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## TOWARDS DIVERSIFICATION OF THE ECONOMY OF KAZAKHSTAN VIA INFORMATION SUPPORT FOR THE TOURISM INDUSTRY\*

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**Abstract.** Raising awareness of tourism players requires improving the comfort of the information environment of their activities. In tourism practices, information support of tourist activities that ensures the comfort of tourist services and the attractiveness of the tourist region strengthens the motivation of consumers to visit this territory. The development of tourism demand, caused by tourists' awareness, and at the same time demographic changes, accelerate the segmentation and the creation of new types of proposals. Recent advances in telecommunications, networking organizations, creation, and processing of databases and electronic marketing provide new business opportunities in the tourism sector and a significant impact on the model of traditional business. Therefore, the main sphere of changes and innovations in tourism is related to the use of information and communication technologies. Kazakhstan with its unique natural resources and original culture of the nomadic people has a huge untapped potential for tourism development in the international and regional markets. The tourism industry in the Republic of Kazakhstan is recognized as one of the priority branches of the economy at the state level. For example, in the implementation of the provisions of industrial-innovative development of the country's economy, the leading role belongs to the cluster system, in particular to the tourism cluster. Modern trends in the development of this industry are that tourists who have studied the most famous resorts in the world well are striving to those countries where the tourism sector is just beginning to develop. At the present stage of tourism development, Kazakhstan is becoming a more attractive country for extreme holiday lovers and people interested in history and the present of the countries located on the Great Silk Road. From this perspective, the attractiveness of Kazakhstan

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is growing. The tourist potential of recreational resources and historical and cultural heritage allows the Republic to harmoniously integrate into the international tourism market and achieve intensive development of tourism in the country. This will ensure sustainable employment and income growth, stimulate the development of related industries and increase of investment flows in the national economy.

**Keywords:** Kazakhstan, Kazakhstan's economic sectors, pre-employment, tourism, non-governmental organizations, information technologies and support, computer networks, diversification.

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**JEL Classification:** L31, O53

## 1. Introduction

The fundamental changes taking place in the world economy, exacerbated by the geopolitical crisis and the sanctions policies of the leading powers, are making their own adjustments to the economic policies of Kazakhstan. Today's successes in socio-economic development and attraction of foreign investments make the Republic of Kazakhstan obliged to such basic factors of competitiveness as the availability of natural resources, a favorable macroeconomic environment, and political stability. But the economy of the Republic of Kazakhstan is already partially losing competitiveness and is in the "a trap of average income". To maintain high rates of economic growth, the Republic of Kazakhstan will need to implement the structural changes in the economy that are necessary to move to a new stage of development. In this regard, the problem of economic diversification remains relevant for Kazakhstan.

One of the main features of the development of the economy of Kazakhstan is still the dominant position of the oil and gas and raw sectors due to the weakening of the positions of the Kazakhstan manufacturing industry, as well as the replacement of imported goods from the structure of consumption of domestic products. At the same time, it is in the raw nature of the Kazakh economy and its weak diversification that the main reason for recurring economic crises can be seen, since the formation of the country's budget depends on energy prices (the issues of economic development have been taken into account regional peculiarities, peculiarities of formation of associations of countries and the formation of economic and political associations, have been repeatedly considered in the writings of economists and sociologists (e.g Delmon, 2015; Meņšikovs & Ignatjeva & Stankevičs, 2014; Boronenko & Lavrinenko, 2015; Shevyakova et al., 2016; Petrenko et al., 2017; Isatayeva et al, 2019).

According to the Committee of the Republic of Kazakhstan on Statistics, the share of the mining industry in the structure of the country's GDP tends to grow - for the period from 2000 to 2016 it increased by 3.4% and amounted to more than 16.4% in 2016, while the share the manufacturing industry is declining - in 2016 it fell by 5.0% compared to 2000 and amounted to 11.5%. It aggravates the situation and direction of financial resources. During the period from 2000 to 2016, the inflow of foreign direct investment (FDI) into the economy of the country amounted to more than 1.3 billion US dollars. At the same time, more than two-thirds of these investments were directed to mining (32.6% of gross FDI inflows) and geological exploration and exploration (37.0%). The share of manufacturing industry accounts for only 8.8% of all FDI, and for agriculture - 0.1%. Thus, during the considered period the raw material orientation of the Kazakh economy did not decrease, and its dependence on the external economic situation intensified.

It should be noted that the raw nature of the structure of industrial production of Kazakhstan not only provided for the progressive development of the country's economy until recently but is also the most reliable source of its

growth in the near future. However, as the world economic crisis has shown, the dominance of raw materials in the structure of the country's economy leads to instability of economic growth and prolonged stagnation. Therefore, it is of strategic importance for Kazakhstan to pursue a purposeful state policy of diversifying and modernizing the economy in order to increase its competitiveness, overcome the raw material orientation and ensure sustainable economic growth of the country and individual regions.

Steady high dynamics of economic growth and favorable conjuncture in the world market allowed Kazakhstan to set and solve certain tasks until 2015 to give the national economy an innovative and socially-oriented character. However, in absolute terms, the decrease in export earnings, compared to 2012, following the results of 2016 amounted to about \$ 39 billion. As a result, Kazakhstan exported back to the level of 2007. The quantitative decrease in the rates of export earnings has been replaced by serious qualitative changes, as the shortfall in income reduces opportunities for investment in production and all types of infrastructure - from transport to social. And this, in turn, beats the country's competitiveness and weakens its economic opportunities.

Super profits in raw branches and the corresponding demand for their production really block a free modulation of the capital in the processing sector and the service sector. Especially destructive were consequences of the accelerated dismantling of state ownership for the branches and productions referred now to the real economy. The economic development of Kazakhstan can be characterized as depending on the oil and gas and mining export sector and a high real exchange rate so far. Therefore, the susceptibility of the economy to world price fluctuations so-called a boom - sectors is high. A position of the companies' monopolists in raw branches, which highly profitable and extremely profitable, such is that they aren't interested in the development of the processing sector, except for small projects on improvement of technological indicators within extraction of raw materials or raw repartition. Domination of raw branches is a basic obstacle for ensuring long-term economic growth, does the country dependent on an environment of the world markets.

The relevance of the above is confirmed by an analysis of the most important qualitative indicators. Thus, in the structure of Kazakhstan's GDP, a significant share is accounted for by raw materials. First of all, on the fuel and energy complex and metallurgy. This situation is reflected in the structure of Kazakhstan's exports, the indicator of which only for commodity operations related to oil, gas, metals is the lion's share. The import structure of the Republic of Kazakhstan is represented by such groups of goods like machinery and equipment, finished metal products and other types of industrially processed products. This situation is explained by the underdeveloped manufacturing industry, capable of producing goods with high added value. So exported crude oil is returned to our country in the form of products by deep processing and high added value.

The consolidation of Kazakhstan in the status of an oil state carries with it big problems: underinvestment of the processing sectors of the economy, volatile growth rates due to dependence on external conditions, a reduction in jobs and, of course, an increase in the socioeconomic stratification of the population. The increase and intensification of negative manifestations in the economy of Kazakhstan, including the second devaluation in a year and a half, indicate the entry into the final stage of the economic and political model, the foundations of which were laid in the second half of the 1990s, and which has been developed and consolidated in recent years. It is based on the export of oil, crude uranium, ferrous and non-ferrous metals, in exchange for the importation into Kazakhstan of equipment and materials for the same raw exports, and goods not manufactured in Kazakhstan to meet consumer demand. Respectively, within such model in Kazakhstan actually raw export and also transport, trade and financial infrastructure for delivery and distribution about the country of final foreign goods developed.

The quantitative and chronological disposition of these two defining sides of the aligned economic model is shown in Figure 1.

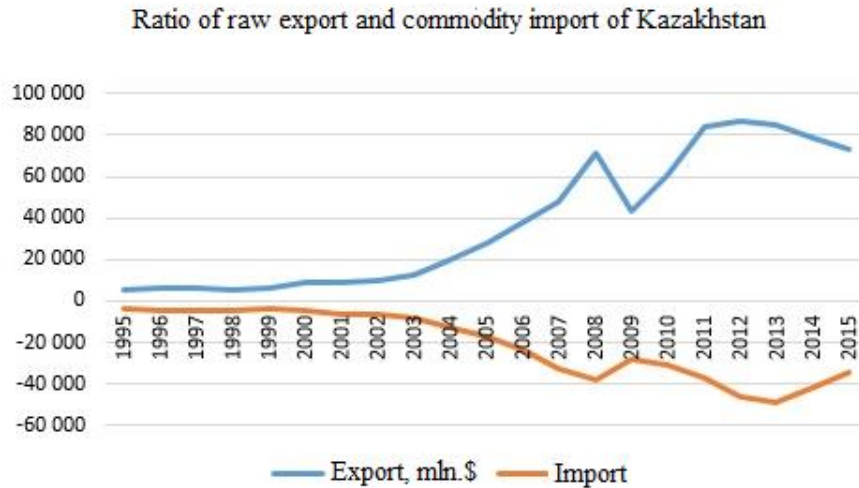


Fig. 1. Ratio of raw export and commodity import of Kazakhstan

Source: composed by the authors according to the Statistics Committee of the Republic of Kazakhstan

Volumes of an export currency earnings, especially from the beginning of "zero years" and before the crisis of 2007-2008, grew repeatedly. It could become base for the accelerated social and economic national development based on industrialization and innovation of non-raw internal productions. The essential part of the export and raw income was cut before an entrance to the economy of Kazakhstan, accumulating in gold and foreign exchange reserves of National bank and currency accumulating of National fund, actually – in foreign debt obligations. The most part of the got export currency earnings to the national economy went for the growing import of manufactured and consumer goods to Kazakhstan. Most of the export foreign exchange earnings entered into the national economy went to import of industrial and consumer goods to Kazakhstan. As a result, the economy of Kazakhstan got to the export and raw and commodity and import external dependences blocking any attempts of development of import-substituting productions within the country.

The external economic and political conjuncture is formed in such a way that the rate of growth of the world economy, and, consequently, consumption of the products of Kazakhstan's exports, will only slow down. Also, there is no expectation of an increase in world prices for oil and metals - there are a decline and consolidation at a certain sustainable level. And such amicably negative assessments are given by world experts for the next two or three years, at least.

If oil, ferrous and non-ferrous metals, let and not at the prices giving excess profits, all the same, are in demand in the world market, it is possible to break negative tendencies due to the quantitative building of production of export-oriented productions. The main thing in exhaustion of sources of development of such an economic model. The rate on foreign investments, in a compartment with the budgetary investment and investment, started on raw income at the expense of means of the export enterprises has led to strengthening and fixing of export and raw orientation of the Kazakhstan economy. As speculation reflection of export and raw orientation, the delivery economy to the country and trade in the industrial and consumer goods which aren't made here has developed, has

developed and has gained a foothold in Kazakhstan. She has received a considerable share of investment too – in the form of transport and retail chain stores and financial infrastructure. And this part of the economy which is consuming the lion's share of export revenue, most of all suffering from the shortage of foreign currency and devaluation of currency national doesn't facilitate too and aggravates the general crisis state.

The deadlock final of the economic model built in Kazakhstan is put in her initial genesis – sovereign embedding into the world market. In such "independent" option Kazakhstan is necessary to the system of global division of labor only as the territory of the reduced the price production of energy and mineral resources on export and also — already to a lesser extent, for sale of production of industrially more developed economies here. And, certainly, for exclusively external monetary providing supplementing export not of renewable natural resources also the export of the most part of financial income.

Real options for an independent breakthrough from such a well-rounded and packaged in a monocentric global model of the scheme of neo-colonial raw material and monetary exploitation from Kazakhstan, as yet, do not exist.

The addition of simple oil, ferrous and non-ferrous metals production by their deep processing and the release of finished high-tech products, which was repeatedly declared and planned for the last 15 years but never implemented, did not come about not only because of insufficient professionalism and excessive corrupting of the executive bodies. At the heart of failure is the fundamental uselessness of the world market for all such "industrial-innovative" initiatives of a separately taken Kazakhstan.

The multinational company occupied with oil refining, production of uranium and metallurgical raw materials isn't interested to let the Kazakhstan participant in the foreign productions. They haven't interest to place the refinery capacities in Kazakhstan. Basic reasons: enormous and badly populated territory, sharply continental climate, insufficient productive and purchasing potential of the population.

In the same way, attempts to reduce currency and commodity dependence on import are strongly limited. His main part (about 43%) is made by machines, the equipment and vehicles which establishing alternative production exceeds not only financial and investment, but also general opportunities actually of Kazakhstan. Further (about 8%) there is chemical production, including rubbers and plastic – here possibilities of replacement are limited too. And only food dependence Kazakhstan can (and has to) to liquidate almost entirely — but it is rather small (about 10%) a share of everything imported.

Each deadlock has the exit, and any crisis keeps testing and opportunities. The economic model and sources of its development approach exhaustion are necessary other model and other sources.

There are two main approaches to the enhancement of structure of the economy.

***The first (horizontal measures)*** provides creation of steady institutes for the functioning of economic agents, forming of the favorable investment climate, reducing intervention of the state in the economy, maintenance of the competition in the markets. These measures are directed on improvement of a provision of all economic agents. Direct intervention of the state in the relations of economic agents is allowed only for maintenance and stimulation of the competition.

***The second approach (vertical measures)*** assumes carrying out an active state policy on change of structure of the economy, its enhancement on the basis of stimulation, including financial, of separate industries and the entities. The specified measures put onegroup of economic agents in more favorable conditions in comparison with others.

In its pure form, none of these approaches solves the problem of diversifying the structure of the economy. Horizontal measures in themselves do not allow in the medium term to change the relative shares of sectors in GDP: they have the same effect on both non-raw and raw materials sectors. And only at a high level of withdrawal of natural rent raw materials industries in the long term become less attractive.

## **2. The development of tourism as a way to diversify the economy of Kazakhstan and problems of its information support**

From 2000 for 2016 inflow of the direct foreign investments (DFI) to the national economy has made more than 1.3 billion US dollars. At the same time, more than two-thirds of such investments went to mining branches (32.6% of gross inflow of PII) and activities for carrying out geological investigation and researches (37.0%). Only 8.8% of all PII, and on an agriculture share – 0.1% fall to the share of the manufacturing industry. Thus, for the considered period the raw orientation of the Kazakhstan economy hasn't decreased, and her dependence on the external economic environment has amplified.

As an object of research, we take such a promising and dynamically developing industry like tourism. Kazakhstan, having a rich tourist and recreational potential, is characterized by an inadequate level of tourism development. Its share in the gross domestic product does not even reach 1%. According to the United Nations World Tourism Organization (the report of 2016), in the world export of goods and services tourism ranks third (7%) after the export of fuel and chemical products. In 2015, according to export performance, tourism outstripped the food and automotive sectors. In some developed countries tourism takes first place in the export of goods and services. According to the World Travel & Tourism Council (World Tourism and Travel Council) for 2015, the share of tourism in the world GDP is 10%, every 11th person in the world works in the tourist sphere, and the number of international tourist arrivals amounted to 1,186 million US dollars, increasing over the year by 52 million US dollars. By profitability, this industry ranks third in the world after the oil industry and the automotive industry.

The Republic of Kazakhstan with its extensive territory, favorable in respect of trade relations between Europe and Asia by the geographical location rich with the cultural and historical heritage and traditions which have remained till these days has all reasons for the successful development of tourism. There are five main economic and social interests to consider tourism as one of the national priorities of development in the Republic of Kazakhstan:

- an opportunity to provide in the sphere of tourism over 250 thousand jobs, including the population of the rural and remote areas and youth without separation from a traditional rural way of life;
- assistance to the cultural development of business activity among a general population, creating business opportunities for families, small and medium-sized enterprises;
- a contribution to the development of regions and the rural areas of the Republic of Kazakhstan, including development of engineering and transport infrastructure in the remote areas, infrastructures of checkpoints through Frontier of the Republic of Kazakhstan;
- assistance to cooperation and creation of opportunities in other sectors of the economy, including agriculture, mechanical engineering, the light and food industry, the non-productive sector;
- assistance to the creation of the positive and productive cross-cultural relations promoting the advance of national and interstate mutual understanding.

Development of entrance and internal tourism in Kazakhstan will depend on a number of market tendencies – in tourism in general, economy, demography, ecology, technology, and other spheres. But in the course of carrying out the analysis it is modern conditions of the tourist branch of Kazakhstan were the following problems are revealed:

- the prevalence of the small travel companies which don't have personnel and material resources doesn't contribute to the development of investment investments in a branch of tourism;
- the backwardness of transport infrastructure. A small quantity of both regular, and charter foreign flights. Development of tourism is limited to high transport expenses. There are no specialized motor transportation enterprises for tourist activity. Also, the system of electronic booking and planning of trips isn't created;
- the discrepancy of statistical account to the international standards and lack of complex objective accounting of economic effect of tourist activity;
- discrepancy to the international standards of the system of modern education and training of qualified personnel for the tourist industry;
- weak level of financing of the development of tourism in regions, etc.

From types of tourism in Kazakhstan outbound tourism (figure 2) prevails. The number of visitors who have left the country exceeds the number of visitors who have driven to the country by 1.8 times. Trips on personal purposes have made in 2016 81.8% of the total of trips to Kazakhstan, trips on the business and professional purposes — 17.2%. At the same time, private visits have made 90.0% of trips on personal purposes (transit – 9.1%, tourism – 0.9%). During the period from 2011 to 2016 sure increase in a number of leaving tourists from 8.0 million people in 2011 up to 12.1 million people in 2016 was observed. The quantity driving in the considered period fluctuated: having increased from 5.7 million people in 2011 to 6.8 million people in 2013, the indicator was reduced to 6.3 million people in 2014, and then again has increased up to 7.4 million people in 2016.



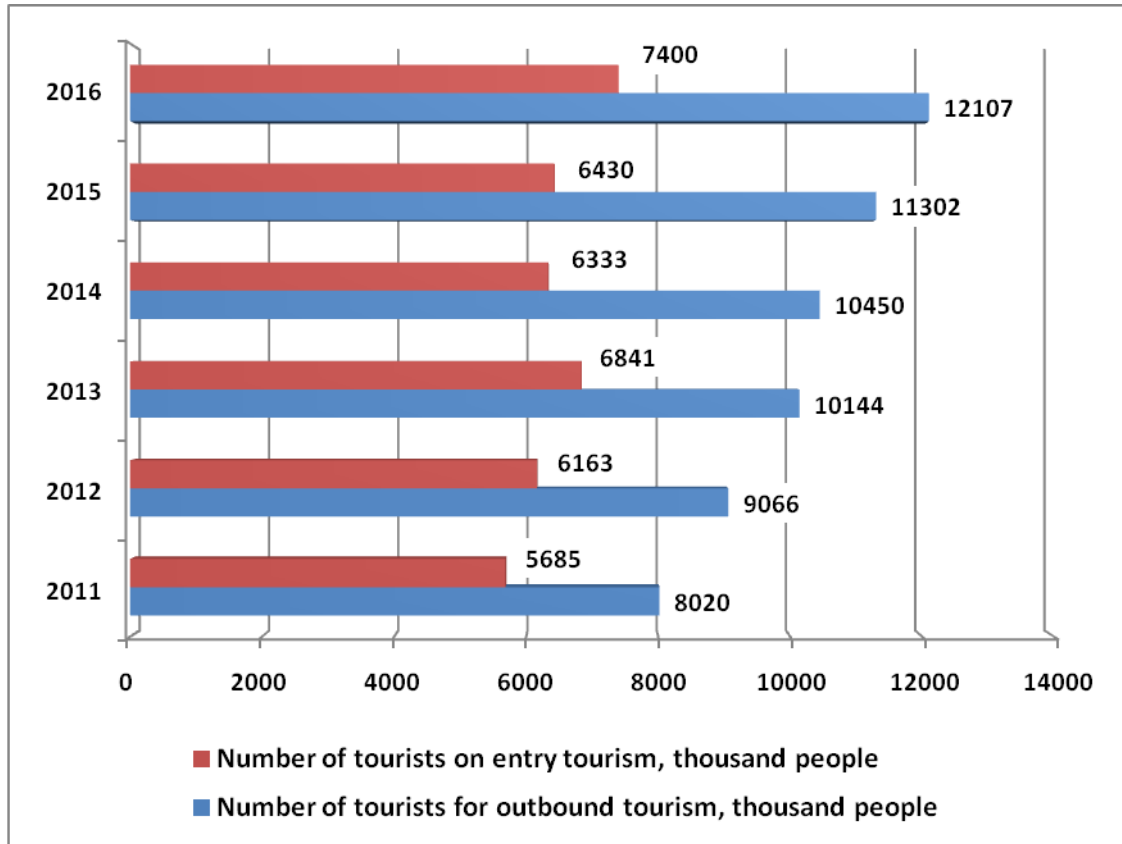
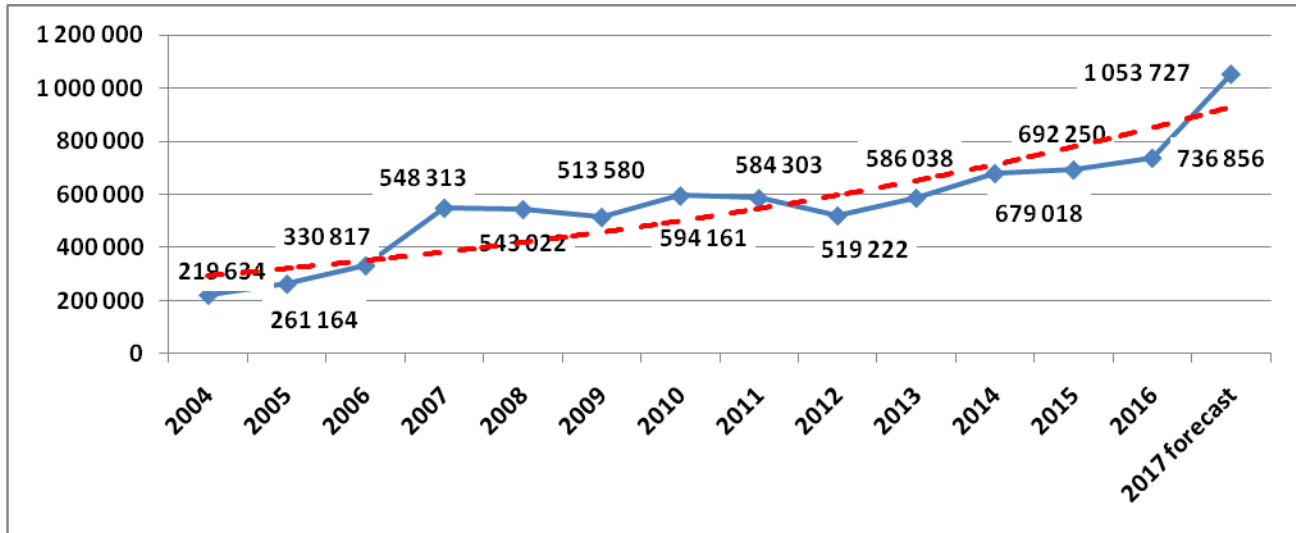


Fig. 2. Number of visitors by type of tourism in Kazakhstan

Source: composed by the authors according to the Statistics Committee of the Republic of Kazakhstan

The main problem of Kazakhstan tourism: entrance tourism as a concept of Kazakhstan is absent. According to the Committee on Statistics of the Republic of Kazakhstan, for example, in Q1 2016, 144.7 thousand foreigners arrived in our country. This is 13 thousand more than last year's indicator for the first quarter (in 2015, Kazakhstan received 692 thousand foreigners for the year, hotels rendered services for 73 billion tenge). That is, the popularity of Kazakhstan seems to be steadily growing - for 10 years the number of foreign tourists has increased three-fold, and the volume of the industry's revenues has increased 5-fold. However if to compare these data at least to data from Uzbekistan (2 million tourists for 2015 — tenfold growth in 10 years), you understand that Kazakhstan takes the 85th place in the world on tourism development by right.



**Fig. 3.** Number of non-residents of the Republic of Kazakhstan served in the places of residence, people

*Source:* composed by the authors according to the Statistics Committee of the Republic of Kazakhstan

The spontaneous Kazakhstan tourist services market that has developed in recent years, in general, in the absence of a coordinating start, is in a crisis state, and Kazakhstani facilities, despite the huge recreational potential of the country, are still not included in the permanent international tourist chains. One of the reasons for this contradiction is the lack of reliable and reliable information about the market conditions and the usual service for the Western client, based on all the opportunities provided by modern means of communication. Today, the process of forming and sending tourist groups abroad and, conversely, without the use of information technology is not effective enough, even in Astana and Almaty.

It is widely known that in the theory and practice of management, the availability of information means a reduction in uncertainty and risk, which leads to the adoption of more thoughtful and justified management decisions. In the Republic of Kazakhstan, in the sphere of tourism, there is a low level of information security at all levels of relations.

Features of the implementation of the tourist product do not allow us to speak of a full-fledged market without adequate information support. Almaty tourist firms and tourist management bodies that enter the international market face challenges in developing new information technologies, which are a prerequisite for international integration and the modern concept of tourism business as an information-rich sphere. In this regard, at present, the analysis of existing information systems in tourism, the study of the main areas of application of information technology and the development of recommendations for tourism management on the use of information systems is particularly relevant.

It should be noted that the providers of tourism services use a number of communication technologies that can provide direct satellite coverage of international events, conduct business via teleconferences from mobile means of communication (for example, the ability to make a call to any part of the world from the aircraft). To get information about the place of stay, its attractive features also require a variety of video tools. As a result of the use of information technology, the safety and quality of tourist services are increasing, and their apparent human content is not changing at all.

Information technology is also provided by airlines. In the process of organizing, managing and controlling air operations, electronic systems play an important role, helping in the planning of routes and schedules, control and analysis of flight operations, personnel management, accounting, and prospective planning. They include (for example) a system for transmitting and sending messages, a satellite system for collecting and transmitting information for air transport, inertial navigation systems, an air traffic control system, and an aviation ticket sales system.

Ensuring a high level of service in the hotel in modern conditions is also impossible to achieve without the use of new technologies. The new technology provides for the automation of many hotel processes, electronic backup, the introduction of technologies that improve the quality of service while reducing staff.

Network information technologies are an actual and promising direction for the development of information technologies. Their goal is not only to provide information exchange between individual users of information and computer systems but also to create for them the possibility of cooperative use of distributed information resources of the society, obtaining reference, documentary and other information from various specialized information funds.

Thus, the information technology system used in tourism consists of a computer reservation system, a system for holding teleconferences, video systems, computers, information management systems, electronic airline information systems, electronic money transfer, telephone networks, mobile means of communication, etc. It should be noted that this system of technologies is deployed not by travel agents, hotels or airlines, individually, but by all of them. Moreover, the use of the information technology system by each segment of tourism is important for all other parts.

Analysis of the current state of foreign tourism in the field of information support for tourists showed the following:

- in health and entertainment tourism, there is a growing demand for efficient and high-quality global communication, as well as for the individual and collective acquisition of cognitive and entertaining video information in places of residence and transport;
- in health-sports tourism, operational information support in extreme situations, as well as information security for tourists through meteorological forecasting systems, surveillance, and navigation, is of particular importance; for example, the information security of elite sea tourism, maritime races and individual trips is quite fully automated;
- in the system of excursion and cognitive tourism when equipping museum and field expositions, multimedia means of collective (group) display of explanatory and additional graphic and video information are used; Individual and collective audio and video support for excursions are also distributed;
- in youth tourism, communication means, audio broadcasting, and computer virtual means of game and training character are being introduced;
- in the event tourism, there is a great demand for audio and video media, which allow, for example, to observe festive or sports events from different points of view;
- for all forms of tourism is characterized by high demand for photo and video recording of the moments of their stay in historical and presentable places.

In the field of information support for tourism intermediary structures, the following trends can be noted:

- quickly spread exclusively effective from the economic point of view, club methods of informing the population, including tourist products and services; while creating so-called virtual clubs, equipped with multimedia means of collective display; it is important that these clubs contribute to the formation of psychologically stable tourist groups;
- automated information support of tour operator activity is transferred to modern computer-network technologies; there are international automated booking systems;
- public telecommunication networks, for example, the Internet, are actively used to host tourist advertising and maintain a "contractual" workflow;
- the safety of the use of such networks is provided by the formation of international user associations;
- in the part of creating a new tourist product, the processes of information collection and processing are automatized in order to conduct management and marketing in various areas of tourism;
- there is relatively little data on informatization of control over tourist activities, detection and elimination of consequences of contingencies/

However, it can be assumed that work in this direction is carried out, for example, on the initiative of insurance companies.

The international experience shows that the active role of executive power in infrastructure ensuring the development of tourism is one of the considerable factors of success. Forms of the state support of the development of tourism are rather diverse, however, it is possible to allocate some examples which correspond to the current state of Kazakhstan on a number of signs:

- an active role of the state in the modernization of the country by direct participation in the economy;
- lack of natural development of resort areas, as a rule, because of remoteness, lack of infrastructure and backwardness of the domestic market by this type of tourism.

In the examples with such conditions the state actively created the new offer in tourism by the centralized development of the resort "from scratch", constructions of infrastructure and tourist objects. Commercial objects in these resorts were under construction either at the expense of public funds or with the attraction of private investments. As a rule, the state created for these purposes of the national operator whose activity had quasi-commercial character.

Despite the supposedly active support from the state of tourism in Kazakhstan, many issues remain unresolved for the simple reason that the development of tourism does not depend on a separate ministry, non-governmental organization or business community. Tourism in Kazakhstan, directly and indirectly, depends on 32 branches and state agencies which are responsible for those spheres to which the tourist adjoins from the moment of the crossing of the border of Kazakhstan until departure ... from border control and migration police to the door-keeper of the hotel and even the huntsman of the national park. It is enough to tell what coordinated with all interested public authorities of the Concept of development of tourism of Kazakhstan till 2020 is under consideration of Presidential Administration since February 2013.

In the world have already passed to tripartite management of tourism where is,

- the first, the public coordinating body in the form of the Ministry of tourism which resolves issues of the general regulation coordination, licensing and state policy (he at us exists);

- the second, regional (city) management of tourism which represent the interests of tourism in municipal authorities (are available in structures of management);

- the third, convent-and-visitor-bureau in the cities (CVB) which are engaged in marketing of a tourist's product and conference rooms which role with success non-governmental organizations could carry out.

At the present stage, it is necessary to explore the attractiveness of the regions of the republic. Within the conducted research we have been the rating of readiness of regions of Kazakhstan for reception of guests. The systematic solution of problems of increase in the appeal of regions of the republic to tourists, developments, and deployments of additional programs of development of tourism in regions, their timely financing and modernization of the operating infrastructure will allow increasing in the future considerably appeal of all tourist regions of Kazakhstan.

**Table 1.** Rating of readiness of the regions of Kazakhstan to receive guests

Name of the region (city)	The rank of the regions in terms of one-time capacity (beds)	One-time capacity (thousand beds)	Scope of services (million euros)	Number of placements (units)	Number of serviced intourists (people)	Occupied placements (%)
Total		119.3	39.38	2370	144 714	19.0
East Kazakhstan region	1	22.3	1.69	378	4 034	19.2
Akmola region	2	12.7	2.19	1628	1 628	13.4
Karagandy region	3	12.3	1.69	3577	3 577	18.2
Almaty region	4	11.2	1.48	96	96	17.3
South Kazakhstan region	5	6.0	1.08	2883	2 883	16.4
Kostanay region	6	5.8	0.43	1966	1 996	14.0
Pavlodar region	7	5.7	0.61	2034	2 034	12.9
Mangystau region	8	4.0	1.70	5154	5 154	15.3
Aktobe region	9	3.9	0.72	2036	2 036	12.4
Atyrau region	10	3.7	4.07	17682	17 682	28.0
Zhambyl region	11	2.8	1.09	342	342	12.4
West Kazakhstan region	12	2.8	1.69	4236	4 236	29.4
North Kazakhstan region	13	2.3	0.30	657	657	13.4
Kyzylorda region	14	1.6	0.35	560	560	15.2
Astana - the city of republican significance – the capital of Kazakhstan		9.5	10.29	35766	35 766	23.5
Almaty - the city of republican significance		12.7	9.98	62063	62 063	24.3

Source: composed by the authors

The East Kazakhstan region — 120 thousand at a time can accept the greatest number of tourists (including residents). In the region 378 locations of guests function. In the area, there is a resort area Katon-Karagay, Markakolsky and West Altai reserves.

The second place in rating at the Akmola region. The region in one stage can accept 22.3 thousand visitors. The area is attractive by resort areas in Shortandy, Zerende, Burabaye, the reserve Korgalzhyn.

On the third place — the Karaganda region. Single capacity of hotels of-12.7 thousand. The region is capable to attract Intourists with the resort area of Karkarala, the historical and cultural center of the first president and a recreation area of "Cabana Beach".

Afterward Almaty region interesting to visitors by the reserve museum "Tamgaly", a Sharyn canyon and so on was located. The area is capable to accept at a time over the 11th thousand visitors. Here 315 hotels work. The Southern Kazakhstan area where Intourists will be able to estimate advantages of rest in Sara-Agashe and to visit historical monuments in Turkestan closes the five of the best. Only 139 locations are capable in total to receive slightly less than 6 thousand guests work in the southern region.

Besides the five of areas two largest cities of the country — Almaty and Astana in 291 hotels can accept 22 thousand visitors at a time. Two megalopolises bring more than a half of all volume of services, here to the highest fallibility of locations.

The quantity and degree of expressiveness of weaknesses of Kazakhstan are higher, than quantity and degree of expressiveness of his strengths that is usually characteristic of the country which, like Kazakhstan, is in development of the strong and competitive industry of tourism. However, the quantity and degree of expressiveness of opportunities in Kazakhstan are higher, than quantity and degree of expressiveness of threats that means that the republic is able to use the current world processes and to create a competitive advantage to development of the industry of tourism. Results of the carried-out SWOT analysis of tourist branch of Kazakhstan are presented in table 2.

**Table 2.** SWOT-analysis of the tourism industry in Kazakhstan

<b>Strengths</b>	<b>Weaknesses</b>
<p>Natural, cultural, social and economic characteristics of the country:</p> <ul style="list-style-type: none"> <li>- a variety of natural resources;</li> <li>- a variety of monuments of tangible and intangible cultural heritage;</li> <li>- stable political and domestic situation;</li> <li>- the state of the labor market;</li> <li>- the possibility of public funding;</li> <li>- low cost of electricity and construction.</li> </ul> <p>Interested parties and partnerships:</p> <ul style="list-style-type: none"> <li>- the willingness of interested parties to cooperate;</li> <li>- readiness to create state-private enterprises;</li> <li>- availability of national tourist/hotel associations.</li> </ul>	<p>Low population density - a possible negative impact on the development of domestic tourism, including through a low level of demand for tourism products within the country.</p> <p>Insufficient level of involvement of historical and cultural monuments in tourist routes.</p> <p>Lack of qualified personnel in the sphere of tourism. Tools of state support that require further improvement, including stimulating the development of the industry through the introduction of tax support measures, simplifying the entry formalities (visa, migration regime), improving the land use regime, Possible obstacles to the development of tourism business, including the presence of administrative barriers, the availability of tools for government support, requiring further improvement.</p> <p>Insufficient development of infrastructure (transport, utility networks, checkpoints across the State border of the Republic of Kazakhstan, the condition of roads, significant distance between settlements, etc.), including significant physical and moral wear of a large number of tourist industry facilities, the lack of tourist class hotels , inadequate development of engineering, transport and social infrastructure in places of tourism, inaccessibility of tourist facilities, low level of service in tourist places in, insufficient quantity and quality of service of objects of a roadside infrastructure.</p>

	High prices for air tickets, the absence of national low-budget air carriers, a low number of new inbound air routes from countries that provide a potential influx of tourists, as well as domestic air routes in the direction of key tourist destinations identified in the cluster model of tourism development in Kazakhstan.
<b>Opportunity</b>	<b>Threats</b>
Industry Trends: - independent tourism; - Ecological and natural tourism; - cultural tourism; - demand for special/adventure tourist products; - more frequent and shorter rest periods; - Active, wellness and sports rest; - low-budget trips to the region; - implementation of tour packages via the Internet (e-commerce).	Increasing quality requirements. Long travel and passing of control procedures at checkpoints on the State border of the Republic of Kazakhstan for short-term rest. The high cost of traveling over long distances. Fragmentation of the travel market. Availability of new distribution channels to competitors. Similar tourist products of other regions (not only Kazakhstan is on the Great Silk Road, for example). Effective means of motivation and structure of entertainment; Strong dependence on the volume of business trips. Slow development of transport communication (air, land). Instability of the currency and high inflation.

*Source:* composed by the authors

The geopolitical situation and natural resources allow us to count on an increase in the number of tourists coming to Kazakhstan on business and participation in international events. These are, first of all, the cities of Almaty, Astana, Atyrau. The geopolitical situation and natural resources allow us to count on an increase in the number of business tourists coming to Kazakhstan on business issues and participation in international conferences. The infrastructure of the above centers is basically in line with international standards. The city of Almaty is a strategic (air, road, railway) gate for the republic and the main migration occurs precisely through this city. 500 km there are wonderful recreational areas. In addition, on the territory of a nearby city within a radius of 500 km there are wonderful recreational areas. The city of Astana becomes the same strategic zone. Increasing interest in the city as a young capital of our state, which has a modern look and infrastructure, creating a favorable development in the city of international and domestic tourism.

The analysis of tourist activity showed that tourists arriving from abroad prefer to stay in hotels that provide high-quality services and a full range of services. It is from business tourism that the further development of the hotel chain of international level will depend in large cities - business centers of the country.

The most promising regions of cultural and educational tourism are the city of Almaty and the Almaty region, the development of tourism along the Silk Road (the international tourist train "Pearl of the Silk Road" on the route Almaty - Turkestan - Tashkent - Samarkand - Bukhara - Urgench - Mary - Ashgabat - Almaty). Huge opportunities for the development of domestic cultural and educational tourism in the Republic opens Kazakhstan's participation in the tourist transcontinental route "Silk Road", implemented under the auspices of the UNWTO in cooperation with UNESCO.

One of the most promising areas for the development of the tourism industry in Kazakhstan, in our opinion, can be ecological tourism. The number of tourists interested in the protected areas of Kazakhstan is growing, new forms of organized tourism are being developed: bicycle, horse, water. The need for the development of ecological tourism in the Republic of Kazakhstan is due not only to economic factors - the creation of new jobs, the development of local communities in remote regions, but also the social order - the needs of the population in a more holistic, systematic approach to health problems and the use of free time. According to the experts of the World Tourism Organization, ecological tourism has become the most popular for the last ten years and is one of the tools for sustainable development of any state.

## Conclusions

The problems of the Kazakhstani economy in conditions of openness and integration into the world are urgent, as they require the search for effective state and economic mechanisms for maintaining relative economic stability and social development. The development of Kazakhstan's economy in market conditions revealed both competitive advantages of the country's economic potential and their shortcomings associated with various opportunities for adaptation to the market. This led at the beginning of the stage of development of Kazakhstan as a sovereign state to a significant decline and curtailment of industries in certain sectors of the non-primary sector, aggravating the disproportion of the real sector of the economy towards the development of the raw materials sectors. Kazakhstan's entry into the world economic system is constrained by Kazakhstan's narrow specialization in the world and regional division of labor, remoteness from the world's major commodity markets.

Thus, the strategy of further economic development of Kazakhstan has to promote ensuring deduction of national economy at rather stable level on the basis of diversification of economy and creation of conditions by the state for production of competitive types of production and growth of non-oil export and also to creation of conditions for prevalence of private initiatives and equal competitive conditions for all subjects of the market.

In Kazakhstan tourism - the developing branch and influence of the tourist industry on the national economy it is still insignificant. The backwardness of tourist infrastructure, low quality of service, the steady myth about Kazakhstan as about the country of the increased risk led to the fact that now less than 1% of a world tourist stream is the share of our country.

An indicator of tourist mobility of the population of Kazakhstan is one of the lowest in the world. An overwhelming part of travel agencies prefers to be engaged in the direction of the compatriots abroad, and only a few firms' works for the involvement of tourists to Kazakhstan. And generally, tourists visit Almaty and Astana.

The analysis of inbound tourism flows to Kazakhstan shows that the republic remains insufficiently attractive to foreign tourists. On export of tourist services, Kazakhstan takes the 78th place in the world. On availability, the price and level of service, tourist services of Kazakhstan are not competitive in the world market and much more concede to foreign analogs including concerning information maintenance and support.

Unlike Kazakhstan information support of modern foreign tourism relies not only on the huge potential of the most modern radio electronics and the accurate organization of all production cycles, but also on the high level of information support of adjacent spheres of activity (bank, transport, hotel, museum, security, etc.) that considerably reduces functional loads of means of information support the tourism and at the same time essentially increases efficiency of their use.

It is possible to allocate the following problems of formation and development of the mechanism of information support of the development of internal and entrance tourism:

1. Decrease in information risk at decision-making in the sphere of management of tourism;
2. Improvement of coordination of actions between public authorities of various levels and also other participants of the market of internal and entrance tourism;
3. Improvement of the main characteristics of the used information: completeness, reliability, relevance and timeliness, availability, value;
4. Unification of processes of collecting, processing, use and dissemination of information;



5. Increase in tourist demand due to an increase in knowledge of tourists of tourist opportunities of territories, etc.

Thus, the insufficient level of information support slows down development of entrance and internal tourism in Kazakhstan. The existence of full, reliable and relevant information promotes the adoption of more effective administrative decisions and, therefore, increase in rates of development of tourism. The modern tourist industry basing on the unique and natural and cultural capacity of the Republic of Kazakhstan is a natural backbone factor of flexible integration of tourism into the system of world economic communications, one of the most dynamically developing and effective on return on the invested capital by branch, despite its capital intensity.

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