

# IPD Demand Study

## **Current cooperation, challenges, perspectives – How European tour operators see the tourism sector in Uzbekistan.**

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*The Import Promotion Desk (IPD) supports European tour operators in their search for exceptional touristic products in Uzbekistan and provides contacts to carefully screened, sustainable tourism companies. Special emphasis is placed on the demand side in order to promote beneficial and long-term cooperation. Get in contact with our Sustainable Tourism Specialists for an overview about the great possibilities of Uzbekistan for your touristic product development.*

### **Introduction**

In July 2021, Uzbekistan became the fourth partner country of the Import Promotion Desk in the sector of Sustainable Tourism. Simultaneous to the sourcing of potential tourism partner companies, the IPD Demand Study ensures that the point of view and current challenges of European tour operators in Uzbekistan are taken into account. Hence, the IPD involves the demand side right at the beginning of the cooperation and considers their ideas and needs for future capacity buildings and trainings of Uzbek tourism companies, which want to sell their products to the European market.

To meet the needs and expectations of a new touristic source market, it is essential to see the own destination through the eyes of an international business partner and their clients. This survey is one out of many measures of the IPD to provide this external view on the destination and its touristic products to the partner companies in Uzbekistan and will help them to set up suitable products in the future. The survey statements show where there is room for improvement and hidden potential in the destination from an European point of view. At the same time, it gives an overview about the current status of the touristic cooperation with European tour operators. The IPD Demand Study was designed to get answers to the following main questions:

*What are the reasons preventing some tour operators from selling Uzbekistan?*

*What kind of touristic products are sold to European tour operators?*

*What are the challenges in the cooperation and where is room for improvement from an European tour operator's point of view?*

The answers to the third question in particular will be taken into account for the future work of the IPD in the sector of Sustainable Tourism in Uzbekistan.

## Methodology

The IPD Demand Study was conducted online in English and German language. The Link for the survey was sent out to about 150 relevant European tourism companies from the IPD network. 23 different European tourism companies completed the survey, whereas 19 of them were German speaking, 4 answered the questions in English.

74% of the participants are already selling Uzbekistan, 26% do not yet. Participants were asked to not take the Covid-19 pandemic into account for questions about the number of guests, type of tours or target groups.

## Demand Study Results

### Reasons preventing tour operators from selling Uzbekistan

One part of the questionnaire was built to identify the reasons preventing tour operators from selling Uzbekistan. All participants to whom this applied, stated that they are currently not active in Central Asia at all. Meanwhile, a majority of 67% said, that Uzbekistan might be an option for their product portfolio in the future, 16% stated that they are already working on tours in Uzbekistan, while 16% are not planning to sell Uzbekistan in the nearer future.

For their future tours in Uzbekistan, most of the participants see Nature as well as Culture and History as promising segments. The main target group are the Best Ager (50+ years) and group travel is seen slightly more interesting to start in Uzbekistan than individual tours.

The reasons that have so far hindered the survey participants to include Uzbekistan into their product portfolio are quite diverse (*Figure 1*). The issues that there is not enough information about the destination (29%) and that there are no suitable partners and products (14%) can be directly addressed by the IPD project. Measures can be a further promotion of the destination through visibility on international fairs and demand-driven sourcing of potential partner companies. A diversification of the touristic products, also with a focus on sustainability, can solve further hindering issues. The underlying challenges which were given by the participants: *“Limited understanding of the EU travel market”* and *“Products don't meet the expectation of EU tourists”*, are crucial to overcome for Uzbek tourism companies to be able to develop more suitable products for the European market.

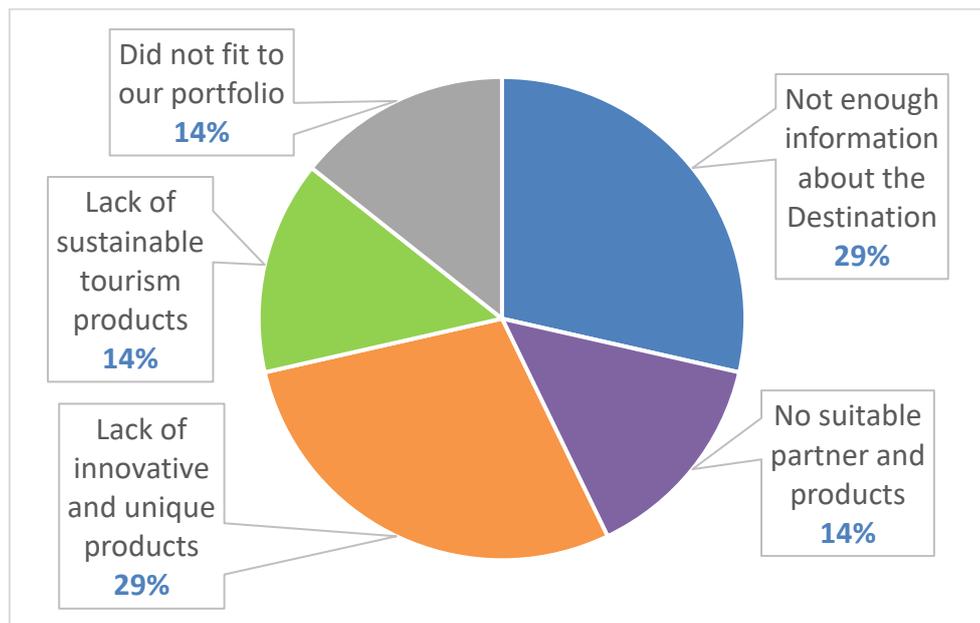


Figure 1: What reasons have so far hindered you to offer tours to Uzbekistan?

### Touristic products and cooperation structure

Most of the European tour operators, who completed the IPD Demand Study are selling Uzbekistan already (74%). The number of guests they are sending to Uzbekistan per year in average (Figure 2) indicates that these tour operators are often small and specialized ones or see Uzbekistan as a niche product in their portfolio at the moment. Especially as Figure 3 shows, that 50% are sending more groups to Uzbekistan than individual travellers. Depending on the size of the group, this reduces the number of tours per year significantly. On the other hand side, a few participants are operating on a larger scale with up to 1,000 travellers per year in Uzbekistan or even more. 37.5% see their main business in individual tours, while the remaining 12.5% indicated that the ratio is balanced. These numbers give an overview about the positioning of tour operators regarding the destination Uzbekistan.

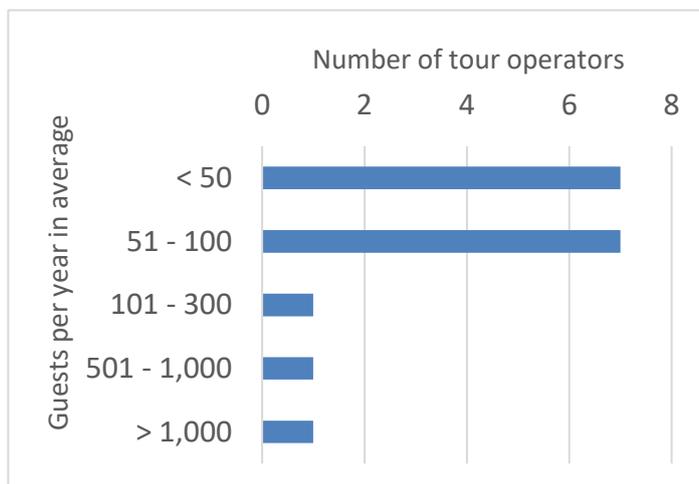
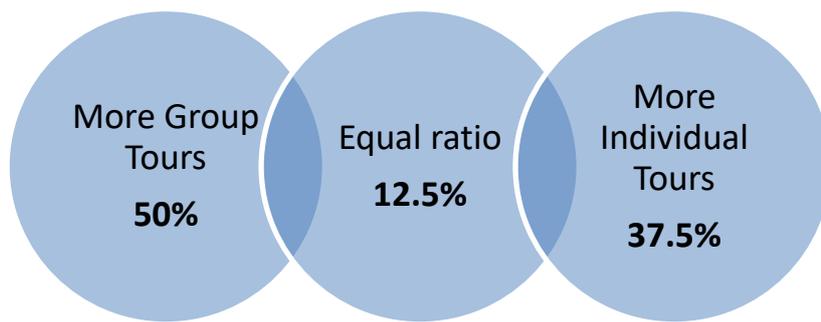


Figure 2: How many guests do you send to Uzbekistan per year in average?

Another important finding, to get an idea about the touristic products for European tourists, is the combination of the main target group and the main purpose for tourists to travel to Uzbekistan. The results of these two questions are combined in Figure 4 and will help to understand what kind of products are offered on the European market and for whom. Depending on their business strategy, IPD partner companies in Uzbekistan can use this information to either



develop new products for the main target group and main travel purpose or go for the niche products by addressing other travellers and segments. The most common tours are for the target group Best Ager

Figure 3: What type of tour do you mainly offer your guests in Uzbekistan?

(50+ years) in the segment of “culture and history”, followed by the main travel purpose “nature”. The second biggest target group are Senior Travellers who visit Uzbekistan for the same reasons as the Best Ager. All in all, the study results show that the most common target group for European tour operators are travellers above 50 years (78%), while young travellers play a minor role in Uzbekistan and Families were not named as a main target group. For all target groups “culture and history” and “nature” are the main travel purposes. The segments “Sports and Activities” and “Culinary” do also appear as main travel purposes, but can be seen as niche products. Other segments like “Relaxation” or “Health & Wellness” were not mentioned at all. Overall, the results displayed in Figure 4 can be interpreted to mean that there is a relatively low diversification in the touristic offer for the European market in the destination Uzbekistan.

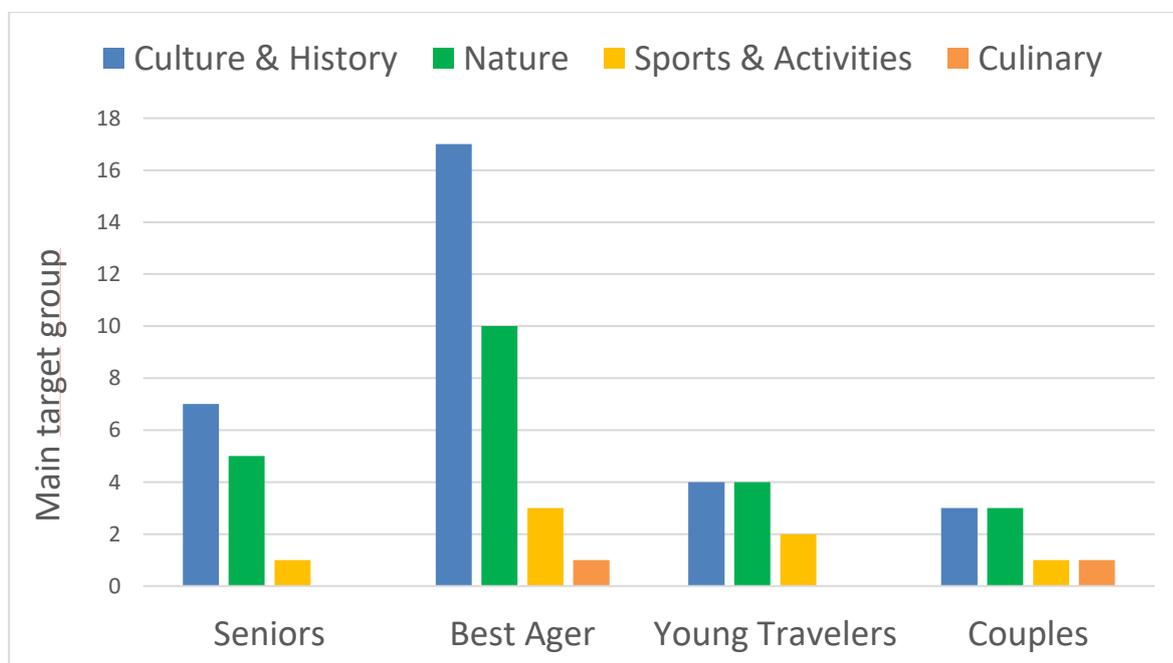


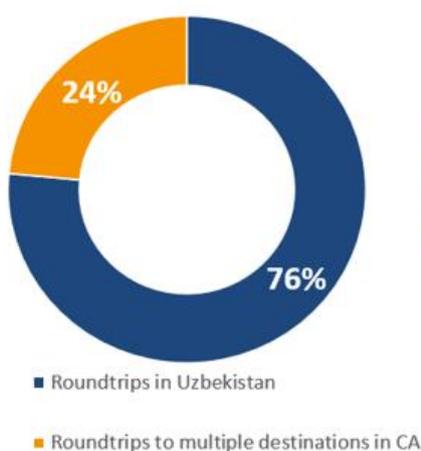
Figure 4: Main Target Group and main travel purpose

To complete the picture of the touristic products European tour operators offer their clients, participants were asked for which itineraries they see a high demand. 24% stated that they see high demand in Europe for roundtrips to multiple destinations, including Uzbekistan, in Central Asia. 76% see a high demand for roundtrips within Uzbekistan only. Other itineraries or the option to have excursions from one location in Uzbekistan were not mentioned. Comments from the participants to this specific question reveal different approaches in the product development. While one participant says that with good knowledge of the destination it is possible to stay within Uzbekistan and offer the whole Silk Road experience tourists are looking for, others commented that Uzbekistan and Kyrgyzstan are a popular combination, as the destinations are very contrasting and complement each other.

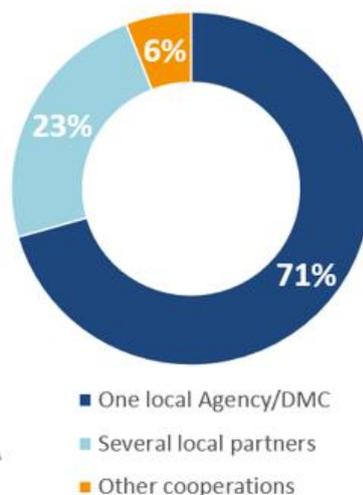
To develop their itineraries, 71% of the participating European tour operators have a cooperation with a local Destination Management Company (DMC). 23% work directly with several local partners like tour operators and accommodations. The remaining 6% have other ways of cooperation to develop tours in Uzbekistan. The results make clear that DMCs are the preferred way of cooperation for European tour operators and therefore a promising way to sell touristic products to the European travel market for the IPD partner companies.

Good news for the destination Uzbekistan and the IPD partner companies is, that 65% of the participants plan to expand their portfolio for Uzbekistan and offer more tours, while 35% indicated that their portfolio will stay the same.

*For which Itineraries do you see high demand?*



*Who do you work with in Uzbekistan?*



*Do you plan to expand your portfolio in Uzbekistan?*

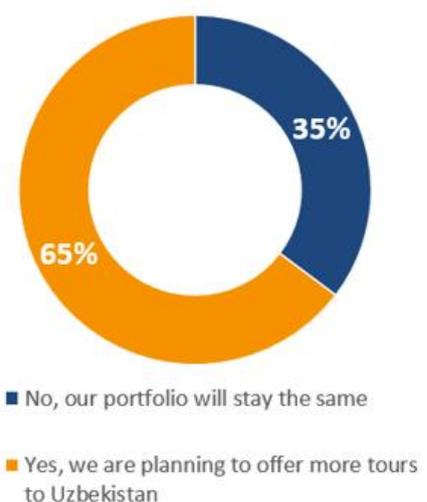
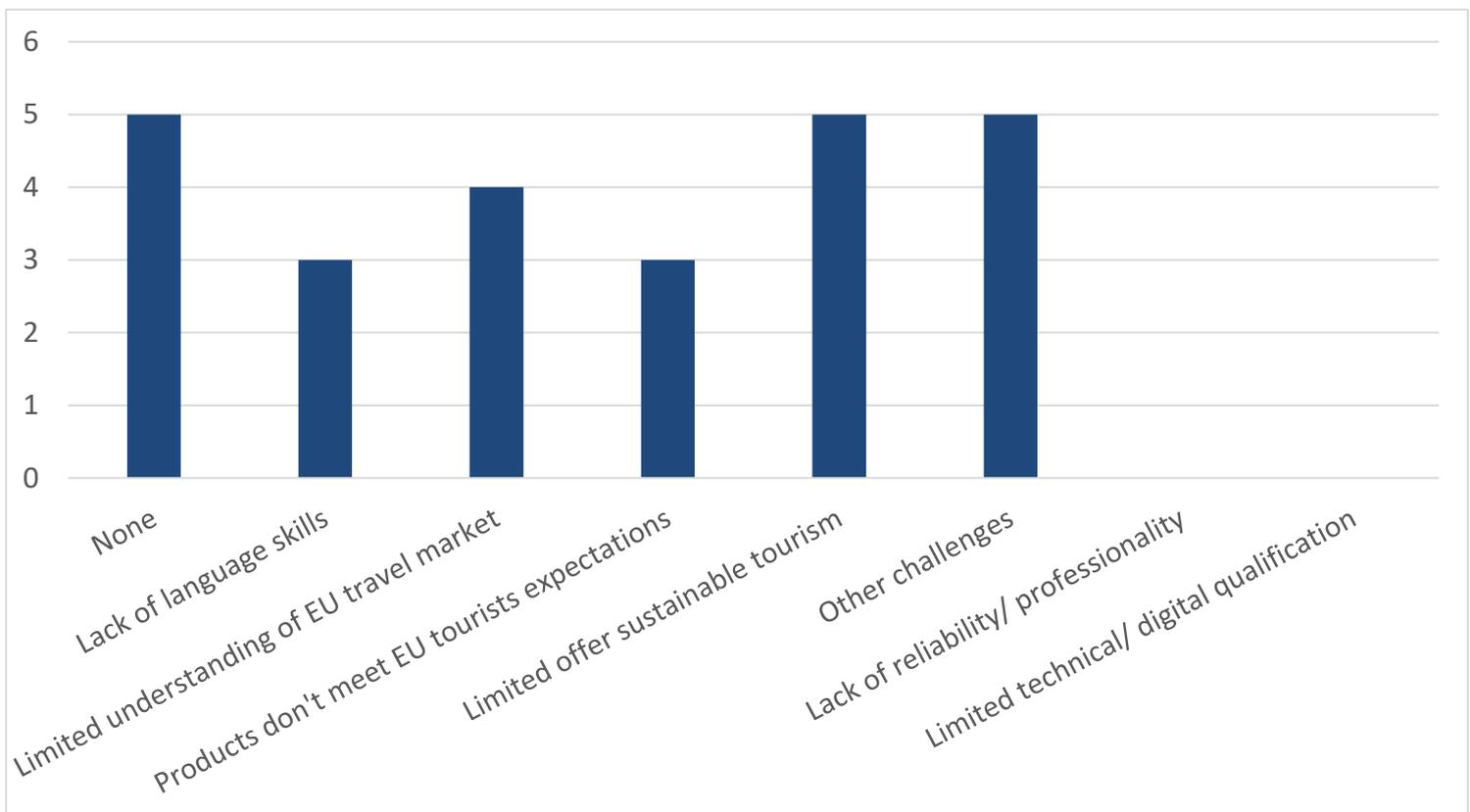


Figure 5: Itineraries, cooperation model, future portfolio

## Challenges and issues

The following answer to the question about the main challenges and issues by working with tourism companies from Uzbekistan is essential to identify measures for a successful expansion of the cooperation between European tour operators and Uzbek tourism companies. A positive result of this question (*Figure 6*) is that five participants see no challenges or issues at all by working with their partners from Uzbekistan. Further, none of the demand study participants sees the cooperation negatively influenced by a lack of reliability and professionalism or limited technical and digital qualification of their Uzbek partners. Challenges and issues are mainly seen when it comes to sustainable tourism in Uzbekistan, followed by the limited understanding of the European travel market. In addition, a lack of language skills and products, which do not meet the expectations of European tourists were identified as challenges and issues in the cooperation.



*Figure 6: Main challenges and issues by working with partner companies from Uzbekistan*

By answering this question with “Other challenges”, participants could give free text answers. These answers were mostly identical to the answers of the following question regarding room for improvement in the tourism sector of Uzbekistan.

## Room for improvement

All “Other challenges” the demand study participants have stressed out and the given answers to the open question regarding required improvements in the tourism sector of Uzbekistan were clustered into the following four categories:

- + Accommodations
- + Interaction with locals
- + Off the beaten track
- + General destination development

### Accommodations

The participating European tour operators do see room for improvement in the quality of accommodations in rural areas. Guesthouses here are often very basic with dorms and shared bathrooms, which is often not suitable for European travellers. Nevertheless, small and family-run guesthouses or boutique hotels are in high demand. There are just not enough of them with a certain standard for European tourists. All in all, the participants are looking for interesting, outstanding and sustainable accommodations in Uzbekistan and in many regions can only find big, “modern (...) branded hotels that could be anywhere in the world”. Homestay accommodations were also named as one interesting option for the European market, which is a good transition to the next category for improvements: The interaction with locals.

### Interaction with locals

The participants stated, that the organization of immersive experiences and encounters with the country and its people is difficult in Uzbekistan. Their European clients are looking for authentic insights and interactions with local communities during their journey. Potential for improvement is seen in the number, variety and individuality of such offers. As an example, the preparation of a local meal and a dinner with a local host-family was given. European tour operators are looking for real interaction, where tourists are actively involved to create exceptional memories for their clients in Uzbekistan.

### Off the beaten track

As the results in Figure 4 of this study show, tours to Uzbekistan have a strong focus on culture and history, but tour operators see a changing demand of their clients towards “Places and regions away from the usual tourist attractions” with a “Stronger integration of nature, not only cities and historical sights.” European tourists seem to ask for itineraries beyond the main routes and standard programs. That is why tour operators are looking for new, creative products, a bigger variety of travel routes and interesting itineraries. Currently this demand is not met by the tourism industry of Uzbekistan. Beside sustainable products, which were already identified as a main challenge in Figure 5, the participants named “nature tours”, “adventure, hiking and trekking” as well as “wellness and food” as promising

segments they are looking for to meet the demand of European tourists for off the beaten track experiences in Uzbekistan.

## **General destination development**

The extent and speed of the development and renovation of important touristic sights in Uzbekistan is noted with concern by some European tour operators. They stated that some clients already perceive some places as not very authentic anymore, due to the high number of tourists and the strong development of the touristic infrastructure. In order to remain an attractive destination for the European market in the future, *“It will be important to preserve the originality of the country and not to aim for mass tourism”* one tour operator stated.

Need for improvement was also seen in the flight connections from Europe to Uzbekistan – here the limited capacities for direct flights during the daytime were mentioned.

## **Conclusion**

The IPD Demand Study revealed that better information about the destination and its touristic possibilities as well as innovative and unique products are lacking to convert the general interest of some European tour operators to sell Uzbekistan in the future into concrete product development and business deals. Partly the reasons of not selling Uzbekistan are identical to the challenges of European tour operators, who are already active in the destination, for example the lack of sustainable tourism products. In general, the destination is known and of interest to many. In the future, the IPD can help to turn this interest into cooperation, provide information and bring together the matching partners from Europe and Uzbekistan.

Tours to Uzbekistan are mainly sold by small and specialized tour operators from Europe, who send up to 100 guests per year in average and focus a bit more on group tours than individual tours. The main target group is above 50 years old and visits Uzbekistan for its cultural and historical sights, although a changing demand towards other segments like nature can be observed for the European market. These changes must be taken into account by the DMCs, which are the cooperation partner for a large part of the European tour operators. New and innovative products must be offered, especially as most participants want to expand their product portfolio in the future. The demand study further revealed that a higher diversification of the tourism segments is not only needed to meet the changing demand from Europe but can partly prevent tour operators from multi-destination-itineraries to other countries in Central Asia. Learning from the direct competitors can therefore lead to a higher length of stay in Uzbekistan.

While the cooperation for some tour operators is going well with no significant challenges and issues and Uzbek tourism companies are perceived as reliable and professional among all participants, there are still some challenges to overcome for future business relations. Many of the challenges, which were mentioned can

be linked to a limited understanding of the needs and expectations of the European tourism market. To include sustainability in all its dimensions to the offered touristic products in Uzbekistan is one example, which represents this mismatch of expectation, demand and offer. Even though the European market is diverse itself, it distinguishes from other relevant tourism source markets of Uzbekistan. A need for improvement is therefore seen in the individuality and authenticity of offered experiences, while a destination development towards mass tourism and big hotels is perceived as a threat for the future European tourism in Uzbekistan. A broader offer of authentic interactions with locals, which involve tourists actively and on eyelevel with their hosts are in demand as well as a diversification of itineraries, both in segment and location. A challenge in providing these itineraries will be the high demand on the quality by European tourists. This can be seen in the demand for improvement of rural accommodations.

The Import Promotion Desk has competencies in many areas that are considered by European tour operators to be in need of improvement, and is committed to work on the sustainable development of tourism business relations, taking European tour operator and Uzbek tourism companies into account.

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For more information about  
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