and many of them have a dedicated tourism strategy.

³⁷ Draft Decree of the President of the Republic of Uzbekistan “On Additional Measures to Increase the Effectiveness of Ongoing Reforms in the Tourism Sector”, published for comments <<https://regulation.gov.uz/ru/document/10984>>

³⁸ UzDaily.uz (2019) *An Opening Ceremony of the Amirsoy Ski Resort Takes Place*, viewed on December 23, 2019 <<https://uzdaily.uz/en/post/53805>>

³⁹ Decree of the Cabinet of Ministers of the Republic of Uzbekistan #433 dd. May 27, 2019 “On Measures to Create Favorable Conditions for Further Development of the Hotel Industry”, < <https://uzbektourism.uz/ru/hotels> >

⁴⁰ Decree of the President of the Republic of Uzbekistan dd. January 5, 2019 #UP-5611 “On Additional Measures for Accelerated Development of Tourism in the Republic of Uzbekistan”, <<http://www.uza.uz/ru/documents/o-merakh-po-uskorennomu-razvitiyu-turistskoy-otrasli-05-01-2019>>

1,500 new hotels are expected to emerge by the beginning of 2022⁴¹. Some new global hotel chains, such as Hilton and Marriott, are entering the Uzbek market in 2019-2020^{42,43}. With regard to Kyrgyzstan, Uzbek tourists and travel companies mentioned that a wide range of accommodation of different price range is available in Issyk-Kul. Some respondents mentioned that Osh region in Kyrgyzstan needs more and better quality accommodation, as well as other infrastructure, to capture tourists.

No Barriers for Cross-Border Cooperation in the Private Sector

Currently, cross-border cooperation among Uzbek and Kyrgyz companies is not restricted with any administrative and/or financial barriers. International contracts and transactions have been substantially simplified for Uzbek companies since 2017, along with foreign exchange liberalization and new regulations for export of goods and services⁴⁴. Before this liberalization, foreign currency transactions often created losses to Uzbek businesses⁴⁵. In contrast, currently there is not much difference for an Uzbek firm in choosing between a local partner and a foreign one (e.g. Kyrgyz or other), with exception of currency item in contract terms. At present foreign currency transactions work well and can take place even without a prepayment based on a guarantee letter.

The observed cases demonstrated that the current horizontal and vertical cooperation among Uzbek and Kyrgyz tourism firms looks as follows:

- *Tour operators and travel agencies* of both countries have close partnership with each other in delivery of tours, as well as with other tourism service providers in the value chain. A medium-size Uzbek touristic firm in Ferghana Valley usually has around 10 foreign contracts with Kyrgyz tour operators. A standard duration for such contract is one year. Such partnership is often initiated through events organized by governmental authorities, particularly through information tours. Uzbek tour operators collaborate directly with Kyrgyz hotels or small and medium transport companies for business trips or half-arranged trips.
- Cross-border partnership between *hotels, small and medium transport companies* is sporadic and ad-hoc. *Large cross-border transport projects* (e.g. national airlines, regular train routes) are initiated between governments based on international agreements.
- *Restaurants, entertainment and attraction providers* in both countries mainly cooperate with local travel agencies rather than cross-border partners. Typically, in such local partnership, a travel company would supply tourists, and the listed companies would provide services to them. An exception to this could be a supply of foreign resources

⁴¹ Gaevoy O. (2019), *Chast Zatrata na Stroitelstvo Vozmestit Gosudarstvo*, viewed on November 20, 2019, <https://www.norma.uz/novoe_v_zakonodatelstve/chast_zatrata_po_stroitelstvu_gostinic_vozmestit_gosudarstvo>

⁴² MyDay.uz (2019), *Ofitsialnoe Otkrytie Hilton Hotels Resorts v Tashkente*, viewed on December 20, 2019 <<http://myday.uz/news/ofitsialnoe-otkrytie-hilton-hotels-resorts-v-tashkente>>

⁴³ Spot.uz (2019) *V Tashkente Otkroetsya Pervaya Gostinitsa Brenda Courtyard ot Marriott*, viewed on December 10, 2019 <https://www.spot.uz/ru/2019/12/07/courtyard-by-marriott/?utm_source=uznet.press>

⁴⁴ Kosta Law Firm, Mondaq (2019) *Uzbekistan: New Rules for Foreign Trade*, viewed on November 20, 2019 <<http://www.mondaq.com/x/686496/international+trade+investment/New+Rules+For+Foreign+Trade>>

⁴⁵ Uzbek companies who bought products/services from foreign companies in a foreign currency, had to exchange 50% of the contract amount to Uzbek soums at a lower bank rate.

and/or expertise, e.g. a local restaurant could collaborate with a foreign firm to import resources and/or services.

As part of the value chain analysis, the research identified current travelling patterns among Uzbek and Kyrgyz travelers visiting Kyrgyzstan and Uzbekistan respectively. A summary is presented in Annex 4.

Existing Cooperation at the Governmental Level

Cooperation in tourism sector between Uzbekistan and Kyrgyzstan has intensified in the past few years. In 2017, Tourism Cooperation Agreement was signed between the Ministry of Culture, Information and Tourism of Kyrgyz Republic and the State Committee of the Republic of Uzbekistan for Tourism Development. A number of cross-border transport projects have been implemented and are planned currently (discussed in a subsection on transport). Silk Visa negotiations have started (see related subsection). The countries are currently negotiating the promotion of pilgrimage tourism. The National TV and Radio Company of Uzbekistan and the Public Broadcasting Corporation of the Kyrgyz Republic cooperate on promotion of tourism potential.

This was happening as part of overall strengthening of the regional coordination in the CA. The President of the Republic of Uzbekistan highlighted several regional priorities at the recent Consultative Meeting of the Heads of CA States (held in Tashkent on November 29, 2019)⁴⁶:

- Annual Investment Forum of the CA countries' Chambers of Commerce have been proposed;
- Strengthening transport connectivity and unlocking the transit potential of the region is important;
- Need for single recognizable tourism brand of the CA and elaboration of regional tourism products. International Tourism Conference "Traveling in Central Asia" was proposed;
- Need for coordinated efforts to promote peace, national harmony and economic recovery of Afghanistan;
- Regional cooperation in energy and water sectors.

Security

Following the interethnic conflict in 2010, there were a lot of security concerns among Uzbek and Kyrgyz tourists (especially from the neighboring territories) with regard to travelling between the countries. Majority of respondents confirmed that this issue has been resolved. Entrepreneurs shared their views, "Everybody wants to forget about the conflicts, and such conflict must not happen again. So much time was lost." A lot of information tours involving travel companies, mass media, and influencers have been organized to disseminate knowledge about business opportunities, facilitate connections as well as publicize the improved security situation, particularly focusing on Ferghana Valley and other neighboring regions. Additionally, Uzbekistan was ranked as the 5th safest country in the world in 2018, according to the Global Gallup Safety report, and has introduced tourist police in many touristic sites since 2017.

At the same time, the CA should maintain the coordinated approach towards strengthening regional security. For example, such incidents as a recent ISIS attack at the Tajikistan-

⁴⁶ Official Website of the President of the Republic of Uzbekistan (2019) *Glavy Gosudarstv Centralnoy Azii Proveli Vstrechu v Uzkom Formate*, viewed on December 20, 2019 <<https://president.uz/ru/3104>>

Uzbekistan border in November 2019⁴⁷ might impose negative perception for the whole region from tourists' point of view. Additionally, several interviewed Uzbek tourists shared concerns regarding availability and quality of medical facilities and police at Kyrgyz resorts. Environmental and radioactive waste issues might become a barrier for the conscious tourism. According to the UN (cited by Radioactive Waste Security), most of the CA radioactive disposals are stored in Djalalabad region, Issyk-Kul area of Kyrgyzstan, Tashkent and Namangan regions of Uzbekistan and Sogdiyskaya region of Tajikistan.⁴⁸

Barriers in the Value Chain

Border Posts and Border Crossing Regulations

The border crossing experience⁴⁹ was identified by majority of respondents as the largest impediment to tourism between Uzbekistan and Kyrgyzstan. Historically, in 2010, as a result of the interethnic conflict, the borders were closed for travelers. The situation have changed in September 2017 with the border reopening between the countries. Since then the border crossing points have seen some improvements in terms of infrastructure and services provided. Nevertheless, all interviewed tourists and travel companies describe the Uzbek-Kyrgyz border crossing procedure as time-consuming, frustrating and inefficient for travelers using land transport (railway and auto).

Railway travelers pass the Uzbek-Kyrgyz border during the route on train. According to the State Customs Committee of the Republic of Uzbekistan (2019), this standard procedure shall take around 40 minutes for a whole train to pass the Uzbek border. However, often there are long delays, particularly when several trains are passing in a queue. E.g. Tashkent-Balykchi train arrives to the destination in 25 hours, passing 4 border control posts in Uzbekistan, Kazakhstan and Kyrgyzstan. Each control procedure might take 1-2 hours on average. During these stoppages on-train amenities (air-conditioning and toilets) do not work, thus creating additional inconveniences for passengers. In contrast to them, **airway passengers** pass the border at Uzbek and Kyrgyz airports, and they undergo a standard border crossing airport control, which is reported to be a satisfactory experience.

Auto passengers who travel by cars and buses can pass the border through several spots (Table 3 and 4) and have to undergo the most unpleasant experiences among the listed groups. A widely used way from Uzbekistan to Kyrgyzstan (or vice versa) is via Kazakhstan, which includes passing the borders of three countries (and obtaining three visas for citizens of non-visa free countries'). Travelers from Uzbekistan pass the *Uzbek-Kazakh border Gisht-Kuprik (Chernyayevka)* in Tashkent region, and then the Kazakh-Kyrgyz border. Many respondents state that the post is relatively in a better condition: the Uzbek part has a special tourist line ("tourist corridor"), overall physical condition is better, and the service is more time efficient in comparison to alternatives. However, delays and queues still happen. The Kazakh side of this

⁴⁷ New York Times (2019) ISIS Fighters Attack Outpost in Tajikistan, viewed on November 20, 2019 <<https://www.nytimes.com/2019/11/06/world/asia/isis-tajikistan.html>>

⁴⁸ Bezopasnost' RAO [Radioactive Waste Security] (2017) *Kak Kyrgyzii Spravit'sya S Radoaktivnymi Othodami*, viewed on November 20, 2019 <<https://bezrao.ru/n/1296>>

⁴⁹ In Uzbekistan, border crossing procedure includes two types of control, and these functions are divided between border services and customs. Border services manage passport control, while customs services manage flow of goods, money, special permits. (Source: Interview with the State Customs Committee of the Republic of Uzbekistan)

post – Jibek Joli - is not equipped with a touristic line, and the service there can last up to 3-4 hours. Several experts suggested that as a transit country, Kazakhstan might not be interested in improving services for transit tourists. Further journey in Kazakhstan and Kyrgyzstan is a seamless experience for tourists, because of simplified customs and border crossing procedures among them as co-members of the Eurasian Economic Union (Figure 1).

Despite of the triple border, travelers and travel companies often prefer the above-described way. A lot of shuttle traders and transit visitors pass through this post too. Travelers from Ferghana Valley of Uzbekistan, especially those going by touristic buses, also often prefer this longer way (instead of alternative posts in their vicinity) for leisure trips to Kyrgyzstan.

Figure 1. Customs and Membership in the Eurasian Economic Union (EAEU)

Customs and Membership in the Eurasian Economic Union (EAEU)	
•	Kyrgyzstan, Kazakhstan, Russia, Belarus and Armenia are members of the <i>Eurasian Economic Union</i> , who have simplified customs and border crossing procedures between each other.
•	Uzbekistan and Tajikistan are not members of any customs unions. However, Uzbekistan has established a working group to analyze the EAEU membership issue for Uzbekistan until the end of 2019 ^{50 51} .

Table 3. Major active border crossing posts between Uzbekistan and Kyrgyzstan⁵²

	<i>Uzbekistan</i>		<i>Kyrgyzstan</i>		Remarks
	Border crossing point name	Location	Border crossing point name	Location	
1.	<i>Dustlik</i>	Andijan region, Hodjaabad district	Dostuk	Osh region, Kara-Suy district	Transnational Highway, 24 hours Reopened on September 6, 2017
2.	<i>Madaniyat</i>	Andijan region, Pakhtaabad district	Madaniyat	Djalal-Abad region	Transnational Highway Reopened on September 5-6, 2017 Daylight mainly
3.	<i>Kasansay</i>	Namangan region, Kasansay district	Baymak	Djalal-Abad region, Akabuka district	Bilateral (for Kyrgyz and Uzbek citizens); Highway Daylight; capacity – up to 2 000 person per day; Reopened on September 20, 2017

⁵⁰ Interview with the State Customs Committee of the Republic of Uzbekistan (2019)

⁵¹ Gazeta.uz (2019), *Riski ot Vstupleniya Uzbekistana v EAES Izuchat do Konca Goda*, viewed on October 20, 2019, <<https://www.gazeta.uz/ru/2019/10/03/analysis/>>

⁵² Other border crossing points between Uzbekistan and Kyrgyzstan are listed in Annex 5

4.	<i>Kizil Kiya</i>	Zotken district, Ferghana region			Bilateral (for Kyrgyz and Uzbek citizens); 24 hours
----	-------------------	----------------------------------	--	--	--

Table 4. The Main Border Crossing Post between Uzbekistan and Kazakhstan⁵³ Used for Uzbek-Kyrgyz travels

	Border crossing point name	Location	Border crossing point name	Location	Remarks
1.	Gisht-Kuprik (Chernyayevka)	Tashkent region, Keles district	Jibek-Joli	South-Kazakhstan region, Saragach	Transnational Pedestrian Highway 24 hours

The next popular border crossing point, mostly used by Ferghana Valley population - is *Dustlik* in Andijan region. It is the shortest direct way between Andijan and Osh. Majority of interviewees mentioned bad conditions and unsatisfactory service at this post. Service time can last up to a whole day, and there is no special service provided to tourists. Travel companies described the experience,

“You wait in a line for a whole day, the process takes a lot of time. They ask tourists what they do, what they plan to do in a destination country. Overall, the conditions are terrible. There are no tourist friendly zones, such as cafes. No tourist corridor. The border control in airports and on-land border crossing are two polar opposite experiences.”

“... the journey goes well until the moment you come to the border. The most positive experience that you have got in the country is crossed out. And after all, it concerns not only citizens of Uzbekistan and Kyrgyzstan, but foreign tourists travelling by car face the same experience. Imagine one sitting in a car in high temperatures in summer! You can get a sunstroke easily – there is neither a shadow, nor a leaf around. If you have already drove in to the territory of the border control, you will not find any toilets there⁵⁴.”

Dustlik post is widely used by shoppers and shuttle traders, mostly from Fergana Valley, to visit Karasuu market in Osh, Kyrgyzstan, particularly since 2018 with import facilitation in Uzbekistan⁵⁵. The post is also passed by local travelers who visit friends and relatives across the

⁵³ There are other Uzbek-Kazakh posts that are less frequently used by tourists travelling between Uzbekistan and Kyrgyzstan.

⁵⁴ There is a program in Uzbekistan to equip public places and touristic facilities with toilets and Wi-Fi (Isaev T. (2019) *Tualet Tipa Sortir: v Uzbekistane Zapustili Interaktivnuyu Kartu Sanuzlov*, viewed on November 20, 2019, <<https://podrobno.uz/cat/podrobno/tualet-tipa-sortir-v-uzbekistane-z/>>; Fergana News Agency (2019) *V Tashkente Ustanovili Obschestvennye Tualety s Wi-Fi*, viewed on November 20, 2019, <<https://fergana.agency/news/106179/>>). However, this program have not covered the border crossing posts.

⁵⁵ Major import facilitation amendment was introduced in February 2018. Before this, Uzbek citizens coming to Uzbekistan from neighboring countries were allowed to bring goods for the amount up to USD 10 over one trip. Since February 2018 (Presidential Decree #3512) the threshold was changed as follows: i) travelers by air transport can

border, as well as other visitors. Some tour agencies mentioned the absence of wheel chairs and poor accessibility of the post for people with disabilities. *Madaniyat* (Andijan region) and *Kasansay* (Namangan region) are less popular closest alternatives. Other posts in Ferghana Valley are non-operational, rarely used or inaccessible for foreign citizens (e.g. the post in Shakhimardan – a natural resort area and enclave of Uzbekistan in Kyrgyzstan) (Listed in Annex 5).

Irregularities in Visa Regimes

Irregularities in visa regimes of Uzbekistan and Kyrgyzstan make movement across the borders difficult for tourists, especially under combined Uzbek / Kyrgyz and/or CA tours. Many CIS countries have visa-free access to each other based on mutual agreements. E.g. Kyrgyz citizens are eligible for visa free entry to Uzbekistan for up to 60 days, and Uzbek citizens can enter Kyrgyzstan visa-free for unlimited period. However, Uzbek and Kyrgyz visa regimes are inconsistent towards the CAREC and other states (e.g. various duration of visa-free stay, or visa-free versus visa limited entry) (Uzbekistan visa-free regime is summarized in Annex 7, and Kyrgyzstan's is in Annex 2).

The Silk Road Visa agreements initiated by Uzbekistan and Kazakhstan between each other (also called as “the Asian Schengen”), will allow foreign tourists to access both countries as one travel package. These agreements were planned to become effective in February 2019; however, they were not yet put into practice. Kyrgyzstan, Tajikistan, Azerbaijan and Turkey also expressed their interest in joining the Silk Visa agreement.

Transport Deficiencies

Overall, the transport network is *fragmented and does not connect all major destinations*, especially smaller cities. There are more routes operated by Uzbek companies than by Kyrgyz ones. According to interviewed Regional Transport Expert, this might be attributed to the fact that the number of Uzbek visitors to Kyrgyzstan is substantially higher than Kyrgyz visitors to Uzbekistan. In 2018, over 3 million Uzbeks have visited Kyrgyzstan (including 2,7 million tourists), as compared to 380 thousand in 2017. Approximately 1.061 million Kyrgyz visited Uzbekistan in 2018, including 1 055 688 tourists⁵⁶.

Air transport, buses and private cars are the most preferred options for Uzbek-Kyrgyz travels. Kyrgyz travelers have more tendency to use auto transport. Below is an overview by transport types (Detailed list of routes is available in Annex 6:

➤ Air transport

bring goods for the amount up to USD 2000; ii) railway passengers– up to USD 1000; iii) by auto-transport – up to USD 300.

Another related reform is improved customs declaration procedures introduced by Uzbekistan in January 2018. In the past, these declarations were used for all inbound/outbound visits to collect data about purposes of visit of tourists, profile data about tourists, along with customs specific information. Starting from 2018, outbound tourists with less than USD 2000 on hand do not need to submit customs declarations, but declarations are still needed for amounts over USD 2000.

⁵⁶ Interview with the State Committee of the Republic of Uzbekistan for Tourism Development (SCTD);

Kyrgyz Ambassador to Uzbekistan cited by Anhor.uz (2019) *Aviareys Iz Tashkent do Issyk-kulya Nachnet Kursirovat' s 27 Iyunya*, viewed on November 20, 2019 <<https://www.anhor.uz/news/aviareys-iz-tashkenta-do-issik-kulya-nachnet-kursirovaty-s-27-iyunya>>.

In addition to regular flights (available in Annex 6), an important milestone in air connection between the countries was the charter launched between Tashkent and Tamchy (Issyk-Kul) for the summer season 2019. This was a joint project between Kyrgyz and Uzbek travel agencies, the Uzbek Airways, under support of the USAID. This project helped to intensify trips of Uzbek travelers to Issyk-Kul to a large extent, e.g. some travelers managed to visit Issyk-Kul twice during the specified season.

However, air tickets remain to be *expensive* as perceived by majority of respondents. One of the reasons for this are high airport fees set by operators. E.g. Uzbek airports had high fees, as a result of longstanding state monopoly of the Uzbek Airways, which was restructured in 2019 to start allowing new players and low-cost carriers⁵⁷. Another reason is the *absence of low-cost airlines* in the market. Tourists from abroad are less price sensitive, and thus they often fly by planes. However, for multi-destination CA trips with many stops in smaller cities, cars and buses are a convenient option for foreign travelers too. Customer service at Tamchy airport (private airport at Issyk-Kul resort, Kyrgyzstan) was reported to be inconsistent with insufficient foreign language knowledge and poor service cases.

➤ Railway transport

The main problem with railway transport are the *border crossing delays* as described in the above subsection “Border Posts and Border Crossing Regulations”.

➤ Auto

Private cars and buses also face the problem of the *border crossing delays*. Quality of roads was also reported to be unsatisfactory by many respondents. Besides, both Uzbek and Kyrgyz border / customs authorities charge around USD 35 per vehicle passing the border. The fee is reported to be related to insurance. Kyrgyz side proposed to remove this fee, and the State Customs Committee of Uzbekistan mentioned that they have initiated activities to remove this fee. This border-passing fee is applied to all neighboring countries of Uzbekistan, as mentioned by officials and travel companies.

However, despite of that, they remain the most popular transport means. Many travelers and tour companies split transport between the borders to reduce the timing at the control points. Uzbekistan has initiated installment of the Advance Passenger Information (API)⁵⁸ for control points of all transport types, which is expected to minimize the control timing at such points. This system is already applied in air transport, and is expected to be launched for other transport in 2020.

In Uzbekistan, the only road connecting Tashkent with Ferghana Valley – Kamchik pass – does not allow buses for over 12 people due to security reasons. There are some projects initiated to

⁵⁷ Kun.uz (2019), *V Uzbekistane Zavershilas Restrukturizatsiya NAC Uzbekiston Havo Yullari*, viewed on November 18, 2019, <<https://kun.uz/ru/news/2019/11/11/v-uzbekistane-zavershilas-restrukturizatsiya-nak-uzbekiston-xavo-yullari>>; Center for Economic Development (CED) (2019), *Zapuschena Administrativnaya Reforma V Sektore Aviaperevozok*, viewed on November 18, 2019, <<http://ced.uz/sobytiya/zapushhena-administrativnaya-reforma-v-sektore-aviaperevozok/>>

⁵⁸ This system implies sharing passengers’ information in advance of their arrival and is widely used by air transport control worldwide.

tackle this issue, however as of now, larger groups have difficulties to travel between Tashkent and Ferghana Valley by bus.

Additionally, there are some *administrative barriers* for private transport companies in Uzbekistan, such as, for example, tender regulations for a licensed company to start operations. A license is not sufficient for a company to start operations. It must also participate in tenders, and a stand-by period due to this regulation might stretch to over 3 months. Therefore a licensed company might have to skip a whole touristic season. Several interviewed experts expressed concerns about necessity of this regulation and its effect on the market competitiveness.

Lack of Joint Marketing and Combined Tour Packaging

Tourists do not get enough information about joint Uzbek-Kyrgyz and/or CA tours. Generally, touristic companies, which organize such joint tours, run marketing campaigns. One Uzbek-Kyrgyz travel project managed to mobilize USAID funding for marketing and advertising activities that helped to roll-out a new cross-border touristic service and increase the number of tourists substantially. Joint touristic services are widely promoted via social media, other digital media in the Internet, and outdoor advertising targeted at tourists. Tourists from their side trust to specialized travel platforms, such as TripAdvisor, to make decisions on travels, as well as the word-of-mouth marketing.

Tourists from distant countries are interested to visit more and diversify their experience during a tour. They also tend to perceive the CA region as one destination, as highlighted by an interviewed representative of diplomatic corps. Thus, combined tours covering both Uzbekistan and Kyrgyzstan, as well as other CA / Silk Road destinations, are welcome in the market. However, as per research findings, actual sales of combined tours by travel operators is substantially lower than the declared interest by clients. To address this drawback, the market players need to make additional marketing efforts and eliminate the barriers for tourists. Several experts mentioned that the types of tourism prevailing in Uzbekistan (cultural/historical/gastronomic) and Kyrgyzstan (ecotourism/adventurous tourism and leisure at the Issyk-Kul lake)) are complementary to each other. Therefore, they could be easily packed as joint tours, thus diversifying tourist experience during one trip to the region. The combined tours could be a suitable mode for event tourism, too. There could be several challenges for designing combined tours: (i) tourist seasonality in Uzbekistan and Kyrgyzstan overlaps only partially⁵⁹; (ii) major target audience of tourism in Uzbekistan is different from those in Kyrgyzstan. However, as the countries are moving forward towards diversification of markets and types of tourism in different seasons, these challenges will be softened. *Currently, combined tours are often designed by travel companies based on specific requests, rather than as a mass offer.* There is also no unified system of booking for the CA destinations. Some travel companies suggested, based on their experience:

“International booking websites are not enough. Travelers prefer to use local booking sites, not only because of language barriers, but also because of a cultural

⁵⁹ Based on information from tourism experts, tourists from distant countries travel to Uzbekistan during March - July and September – November, while tourists from neighboring countries travel from April to October. Kyrgyz tourists prefer not to come to Uzbekistan in July-August period with the highest temperatures, as mentioned by a representative of the Kyrgyz Embassy in Uzbekistan. High season in Kyrgyzstan are July – August for the Issyk-Kul leisure, and winter months for winter activities.

barrier – they trust to local source more and perceive that they have more leverage to control their trip. For example, an Uzbek consumer would be more willing to pay a prepayment (even for Kyrgyz hotels) via a local website than via global platforms like booking.com. There are often some changes that need to be made to a tour package or hotel reservation, based on specific client’s needs, and local platforms are more flexible for these purposes. Besides, international platforms tend to offer more expensive rates.”

There are extensive marketing and advertising activities targeted at foreign tourists at the country level under national brands. Uzbekistan and Kyrgyzstan / CA countries organize bilateral and regional B2B, B2G and G2G format events, such as joint conferences, exhibitions, that focus on tourism marketing. Information tours are very popular among Uzbekistan and Kyrgyzstan, as well as other CA countries. Governments and the private sector often organize such information tours.

In addition to border and visa issues as described in the previous subsections, there are some other managerial issues with regard to organization of joint tours. Uzbekistan prescribed that only locally licensed guides can be hired within the country. There a number of reasons behind that, such as protection of local tourist service providers, ensuring standards in the service quality, etc. Kazakhstan has the same practice. Before that regulation came into force in Uzbekistan, all guides were allowed, and foreign travel companies practiced bringing their own guides a lot, and the market was more diverse. With regard to Kyrgyzstan, it was mentioned that for joint CA tours Kyrgyz operators tend to charge higher rates, and Kyrgyz operators are required to accompany tourist groups. For example, an interviewed expert shared an anecdotal evidence when Uzbek tour operators organized a group of 100 tourists who planned to visit Kyrgyzstan, Uzbekistan, Kazakhstan and Russia during one trip. For this trip, Kyrgyz operator requested 40-50% of the overall tour price, which was much higher than for other three hosting parties, including Kazakhstan, and the tour companies could not negotiate the price. At the same time, according to regulations, Kyrgyz tour companies must have accompanying such groups within Kyrgyzstan.

Local Registration Requirement

All foreigners staying in Uzbekistan for more than 3 days are required to register with the local Administration for Migration and Citizenship office and pay a prescribed fee. This creates extra hurdle for visitors staying at private apartments. Hotels and tour companies provide this registration on their own (and a guest is supposed to keep the paper certificates with him/her and present to authorities whenever needed during the stay). Registration for less than 3 days stay is not needed. Since 2019, the registration became available online at emehmon.uz (“*Electronic guest*”) and required involvement of property owner that accommodates a visitor. *Currently there is a draft law⁶⁰ prescribing that starting from July 1, 2020, there is no registration for foreign citizens staying in Uzbekistan for the period of visa-free stay of up to 30 days.* Kyrgyz regulations allow to stay in the country without registration up to 5 days (detailed overview is available in the analysis of data from Kyrgyzstan). As stated by majority of respondents, in both countries, duration of trips is often limited by the number of days allowed for non-registered stay. Tourism business association of Kyrgyzstan proposed to increase is threshold, and the

⁶⁰ Draft Decree of the President of the Republic of Uzbekistan “On additional measures to increase effectiveness of the ongoing reforms in tourism sector”, was published for public comments

government is considering this issue. The Kyrgyz government often coordinates with / involves stakeholders (particularly, dedicated associations) in policy decision-making.

Perceived Value for Money is Low

Overall, perceived value for money⁶¹ for the quality of hospitality services both in Uzbekistan and in Kyrgyzstan is insufficient for tourists. In Uzbekistan many tourist services are overpriced – e.g. rates of Charvak mountain lake resorts in Tashkent region in high seasons could compete with Turkish sea resorts in terms of price, but with lower service quality and diversity of activities. For example, a standard twin room in an upper-level family resort in Charvak in high season would cost around USD 75, including breakfast, as compared to USD 25 – USD 100 rate at Turkish coastal family all-inclusive hotels. Overall, a standard average amount spent by a foreign tourist during a short trip to Uzbekistan can range from USD 100 to USD 800⁶². Air and bullet train ticket prices and their availability are also an issue, along with non-transparent and not client-friendly booking systems. Prices for hospitality services in Kyrgyzstan, resorts in particular, are perceived by Uzbek tourists as more affordable compared to Uzbekistan. An average economy class trip to Issyk-Kul for 7 days would cost around USD 190, including accommodation, meals and two-way bus transportation⁶³. Issyk-Kul is thus often a more affordable alternative for Uzbek tourists than going to domestic destinations like Charvak.

Small number of speakers of foreign languages is another barrier in delivering hospitality services in both countries. This barrier makes foreign visitors to use guide's services as a compulsory element of their tours, who would perform roles of both an interpreter and a guide. Anecdotal evidence from nearly all sources indicate that specialization in tourist services, and staff training and development (including proficiency in foreign languages) are highly required in the sector, including travel agencies, hotels, entertainment complexes, restaurants, security services and others.

Policy Recommendations and Conclusions

To sum up, tourist flows between Uzbekistan and Kyrgyzstan, as well as “sharing” foreign tourists represent a growing opportunity for both countries. Governmental cooperation between the countries facilitated cooperation among the business sectors in tourism. The governments' support was also critical for implementation of large cross-border transport projects, border and visa regulations, as well as marketing of tourism products and services. Cooperation among travel agencies and tour operators of both countries is becoming more intense, while cooperation among other players in the value chain – hotels and smaller transport companies, is sporadic. To leverage the existing untapped tourism potential, both countries should strengthen cooperation in (i) eliminating barriers in the cross-border tourism value chains, (ii) tackling common threats, (iii) strengthening and scaling-up current successful practices, as well as (iv) facilitating wider

⁶¹ Price for tourism experience are difficult to compare, as they represent a composition of highly heterogeneous and customized services (Adapted from: Mak, J. (2004) *Tourism and the Economy: Understanding the Economics of Tourism* University of Hawaii Press)

⁶² State Committee for Tourism Development of the Republic of Uzbekistan cited by Spot.uz (2019) *Itogi 2019: Hikmat Abdurakhmanov o Glavnyh Dostizheniyah, Reformah I Temah Uhodyashego Goda* viewed on December 22, 2019 <<https://www.spot.uz/ru/2019/12/22/abdurakhmanov/>>

⁶³ Gtn.uz (2019) *Aviareys iz Tashkenta do Issyk-kulya Zapuskayetsya 27 Iyunya*, viewed on November 20, 2019 <<https://gtn.uz/news/moi-gorod/aviareys-iz-tashkenta-do-issyk-kulya-zapuskayet-sya-27-iyunya>>

systematic regional platforms and knowledge exchanges for sustainable tourism development in the region.

Conclusions and Major Policy Recommendations based on Findings Collected in Kyrgyzstan

Successful aspects

1. Existence of successful cooperation between Kyrgyz and Uzbek tour operators
2. Increase of tourists flow in Uzbekistan affects positively on the number of tourists visiting Kyrgyzstan
3. Growth of competition among service providers in Kyrgyzstan
4. Diversification by country origin of tourist inflows
5. Increase of demand on adventure tourism among tourists from distant countries
6. Increase of interest in Kyrgyzstan as tourism destination after bloggers' notes
7. Tour operators in Osh city can provide tours to Antalya for Uzbek citizens directly. Due to flight cost difference the tours of the Kyrgyz companies are cheaper
8. Hot weather in Uzbekistan has a positive impact on attracting more tourists from there
9. Foreign tourists do not face issues crossing border of Uzbekistan and Kazakhstan

Barriers

1. High commission fee for bank transfers especially in dollars
2. Lack of public transport reaching popular tourists destinations
3. Danger of growth of low-cost tourism in KR
4. Border crossing issues for both Kyrgyz and Uzbek citizens still exist in all operating checkpoints in Kyrgyzstan, Uzbekistan, Kazakhstan
5. Payments in Kyrgyzstan can be done mostly in cash. Electronic payment options are available only in Bishkek
6. Seasonality in tourism has negative impact on service improvement. Service providers do not make big investments

Policy Recommendations

1. Introduce uniform classification of “tourist” for all state authorities in Kyrgyzstan
2. Develop and introduce uniform classification for all types of services in tourism sector
3. Cancel registration requirements for tourists in both countries or make the same number of days when the registration is required (after 15 days of arrival, for example).
Meanwhile, while the registration is still in place, all visitors should be informed about the registration upon arrival on the border or at the airport.
4. Recognize Kyrgyz license for provision of guide services on the territory of Uzbekistan
5. Adjust the list of free-visa entry countries in both countries
6. Equip border-crossing checkpoints with public toilets
7. Extending the public transport network to reach popular touristic destinations
8. Introduction of a small tax per visiting tourist (for example, \$10 from every tourist coming from developed country into Kyrgyzstan, so called “entry tax” for further country’s tourism sector development). This could be further used to invest in infrastructure in the sector.
9. Marketing of other destinations (e.g. Sary-Chelek lakes etc.)
10. Support winter tourism
11. Separation of tourism sector from social cluster of the Authorized Representative Apparatus in regions
12. Develop and introduce programs and plans on cleansing and preventive measures from pollution of touristic places
13. Creation of plan on measures when rescue efforts are used (e.g. helicopters)
14. Introduce the unified standard of the quality of all tourism services (accommodation, tourist companies etc.) and regular monitoring of the work of service providers.
Licensing tourist companies for easier monitoring of the quality of their work.
Liberalization of the tourism sector affects negatively on the quality of tourism services.
Encouragement of higher competition between service providers is needed
15. Attraction of more Uzbek tourists from Namangan, Andijan, Fergana to the South of Kyrgyzstan through opening of all border points in Jalal-Abad oblast; lowering the prices for accommodation in Jalal-Abad. Overall population of these three Uzbek regions is more 11 million people which means a great potential for attracting much bigger number of tourists
16. Creation of separate corridors for tourists and traders in checkpoints in the South of Kyrgyzstan

Major Policy Recommendations based on Findings Collected in Uzbekistan⁶⁴

- **Improving border crossing experience** by enhancing services and upgrading border crossing posts between Uzbekistan and Kyrgyzstan to fit to the actual tourist flow. In particular, the following upgrades are the most urgent for *highway/pedestrian posts*: (i)

⁶⁴ A separate report with detailed overview of findings is available upon request

construction of facilities for tourists (toilets, emergency points), (ii) opening non-operational border crossing posts in Ferghana Valley, as well as enclave posts for citizens of all countries, (iii) adding or enhancing tourist corridors at the posts, (iv) improving services and reducing time of control by adding staff, volunteers and improving their foreign languages skills, (v) equipping the posts with important tourist information or establishing tourist information spots, (vi) removing border crossing fee for auto transport. *On-train border control* can be exercised while trains move, instead of having long frequent stoppages for this, with outage of on-train amenities. This will also solve train traffic problems at the border control points.

- ***Silk Road Visa implementation and extension*** to interested countries in the region, including the CAREC countries. This will help to attract larger shares of tourists from all over the world to the region. It will also positively contribute to positioning the destinations under the single regional tourism brand.
- ***Transport connectivity between Uzbekistan and Kyrgyzstan and connectivity to touristic sites requires major improvements.*** This includes, but is not limited to connecting regional cities within the countries and across the countries, facilitating the market development by allowing new players in the sector, including low-costers, bullet trains, and foreign transport companies; improving connectivity to touristic sites across the region.
- ***Enhancing joint marketing, facilitating combined tours and unified booking system for Uzbekistan and Kyrgyzstan and other Central Asian countries.*** This is important to raise awareness globally and increase the share of tourists from distant countries in the region. A unified booking system (available in local and widely used foreign languages) would facilitate tourist flows both from the neighboring regions and from distant countries. It will also help to link all tourism service providers in the region into one synchronized up-to-date database, serving as a one-stop-shop for tourism in the region, which is especially important in high seasons. Such platform would be also convenient for local travelers who often do not use international systems, due to language barriers and lack of trust. Major types of tourism in Uzbekistan and Kyrgyzstan – cultural/historical/gastronomic and ecotourism/adventurous tourism and Issyk-Kul lake leisure, being complementary to each other, could be marketed through joint tours, thus diversifying experience of tourists the region. Another proposed area for combined tours is event tourism.
- ***Canceling registration*** requirements for foreign citizens in Uzbekistan and Kyrgyzstan for the period of visa-free stay or other allowed extended periods; turning the registration procedure for the remaining non-visa free countries' citizens into a paperless digital experience.
- ***Increasing hospitality services standards and facilitating knowledge exchange.*** This includes specialization in tourist services, staff training and development at various levels and institutions that deliver tourism experience, including travel agencies, hotels, entertainment complexes, restaurants, security services, and other. It is also recommended to exercise knowledge exchanges among tourism specialists and students across the Central Asia, CAREC, Silk Road countries and CIS.

- ***Facilitating systematic cooperation platforms and knowledge exchanges among multiple stakeholders (government, private sector, other)*** between Uzbekistan and Kyrgyzstan, and wider regional players (Central Asia, CAREC, Silk Road countries, CIS). Such platforms should mainstream cross-sectoral regional topics, such as security, connectivity, border and visa regulations, environmental protection, cross-border trade and other issues, into tourism agenda. Participation of Kazakhstan and other regional stakeholders is important, especially given that many current touristic routes between Uzbekistan and Kyrgyzstan pass through their territories, as well as in the light of regional tourism promotion.
- ***Participatory policy making in tourism.*** Governments should coordinate with / involve in decision-making the private sector and business associations, who stay abreast of latest trends and developments, and have a direct regular contact with tourists. This is of utmost importance in tourism as a highly labor-intensive industry, where quality of service depends on human factor a lot. This will also positively contribute to evidence-based policy-making in environments with lack of data.
- ***Improving public access and on-demand access to quantitative and qualitative data in travel and tourism sectors.*** This is important for a variety of reasons, including, but not limited to (i) facilitation of research and development in the sector, (ii) ensuring evidence-based policy-making, (iii) increasing investment attractiveness of the sector in the country, (iv) enhancing public trust to the sector institutions, as well as (v) improving the quality standards in tourism products and services.
- ***Marketing (i) medical / wellness and pilgrimage tours around Uzbekistan to Kyrgyz tourists (ii) shopping tours and short-term low-price arranged and/or group tours to Osh and neighboring regions in Kyrgyzstan to Uzbek tourists.*** These growing niches represent an opportunity to boost tourism between two countries in the short-term. The research also identified ***detailed recommendations for each country*** to develop their internal tourism policies and practices for the cross-border tourism, including facilitation of competition growth among tourism products and service providers.

Annexes

Annex 1. Research Methodology and Approach

Research Goals and Objectives

The research analyzes cooperation between the tourism sector of Uzbekistan and Kyrgyzstan to deliver joint cross-border touristic experiences for the following segments:

- i) “Bilateral” tourists: Uzbek citizens visiting Kyrgyzstan and Kyrgyz citizens visiting Uzbekistan;
- ii) International tourists: tourists visiting Uzbekistan and/or Kyrgyzstan from other countries (they included CAREC, CIS, CA countries and other).

Research Question

How can building enhanced regional value chains deliver a better cross-border tourism experience between Uzbekistan and Kyrgyzstan?

- e. In what ways do the current cross-border value chains operate in the tourism sector of Uzbekistan and Kyrgyzstan?
- f. What are the current success aspects contributing to effective cross-border value chains in tourism?
- g. What are the main barriers in cross-border tourism value chains for delivering a better tourism experience?
- h. What policies and practices are needed to boost tourism value chains across borders, and what benefits might stakeholders expect from resulting strengthened policy and practice?

The research design method is a *case study*. Data collection methods are secondary data analysis and *key informant interviews*⁶⁵ with key stakeholders. Key informants are able to share information about a variety of in-depth experiences in an organization⁶⁶. The research team determined interviewees through stakeholder mapping⁶⁷ based on a desk review. Given that tourism sector is dominated by small and medium enterprises (SMEs)⁶⁸, the research focused on these types of businesses. The research team applied purposeful sampling method to identify the interviewees.

To facilitate *access* to the interviewees, the researchers’ team use their professional networks as well . For the survey of tourists, the researchers’ team inquired tour operators/agencies to provide access to tourists.

Research Stages. The first stage was a desk review and analysis of available data in the tourism sector of both countries. The next stage was data collection based on methods described above. The final stage was analysis of gathered information, preparation of the report and recommendations.

Research Beneficiaries / Stakeholders for Interviews

⁶⁵ For the interview, a semi-structured interview form in English and local languages was developed

⁶⁶ Bryman, A. and Bell, E., (2007). *Business Research Methods* 3rd ed.; Oxford University Press, New York

⁶⁷ Mapping implies a matrix classification of stakeholders according to their level of interest and influence on the sector.

⁶⁸ Page, S., (2015). *Tourism Management*: Florence Production Ltd, UK

There is a complex network of stakeholders in Uzbekistan and Kyrgyzstan operating at different levels, including public and private entities, and those who function as intermediaries versus direct service providers. These include:

v) State and local authorities.

vi) Businesses:

- Service providers: accommodation, transport, restaurants, attraction operators, guides, event-companies;
- Intermediaries in the tourism sector: tour operators and tour agents;
- Tourism-focused associations.

vii) Tourists:

- “Bilateral” tourists between Uzbekistan and Kyrgyzstan;
- International tourists visiting Uzbekistan and/or Kyrgyzstan.

viii) International organizations

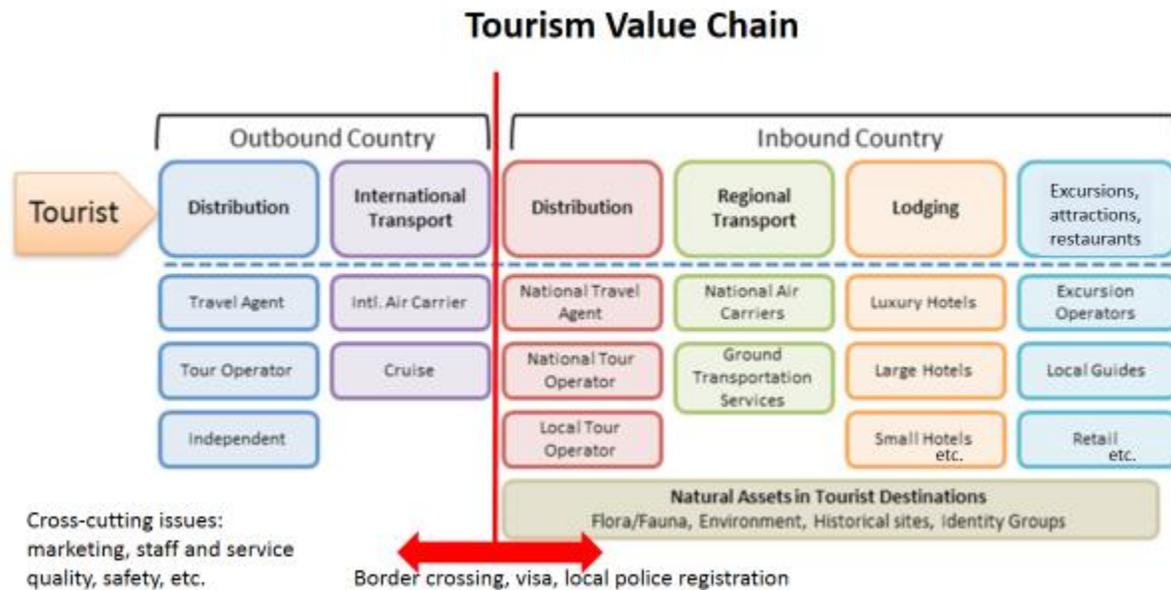
Annex 2. List of foreign states whose citizens are subject to the simplified visa regime in the Kyrgyz Republic

1. Australian Union
2. Republic of Austria
3. Kingdom of Belgium
4. Bosnia and Herzegovina
5. Vatican
6. United Kingdom of Great Britain and Northern Ireland
7. Hungary
8. Federal Republic of Germany
9. Kingdom of the Netherlands
10. The Greek Republic
11. Kingdom of Denmark
12. Iceland
13. Ireland
14. Kingdom of Spain
15. Italian Republic
16. Canada
17. Republic of Korea
18. State of Kuwait
19. Republic of Latvia
20. Republic of Lithuania
21. Principality of Liechtenstein
22. Grand Duchy of Luxembourg
23. Republic of Malta
24. Principality of Monaco
25. New Zealand
26. Kingdom of Norway
27. United Arab Emirates
28. Republic of Poland
29. Portuguese Republic
30. Kingdom of Saudi Arabia
31. Republic of Singapore
32. Slovak Republic
33. Republic of Slovenia
34. United States of America
35. Republic of Finland
36. French Republic
37. Republic of Croatia
38. Czech Republic
39. Swiss Confederation
40. Kingdom of Sweden
41. Republic of Estonia
42. State of Qatar
43. State of Brunei Darussalam
44. Kingdom of Bahrain
45. Japan
46. Montenegro
47. Principality of Andorra
48. Argentine Republic
49. Federative Republic of Brazil
50. Republic of San Marino
51. Republic of Chile
52. Sultanate of Oman

Annex 3. Theoretical framework for analysis of results

The cross-border tourism value chain model covers various tourism sub-sectors that form overall touristic experience in an *outbound country* (or a country of origin of a tourist) and an *inbound country* (or a travel destination country): (i) *tour-operators and tour agents*, (ii) *international and local transport providers*, (iii) *border crossing and visa issues*, (iv) *accommodation*, (v) *entertainment, attraction, guides, restaurants and other touristic activities providers in a destination country*.

Figure 2. Tourism Value Chain Model



Additionally, the value chain model is also consistent and complemented with *destination success factors* identified by the ADB and the CAREC (ADB 2019). According to it, the following factors form any successful destination:

- (i) *Appeal*: impact of marketing activities, perception of a destination brand by tourists,
- (ii) *Accessibility*: transport infrastructure, travel costs, visa and border crossing issues,
- (iii) *Tourism products*: touristic activities, entertainment, assets to be attended by tourists,
- (iv) *Standards and services*: service quality at touristic facilities, knowledge of foreign language,
- (v) *Personal safety*: availability and quality of police, medical facilities, terroristic and criminal threats and other personal security issues.

Thus, this research also considered cross-cutting issues across the whole value chain, such as *marketing efforts, quality of staff and services, and safety issues*.

Annex 4. Summary of Current Travelling Trends and Patterns between Uzbekistan and Kyrgyzstan

Travelling of Uzbek tourists to Kyrgyzstan:

- Uzbek tourists tend to travel mostly to Issyk-Kul in summer months, buying either i) higher priced tours by air plane and at the higher-class locations in Issyk-Kul area, or ii) economy options by buses, staying at low-price accommodation or renting private apartments. This destination was visited by Uzbeks since Soviet era. In 2019, newly launches direct charter flights Tashkent-Tamchy increased the number of visitors substantially and “shaked-up the market”. There is a low demand for mid-range offers.
- The southern region of Kyrgyzstan - Osh and Djalal-Abad - is also attractive for Uzbek travelers (shuttle traders, particularly), mostly from Ferghana Valley (Andijan, Namangan, Fergana regions) for shopping at Karasuu market (especially after eliminating customs barriers), to visit friends and relatives and/or to visit religious monuments in Chatkal, Ala-Buka, Aksy.
- Typical purchasing behavior is prearranging tours, often via tour operators / agents, to minimize uncertainty.
- Kyrgyzstan and Issyk-Kul in particular, are becoming more attractive for Uzbek tourists as the cost of going to Issyk-Kul is cheaper than the national mountainous region (Charvak). Moreover, the weather and overall conditions are more pleasant at Issyk-Kul.
- Duration of stay is often tailored to the threshold of permitted non-registered stay – 5 days.
- As stated by an interviewed tourism specialist, although a lot of Uzbek tourists have started to travel to Issyk-Kul and Kyrgyzstan, they do not go there for the mountains, as the mountains in Uzbekistan are more attractive for mountain climbers.
- A narrow niche of tourists interested in winter sports (and price-conscious niche among them) visits Kyrgyz skiing resorts. Kyrgyz resorts are also perceived as less pricy than Kazakh skiing resorts, but with more deteriorated infrastructure.

Travelling of Kyrgyz tourists to Uzbekistan:

- Tend to visit Tashkent and major landmarks like Samarkand and Bukhara cities.
- Fergana Valley in Uzbekistan rich in sanatoriums, mineral waters and medical services already attracts tourists from the region, including Kyrgyz tourists. Growing volumes of travelers also come to Ferghana Valley for medical and wellness purposes to stay at sanatoriums, medical centers, and/or to visit friends and relatives.
- Tend to stay at budget accommodation (small hotels, guest houses).
- Tend to travel private vehicles as a transport mean.
- Tend to travel without pre-arrangements, doing self-booking and/or referring to on-site recommendations by friends and relatives.
- Duration of stay is often tailored to the threshold of permitted non-registered stay – 3 days.
- In response to a growing demand, in 2018 some Kyrgyz tour operators launched travel on credit service “*Puteshestviye v Kredit*” (Travel on Credit), that allows Kyrgyz residents taking a bank loan to pay to a travel company and take a tour to Uzbekistan (Source:

Azattyk Radio *Uzbekistan Privlekayet Vse Bol'she Turistov iz Kyrgyzstana*, viewed on November 20, 2019.⁶⁹

⁶⁹ <https://rus.azattyk.org/a/tourists_from_kyrgyzstan_to_uzbekistan_increase/29229166.html>

Annex 5. Other border crossing posts between Uzbekistan and Kyrgyzstan that are not widely used, non-operational, or open for citizens of Uzbekistan and Kyrgyzstan only

	<i>Uzbekistan</i>		<i>Kyrgyzstan</i>		
	Border crossing point name	Location	Border crossing point name	Location	Remarks
	<i>Uchkurgan – not operational currently</i>	Namangan region, Uchkurgan district	Kensay	Djalal-Abad region, Nooken district	Non-operational currently highway, transnational, daylight
	<i>Rishton</i>	Ferghana region, Rishton district		Kadjamay district	Daylight Reopened on September 25, 2017
	<i>Hanobad</i>	Andijan region	Bekabad	Djalal-Abad region	Highway Transnational, 24 hours
	<i>Uzbekistan</i>	Ferghana region	Kizyl-Kiya	Zorken region	Highway Bilateral (Uzbek and Kyrgyz citizens only)
	<i>Mingtepa</i>	Andijan region	Kara-Bagish	Osh region	Highway Daylight Bilateral (Uzbek and Kyrgyz citizens only)
	<i>Pushmon</i>	Andijan region	Seydikum	Djalalabad region	Highway Simplified Daylight
	<i>Keskaner</i>	Andijan region	Indimak	Osh region	Highway Daylight Bilateral (Uzbek and Kyrgyz citizens only)
	<i>Karakurgan</i>	Namangan region	Sumsar	Djalalabad region	Simplified Highway Daylight
	<i>Other border crossing posts in enclaves (e.g. Uzbek enclaves in Kyrgyzstan - Shakhimardan, Sokh, Chon-Kara/Qalacha, Jani-Ayil/Jhangail, and Kyrgyz enclave in Uzbekistan - Barak).</i>				

Annex 6. List of transport routes between Uzbekistan and Kyrgyzstan

Airway transport

- Regular flight Tashkent – Bishkek – Tashkent operated by Uzbekistan Airways 3 times a week.
- Regular flight Tashkent – Bishkek – Tashkent by Kyrgyzstan Airways once a week
- Seasonal charter flight Tashkent-Tamchy-Tashkent once a week during June – September season. It was launched in 2019 by INSPIRO Travel (Kyrgyzstan), Asia Lux Travel (Uzbekistan) and Uzbek Airways, with the support of the USAID (United States Agency for International Development). Price in 2019 - USD 260 for two-way ticket.

Under consideration to be launched soon:

- Osh – Tashkent- Osh
- Osh - Samarkand flight by Kyrgyz Airlines.

Railway Transport

- Regular route Tashkent – Bishkek – Balykchi – Bishkek – Tashkent renewed since 2019, approximate price in 2019 - 390 000 UZS / USD 41 economy class, 500 000 UZS / USD 52 compartment, travel duration 25 hours, by Uzbekistan Railways

Bus Routes

- Route Bishkek – Tashkent, renewed since February 2019, passes through Kazakhstan and 4 border crossing points (Chaldovar (Kazakhstan), Supatay batyr (Kyrgyzstan), Jibek Joly (Kazakhstan), Gish kuprik (Uzbekistan)), 601 km
- Route Tashkent – Bishkek – Cholpon-Ata for summer period, price per person in 2019 - USD 60, twice a week, new buses, green corridor facilitation at the border, stops for meals, duration 17 hours

Ad-hoc routes organized based on need

- Bishkek –Samarkand in summer season

Under consideration to be launched soon:

- Osh – Andijan, Osh – Ferghana, Osh - Samarkand
- Buses between smaller cities are being considered. This is included into Tourism Cooperation Agreement between the Ministry of Culture, Information and Tourism of Kyrgyz Republic and the State Committee of the Republic of Uzbekistan for Tourism Development dated 2017.

Annex 7. Countries Eligible for Visa-free Entry to Uzbekistan⁷⁰

A bilateral visa-free regime has been established with the following countries:

1. Kyrgyzstan (up to 60 days)
2. Tajikistan (up to 30 days)
3. Azerbaijan
4. Armenia
5. Belarus
6. Georgia
7. Kazakhstan
8. Moldova
9. Russia
10. Ukraine

A visa-free regime is introduced for 30 days period for citizens of the following countries

11. Andorra Principality
12. Australian Union
13. Austrian Republic
14. Argentine Republic
15. Bosnia and Herzegovina
16. Brunei Darussalam State
17. Canada
18. Czech Republic
19. Federative Republic of Brazil
20. Federal Republic of Germany
21. Finland Republic
22. French Republic
23. Grand Duchy of Luxembourg
24. Hungary
25. Greek Republic
26. Israel
27. Indonesia
28. Ireland
29. Iceland
30. Italian Republic
31. Liechtenstein
32. Montenegro
33. Principality of Monaco
34. the Kingdom of Belgium
35. the Kingdom of Denmark
36. the Kingdom of Spain
37. the Kingdom of the Netherlands

38. the Kingdom of Norway
39. the Kingdom of Sweden
40. the Republic of Latvia
41. the Republic of Lithuania
42. Malaysia
43. Mongolia
44. New Zealand
45. Portugal Republic
46. Republic of Bulgaria
47. Republic of Cyprus
48. Republic of Korea
49. Republic of Malta
50. Republic of Poland
51. Republic of San Marino
52. Republic of Serbia
53. Singapore
54. Republic of Slovenia
55. Republic of Croatia
56. Republic of Chile
57. Romania
58. Slovak Republic
59. Republic of Turkey
60. Swiss Confederation
61. Republic of Estonia
62. Japan
63. UAE
64. United Kingdom of Great Britain
65. Northern Ireland
66. Vatican

A visa-free regime is established with:

67. Turkmenistan (up to 30 days)
68. India, (up to 60 days)
69. Vietnam (up to 60 days)
70. Brazil, (up to 90 days)
71. Slovakia, (up to 90 days)
72. Kuwait (up to 90 days)

Starting from **January 1, 2020**, Uzbekistan will expand the list of nationalities eligible for visa exemption for 30 days with the following countries:

⁷⁰ Adapted from: the Ministry of Foreign Affairs (MFA) of the Republic of Uzbekistan 2019 *Visa of the Republic of Uzbekistan*, viewed on March 30, 2019, <<https://mfa.uz/en/consular/visa/>>

73. Antigua and Barbuda
 74. Bahamas
 75. Barbados
 76. Belize
 77. Costa Rica
 78. Cuba
 79. Dominica
 80. Dominican Republic
 81. El Salvador
 82. Grenada
 83. Guatemala
 84. Honduras
 85. Hong Kong ** (for up to 7 days, for residents arriving via international airport and with onward air tickets)
 86. China ** (for up to 7 days, for residents arriving via international airport and with onward air tickets)
 87. Jamaica
 88. Mexico
 89. Nicaragua
 90. Panama
 91. Saint Kitts and Nevis
 92. Saint Lucia
 93. Saint Vincent and the Grenadines
 94. Trinidad and Tobago
- E-visa for 77 countries
 - Visa-free transit entry with a stay up to 5 days for 55 countries