

Kazakhstan

Tourism in the economy

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.

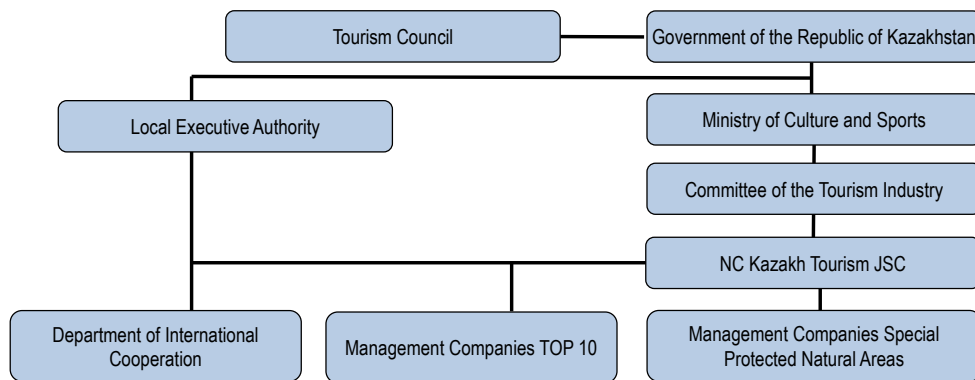
Tourism governance and funding

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.

Kazakhstan: Organisational chart of tourism bodies



Source: OECD, adapted from Ministry of Culture and Sports, 2020

Tourism policies and programmes

In May 2019, the Government approved The Programme for the Development of the Tourism Industry for 2019-25. The Programme is designed to improve the availability and quality of tourist services and products, as well as the quality of life of the population of the country by developing places of tourist interest and upskilling human resources for the sector. It also focuses on the growth of external and internal tourist flows, increasing investment in the tourism industry by creating a favourable tourist climate, and promotion of the tourist potential of Kazakhstan in both domestic and international markets. Kazakh Tourism JCS used the Programme to guide its marketing and promotion and to attract investment in tourism.

Although Kazakhstan has a favourable geopolitical position, with significant natural and recreational resources and world cultural and historical heritage sites, the country is an emerging tourism destination and is not yet competitive against popular countries for tourism and travel. The government recognises that the quality of tourist infrastructure, openness of bilateral service agreements, complexity of the visa regime, and low quality of roads are areas for further improvement.

The 2019-25 Programme is focusing on resolving these issues and aligning performance with international standards. This work is developed in the context of wider legislation designed to transform the economy of Kazakhstan and includes significant institutional and economic reforms as well as sector development and specialisation. To achieve these targets, the institutional framework has been strengthened, national and local executive bodies formed, working alongside the National Tourism Organisation, Kazakh Tourism JSC, and additional co-ordination measures developed to deal with the cross-cutting nature of tourism, which is estimated to link 30 different sectors in Kazakhstan.

Low levels of investment inhibit the industry's development and restrict potential growth. In 2017, the country attracted KZT 295.7 billion in fixed capital investment in tourism, 36.6% more than in 2016. In 2018, total investment increased by 65% compared to 2017 and amounted to KZT 447.3. However, many major investment projects are still not able to be implemented due to a lack of state support mechanisms and a lack of long-term and affordable finance for the industry.

In order to attract investors to the tourism industry, the government is carrying out the following work:

- Ensuring the necessary engineering and transport infrastructure are brought to investment projects.
- Creating a preferential regime for investors, including the provision of in-kind grants and exemptions from corporate income tax, land and property tax. The minimum threshold has been reduced from KZT 4.7 billion to KZT 4.7 million for tourism projects.

- A programme has been launched to provide SMEs with financial resources for investment projects in the tourism industry at a preferential rate of 6%.

The core priority of the Ministry of Culture and Sport and the government is to increase tourist flows and attract a larger share of the international market. The number of tourism related businesses has been increasing by 10% to 15% each year, but regional tourism development is unco-ordinated. For example, formal regional strategies are not in place to enable the development of the most promising destinations and products.

The Programme for the Development of the Tourism Industry for 2019-25, aims to position Kazakhstan as one of the 50 most attractive countries for travel in the world by 2025. This will be achieved by reference to the following indicators:

- Increase the contribution of tourism to the country's GDP from 5.7% to 8%,
- Increase the number of people employed in the tourism industry from 440 000 to 650 000,
- Increase the number of overseas tourists from the 830 000 to 3 million,
- Increase the number of domestic tourists from 5 million to 8 million,
- Increase the volume of tourism services rendered from EUR 256 million to EUR 630 million,
- Increase tourism investment from EUR 700 million to EUR 1.4 billion.

The implementation cost of the Programme is KZT 2.2 trillion, more than half of which is financed by the Government, while the remainder comes from the private sector.

Kazakhstan is an emerging tourist destination with limited tourism infrastructure, weak product and services offers, and does not have a high image in global tourism markets. Priority measures, such as visa reforms, air access and high quality accommodation, are a critical part of the current tourism plan. Research has indicated that Kazakhstan has over 100 potential 'tourism magnets' and 'points of tourism growth'. Due to limited resources, and the need for significant investment in each, these have been prioritised at both national and regional levels. This has resulted in the development of a comprehensive map of potential sites and opportunities by the Committee of the Tourism Industry. Various selection criteria underpinned the selection process for these sites, including uniqueness, historical and cultural significance, and availability of accommodation.

The development of the accommodation and hospitality sector is a significant challenge given a lack of skills, the remoteness of many providers and the difficulty in tracking the quantity of stock at national or regional levels using official statistics. A framework for the operation of the sector is currently being developed including a National Hostels Standard, which is being implemented on a voluntary basis.

In 2019, the government created a specialised educational institution - The International University of Tourism and Hospitality – as a model of international and national best practice in the training of tourism personnel. The University aims to improve the training system and increase the competence of personnel in the tourism industry to meet international standards.

Statistical Profile

Kazakhstan: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	3 125	3 110	3 495	4 387	4 696
Overnight visitors (tourists)	2 978	2 685	3 245	4 195	4 415
Same-day visitors (excursionists)	147	425	250	193	281
Nights in all types of accommodation	6 033	5 821	6 390	8 081	8 245
Hotels and similar establishments	5 842	5 552	6 134	7 752	7 916
Other collective establishments	191	270	256	329	330
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	679	692	723	892	831
Overnight visitors (tourists)	660	606	677	872	812
Same-day visitors (excursionists)	19	86	45	20	19
Top markets					
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Nights in all types of accommodation
Hotels and similar establishments
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	10	11	10	10	11
Overnight visitors (tourists)
Same-day visitors (excursionists)
Top destinations					
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TOURISM RECEIPTS AND EXPENDITURE, MILLION USD					
Inbound tourism					
Total international receipts	2 240	1 833	2 038	2 356	2 651
International travel receipts	2 000	1 632	1 858	2 135	2 255
International passenger transport receipts	239	201	180	221	396
Outbound tourism					
Total international expenditure	3 771	3 046	2 580	2 695	2 843
International travel expenditure	3 515	2 867	2 446	2 560	2 687
International passenger transport expenditure	256	179	133	135	157

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Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934078566>

Kazakhstan: Enterprises and employment in tourism

	Number of establishments ¹	Number of persons employed				
	2018	2014	2015	2016	2017	2018
Total	..	..	..	..	..	..
Tourism industries	118 761	412 839	428 543	414 121	442 488	463 669
Accommodation services for visitors	4 795	52 200	60 260	55 855	64 710	59 836
Hotels and similar establishments	2 660	2 380	2 433	2 457	2 642	2 660
Food and beverage serving industry	34 105	115 070	113 970	115 030	127 241	127 863
Passenger transport	46 343	105 945	116 855	100 331	106 448	116 752
Air passenger transport	182	7 191	13 797	13 416	14 909	11 372
Railways passenger transport	134	56 533	54 704	38 405	42 932	45 728
Road passenger transport	45 840	42 137	48 250	48 340	48 478	59 617
Water passenger transport	187	84	104	170	129	35
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	10 550	1 607	1 964	1 824	1 553	2 989
Travel agencies and other reservation services industry	5 654	5 713	8 204	8 473	8 756	10 651
Cultural industry	3 958	60 655	57 125	58 217	59 356	58 699
Sports and recreation industry	13 356	71 649	70 165	74 391	74 424	86 879
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
Other industries	..	..	..	..	..	..

.. Not available

1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934078585>

Kazakhstan: Internal tourism consumption

Million KZT

	2017		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	384 972	768 827	1 424 333
Consumption products	379 315	748 617	1 397 640
Tourism characteristic products	292 010	559 144	1 111 292
Accommodation services for visitors	46 373	163 218	277 493
Food and beverage serving services	55 377	217 299	281 148
Passenger transport services	41 690	71 927	294 939
Air passenger transport services	8 682	55 041	238 141
Railways passenger transport services	24 015	13 004	42 950
Road passenger transport services	8 993	3 882	13 848
Water passenger transport services	0	0	0
Passenger transport supporting services	..	..	..
Transport equipment rental services	29	9 744	9 807
Travel agencies and other reservation services industry	127 512	10 232	139 202
Cultural services	4 561	32 156	37 033
Sports and recreation services	16 469	54 568	71 669
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	87 305	189 473	286 348
Tourism connected products	..	..	..
Non-tourism related consumption products	87 305	189 473	286 348
Non-consumption products	5 657	20 210	26 693

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934078604>



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