

Versatile Hospitality Industry around the Globe A Case Study on Development and challenges in Hospitality Industry - Kazakhstan

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Abstract: *The Kazakh Government, long characterized as authoritarian with a history of human rights abuses and suppression of political opposition, has started an initiative named the "Tourism Industry Development Plan 2020". This initiative aims to establish five tourism clusters in Kazakhstan: Astana city, Almaty city, East Kazakhstan, South Kazakhstan, and West Kazakhstan Oblasts. It also seeks investment of \$4 billion and the creation of 300,000 new jobs in the tourism industry by 2020. In May, 1999 the Kazakhstan Tourism Association (President - Roza Asanbayeva) was founded with the approval of the President of Kazakhstan Nursultan Nazarbayev. KTA is a non-commercial, non-governmental organization including following members: the Kazakhstan Association of Hotels and Restaurants (Honour President - Kuat Tanyrbayev), Amadeus computerized reservation systems, tour operators, insurance companies, airlines, universities and the media. The association's main objective is to protect the interests of over 400 members, by lobbying the government and promoting tourism within the national economy. The 2006 comedy film Borat, which portrayed Kazakhstan as a comically backwards, racist and antisemitic country, resulted in an increase in tourism. The government banned the film and took out advertisements to defend the nation's honor. By contrast, upon the release of the sequel, Borat Subsequent Moviefilm, in 2020, the national tourism agency Kazakh Tourism adopted the film's catchphrase as its slogan – Kazakhstan. Very Nice! – and produced a number of videos featuring it.*

Keywords: The government banned the film and took out advertisements to defend the nation's honor, objective is to protect the interests of over 400 members, the government and promoting tourism within the national economy..

I. INTRODUCTION

Kazakhstan is the ninth-largest country by area and the largest landlocked country. Tourism is not a major component of the economy. As of 2014, tourism has accounted for 0.3% of Kazakhstan GDP, but the government had plans to increase it to 3% by 2020.

According to the World Economic Forum's Travel and Tourism Competitiveness Report 2017, travel and tourism industry GDP in Kazakhstan is \$3.08 billion or 1.6 percent of total GDP. The WEF ranks Kazakhstan 81st in its 2017 report, which is four positions higher compared to the previous period. Kazakhstan received 6.5 million tourists in 2016.

In 2012, Kazakhstan ranked 51st in the world in terms of number of tourist arrivals. In 2000 total 1.47 million international tourists visited Kazakhstan, which was increased to 4.81 million in 2012. The Guardian describes tourism in Kazakhstan as, "hugely underdeveloped," despite the attractions of the country's dramatic mountain, lake and desert landscapes. Factors hampering an increase in tourist visits are said to include "shabby infrastructure," "poor service" and the logistical difficulties of travel in a geographically enormous, underdeveloped country. Even for locals, going for holiday abroad may cost only half the price of taking a holiday in Kazakhstan. High-end tourists like Britain's Prince Harry have visited for the skiing.

1.1 Cuisine & Culture

[1] Traditional Kazakh cuisine is the traditional food of the Kazakh peoples. It is focused on mutton and horse meat, as well as various milk products. For hundreds of years, Kazakhs were herders who raised fat-tailed sheep, Bactrian camels, and horses, relying on these animals for transportation, clothing, and food. The cooking techniques and major ingredients have been strongly influenced by the nation's nomadic way of life. For example, most cooking techniques are aimed at long-term preservation of food. There is a large practice of salting and drying meat so that it will last, and there is a preference for sour milk, as it is easier to save in a nomadic lifestyle.

Meat in various forms has always been the primary ingredient of Kazakh cuisine, and traditional Kazakh cooking is based on boiling. Horse and mutton are the most popular forms of meat and are most often served in large uncut pieces which have been boiled. Kazakhs cared especially for horses which they intended to slaughter—keeping them separate from other animals and feeding them so much that they often became so fat they had difficulty moving.

1.2 Beverages

The traditional drinks are fermented mare's milk (qymyz) camel's milk (shubat), cow's milk (Ayran), and sheep's milk, as well as their products qaymaq (sour cream), qatyq or ayran (buttermilk), qurt (which is made from dried cheese and whey rolled into balls), and irimshik (dried sour milk product similar to qurt, but not rolled into balls). These drinks were traditionally consumed with the main course. However, meals often end with qymyz and then tea. In the summer, shubat is one of the staple drinks of the Adai Kazakhs. Black tea was introduced from China after the foundation of the Silk Way and was traditionally consumed with sweets after the main course. Nowadays it has virtually replaced other traditional drinks and every meal is accompanied with tea. The tea ceremony, taking its roots from the nomads many centuries ago, is a special dastarqan (дәстарқан) ritual in Kazakhstan. Kazakh tea is typically strong black tea with milk or cream. Consumption of tea in Kazakhstan is one of the highest in the world - 1.2 kilograms a year per person. In comparison, tea consumption in India is 650 grams per person



1.2 Trends & Skill In Hospitality Sector

In 2017, tourism in Kazakhstan contributed 1.4% of GVA. The industry is made up of 118 800 registered businesses employing 463 700 people across the country, and accounting for 5.3% of total employment in 2018. The number of

people employed in the tourism industry has been increasing steadily over the last decade. Inbound tourism contributed 4.4% of total export income, representing 36% of all service exports. At the end of 2017, consumer spending on inbound tourism amounted to KZT 768.8 billion, and KZT 1424.3 billion for domestic tourism.

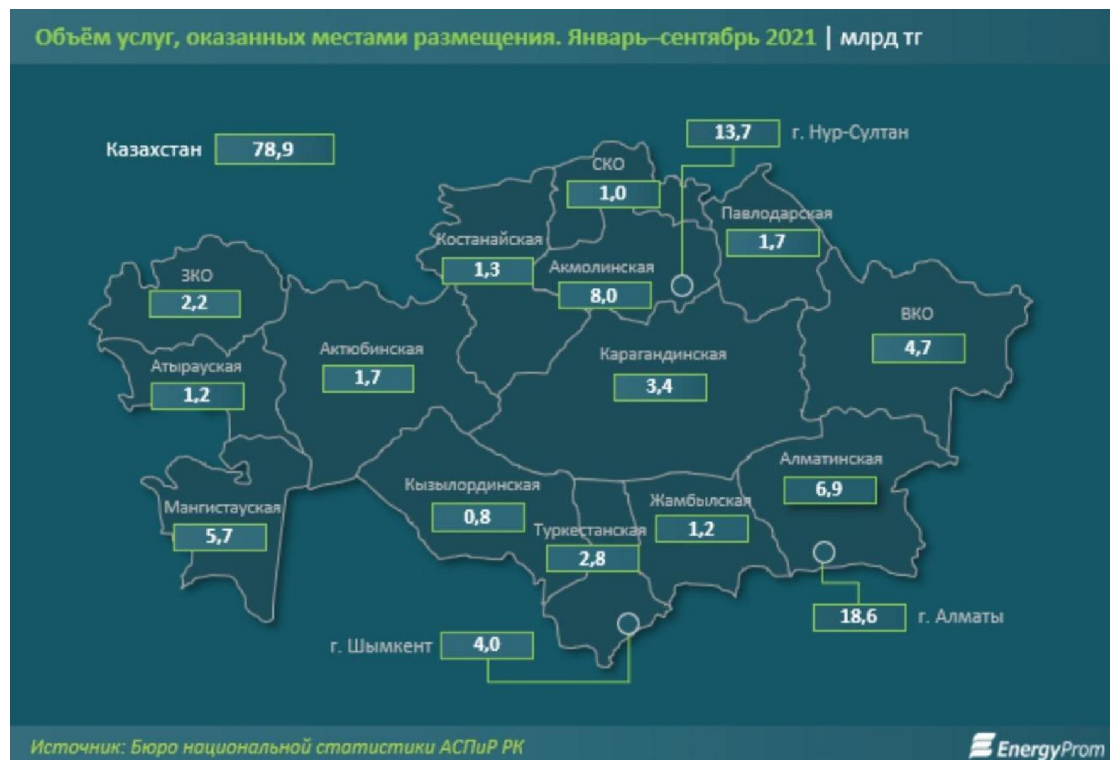
The number of inbound arrivals in 2018 reached 8.8 million, an increase of 14.1% from 2017, and 28.5% over five years. The main source of visitors is traditionally the ex-soviet countries, accounting for 91.7% of arrivals and 70.6% of spending. Visitors from other countries made up 8.3% of the total visitors but 29.4% of the spending. Domestic tourism is also on the rise, with 4.7 million trips in 2018, up 7.0% over 2017. Overnight trips accounted for 94.0% of domestic arrivals in 2018.

Tourism governance and funding

[2] The Committee of the Tourism Industry is part of the Ministry of Culture and Sport. The main task of the Committee is making and implementing tourism policy. The Committee is supported by *Kazakh Tourism JSC*, the national tourist organisation responsible for the international promotion of tourism in Kazakhstan. Kazakh Tourism JCS is also responsible for identifying and conducting negotiations with potential investors in order to attract them to participate in investment projects, co-operating with international and foreign organisations and promoting the country's tourism brand and products in international and domestic markets. Additional responsibilities include skills enhancement of specialists in tourism activities, and participation in the management of priority tourist areas.

At a local level, executive bodies have a range of powers in relation to tourism, which include development planning, co-ordination, market research, business support, tourism information and licencing. Regional authorities and larger cities provide similar services but also have a more strategic role, including master planning and co-ordinating development of financing and protecting regional resources.

The total budget for tourism in 2017 was KZT 4.6 billion, rising to KZT 6.5 billion in 2018. The increased funding is intended to improve the infrastructure of tourist destinations, investment attractiveness, and holding international and domestic events to attract tourists.



1.3 Modernisation & Modification Of Hospitality Standard

The Republic of Kazakhstan has the huge climatic potential for the development of tourism and hospitality. Many regions of RK consider tourism as the perspective direction of economic activity capable to stimulate other spheres and

to provide sustainable regional development. Tourism became the favorable and highly profitable industry comparable by efficiency of investment in oil and gas and processing industry and also automotive industry.

Today, the hospitality industry is a powerful system of economy of the region or tourist center and an important component of the tourism economy. The hospitality industry consists of various means of collective and individual accommodation: hotels, motels, hostels, apartments, as well as the private sector involved in the accommodation of tourists.

Hospitality industry is a business aimed at providing visitors with housing, food, as well as the organization of their leisure.

Tourist services, including hotel services, are classified as social and cultural services. They are based on the principles of modern hospitality, which increases their role in the development of domestic tourism, as well as poses certain tasks in the training system for tourist services.

Hospitality is one of the concepts of civilization, which thanks to progress and time has become a powerful industry in which millions of professionals work, creating the best for consumers (tourists). The hospitality industry includes various spheres of activity of people-tourism, recreation, entertainment, hotel and restaurant business, catering, excursion activities, organization of exhibitions and various scientific conferences.

Despite the period of economic growth in the country and the increase in income, the development of tourism in Kazakhstan can not be considered successful. But there is a global experience of successful development of the hospitality and tourism industry, and there are countries that have achieved high results.

The study of the world experience and application, taking into account the specifics in Kazakhstan, is important for the successful development of the domestic hospitality and tourism industry.

II. SUMMARY

Development & Challenges In Hospitality Sector

According to the World Tourist Organisation (Kazakhstan became a full member of the WTO in 1993), the tourism industry is among the five top 'exports' of 85% of countries. At the same time, 38% of countries regard tourism as a major source of foreign exchange. In fact, the revenue gained from one foreign tourist is equal to the export of nine tonnes of coal, 15 tonnes of oil, or two tonnes of high-grade wheat. The amount of money spent by one tourist (over \$1,000) is enough to create five to nine jobs.

All this indicates that tourism can and must become a quite profitable sector of Kazakhstan's economy. All the more so as our country shows promising potential for the development of tourism. Astonishing landscapes, untouched mountains, rushing rivers and steep rocks, unique species of fauna and vast variety of birds; all these are the riches of Kazakhstan.

There are around 27,000 ancient sites lying along the Great Silk Road. These are the Mausoleum and Mosque of Khodja Akhmed Yassawi in Turkestan, the unique Golden Man, which was discovered in the Saka burial mound near the city of Yesik, the funeral chamber of the Besshatyr burial, and many other archaeological discoveries. Kazakhstan surely excites the keenest interest of the prospective tourist who wants to visit the countries of Central Asia along the Great Silk Road.

Nevertheless, travelling via the Great Silk Road is a costly and rather difficult undertaking. This is largely due to the extended red tape obstructing every foreign tourist's efforts to cross the frontiers of the countries of Central Asia. That is why it is necessary to initiate a revival of intergovernmental agreements among the CIS countries on the mutual recognition of visas.

Another problem that requires closer consideration is the registration of foreign tourists in Kazakhstan. Let's take the average tourist. He wants to get to know the local traditions, and enjoy the culture and nature during his voyage. However, he encounters numerous barriers: his journey in Kazakhstan begins with registration at OVIR (the visa and registration department), which implies standing in endless queues to temporarily exchange his passport for a dubious document that is not always recognized even by local policemen. It is clear that, after these procedures, he would want to return home.

[3] Unfortunately, the registration of foreign passports in hotels, which we achieved in 1999, was cancelled in early 2002. The Interior Ministry abolished the Almaty Centre for Information Systems.

Why should we advertise Kazakhstan's tourist potential on the world market if there are so many artificial barriers to tourism? The only thing we can do is to offer a tour of this country of barriers, one which includes visiting the law enforcement bodies.

The other side of this problem is the barriers that face our fellow citizens abroad. During working meetings with the consuls of embassies of various countries, such as Turkey, Korea, Spain, Greece, Germany, Egypt, Malaysia, etc., we have not even had the chance to discuss the problems our tourists face. We are exposed to such a severe squall of criticism due to the current procedure for registering foreign citizens in Kazakhstan.

Having such rich tourist potential, we are faced with the problem of developing it efficiently. It is a vital necessity that the state structures and NGOs make joint efforts to resolve the current problems facing Kazakhstan's tourist industry.

The terrorist attacks on the USA brought a negative influence to bear on the tourist business throughout the globe. People now fear travelling. Kazakhstan was also affected by these trends: a number of hotels and tourist companies suffered devastating losses.

After the tragic events of 11th September, a number of countries sent us letters encouraging us to attract tourists jointly, given the need to adapt to the current political situation and its unpredictable aftermath.

Only a continuous and well-planned policy aimed at increasing domestic tourism will contribute to making tourism a really profitable industry. We must adapt to the new economic conditions. Taking into account the current situation, probably the CIS and Baltic countries are the most promising areas for the development of various types of tourism, such as nostalgic, business, etc.

Perceiving the wishes of a tourist and responding to his challenge is an important condition for the successful development of the tourist industry. Today, only those who have understood the necessity to unite, who have extended their horizons and discovered new opportunities in due time, are occupying the prime positions.

Currently, there are around 600 tourist companies represented in Kazakhstan, half of them with offices in Almaty. They face a mountain of unsettled issues and problems. Expensive rates for advertising services, impossibility to get in touch with government bodies and consular services, insufficient information about the recent events, and a lack of professionals: all this reminds our entrepreneurs about the instability of the tourist business. Creating the Kazakhstan Association of Hotels and Restaurants (KAHR) in 1998 and the Kazakhstan Tourist Association in 1999 made it possible to focus joint efforts on resolving these problems.

Sustainable Tourism



III. CONCLUSION

In Kazakhstan, as well as in the CIS countries as a whole, the term “sustainable tourism” is not appreciated and is almost unknown to most. It is not even used at the government level and would not seem to have a place in other sectors of tourism development. The concept of sustainability was first proposed in the report of the World Commission on Environment and Development in 1987, in which it was noted that economic growth and environmental conservation should be carried out in unity. This development satisfies the needs of the present without compromising the ability of future generations to meet their own needs.

Sustainable tourism implies a much greater social responsibility, fulfillment of obligations in relation to nature, as well as the involvement of local people in all processes related to the management of tourism activities. World Tourism Organization, the World Council of Travel and Tourism gave the definition of sustainable tourism. Sustainable tourism development satisfies the needs of present tourists and host regions while protecting and enhancing opportunities for the future. Management of all resources must be exercised so that they meet the economic, social and aesthetic needs, but also protect the cultural integrity, essential ecological processes, and biological diversity and life support systems.

The concept of sustainable tourism is not widely accepted in the CIS countries, mainly because most of these countries are not familiar with the concept, with the result that it is weakly correlated with the management of the raw material economy.

Nevertheless, Kazakhstan in 2012 took over the fashionable concept of “green economy”, similar to the ideas of sustainable development. However, this concept as appears to be an independent branch of the economy. It is at least, but is not dominated by, the idea of maximum conservation for future generations and by minimizing damage to nature. Green economy, rather, is based on technological projects of alternative energy and energy efficiency of the economy. It does not focus on environmental pollution in some sectors (e.g. oil), but it is actively developing environmentally friendly technologies in other sectors (energy, water, etc.)

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