

MECHANISMS OF TOURISM FINANCING IN FREE ECONOMIC ZONES AND THEIR ECONOMIC SIGNIFICANCE

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Abstract

This scientific article comprehensively analyzes the theoretical foundations, main sources, and practical mechanisms of financing the tourism sector in free economic zones. The research process highlights the role of state financial support, private investments, public-private partnerships, as well as banks and international financial institutions. Additionally, the experience of financing tourism infrastructure is examined using the example of free tourist zones established in the Republic of Uzbekistan. The findings of the article aim to increase investment activity and ensure the effectiveness of financing in the tourism sector.

Keywords

Free economic zone, tourism, financing, investments, public-private partnership, infrastructure, international financial institutions, tourism cluster.

Currently, in the global economy, the tourism sector is considered one of the most profitable and sustainably developing industries. The development of tourism contributes not only to economic growth but also to increasing employment, accelerating regional development, and strengthening a country's international image. From this perspective, developing tourism and implementing effective financing mechanisms within free economic zones (FEZs) is becoming an urgent issue.

Free economic zones are distinguished by creating a favorable legal and economic environment for attracting investments. In particular, FEZs specializing in tourism play an important role in developing tourist infrastructure.

Theoretical foundations of free economic zones

A free economic zone is a territory with a special legal regime, where tax, customs, and currency benefits are introduced for entrepreneurial activities. In economic literature, FEZs are recognized as an effective tool for diversifying the economy and attracting foreign investment.

Tourism-oriented free economic zones are aimed at developing hotels, recreational facilities, health improvement centers, and cultural-historical tourism sites.

Sources of tourism financing in free economic zones

Government financing

The state participates in tourism development by financing key infrastructure facilities. Specifically, transport communications, engineering networks, electricity, and water supply are implemented through the state budget and investment programs. Additionally, tax and customs benefits increase the economic efficiency of tourism projects.

Private investments

The private sector is one of the most important sources of tourism financing. Hotels, resorts, sanatoriums, and entertainment complexes are being built by local and foreign investors. The favorable investment climate created in free economic zones significantly increases the inflow of private capital.

Public-Private Partnership (PPP)

The PPP mechanism is widely used in the tourism sector. Under this model, the state provides land plots and infrastructure, while the private sector takes on the construction and management of the project. As a result, financial risks are reduced, and the effectiveness of projects increases.

Banks and international financial institutions

Preferential loans allocated by commercial banks play an important role in financing tourism projects. Additionally, long-term and low-interest loans are provided by international



financial institutions such as the World Bank, the Asian Development Bank, and the Islamic Development Bank.

Experience of financing tourism in free economic zones in Uzbekistan

Effective mechanisms for financing tourism are being implemented in the Republic of Uzbekistan, as exemplified by the "Charvak" free tourist zone, the "Samarkand - Silk Road" international tourism center, and the Bukhara and Khiva tourism clusters. Large investment projects are being carried out in these areas through cooperation between the state and the private sector.

These projects serve to develop tourism infrastructure, improve the quality of services, and increase the flow of foreign tourists.

Conclusion

In summary, financing tourism in free economic zones requires a multi-source and comprehensive approach. Effective cooperation between the state, the private sector, and international financial institutions ensures the sustainable development of the tourism sector. In the future, the use of innovative financial mechanisms in financing tourism projects will be of great importance.

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