

Tourism Development in the Post-Soviet and Post-Revolutionary Country: A Case Study of Kyrgyzstan

Bakyt Turdumambetov, Ph.D. in Economics

Department of Travel Management and Tourism Guidance,
Kyrgyzstan-Turkey Manas University,
720044, Bishkek, Mira Avenue, 56,
Kyrgyz Republic
Email: tbakyt@yahoo.com

Abstract

Kyrgyzstan as the post-soviet state is a blank spot on the map of international tourism. Though 94 % of the territory of the country are occupied with Tien Shan Mountains with unique touristic resources as Issyk-Kul and hospitable Kyrgyz people that keeps the disappearing way of life of ancient nomads. However, findings of this study show that the negative information due to two revolutions (2005 & 2010) on a destination spread in mass media can give a positive marketing effect. In paper, potential of the touristic resources of the Kyrgyzstan were defined and exploitation processes in market economy conditions were studied.

Keywords: Kyrgyzstan, tourism development, potential of the touristic resources, priorities in mountain tourism development, tourism sector management.

Introduction

Kyrgyz Republic is a small (199,900 km²) landlocked and mountainous country in Central Asia (Figure 1). Home to 5.4 million people, it has one of the smallest population densities in the continent (27 people per km²). But it is also one of the world's poorest countries, with a gross national income per capita of \$ 830 and 33.7 % of its population living below the poverty line (World Bank, 2011; International Monetary Fund, 2012).

However, Kyrgyz Republic is committed to preserving and conserving the abundance of natural fauna and flora, biosphere sites, lakes, mountains, rivers and glaciers (Schofield & Maccarrone-Eaglen, 2011). This rich natural heritage allows a big variety of activities including mountaineering, trekking, horseback riding, caving, river rafting, rock climbing and skiing (Aga Khan Development Network, 2001).

The following points identify the areas of natural significance that constitute the natural heritage of Kyrgyzstan:

- Mountains cover 94 % of the country (US Central Intelligence Agency [CIA], 2012). The mountains and valleys range from 7,439 meters (the Pobeda Peak or the Jengish Chokusu) at the highest peak to 401 meters above sea level in the Fergana valley near Osh city. The Tien Shan (Celestial Mountains) consists of 88 ranges. The Central Tien Shan peaks include the Pobeda Peak and the Khan Tengri Peak (6,995 metres);

- Water abundance is provided by many lakes and rivers in the area. Issyk-Kul is the second largest mountain lake in the world after Lake Titicaca (Klerkx & Imanackunov, 2002). The largest rivers are Naryn, Kara-Darya, Sary-Djaz, Chatkal, Chuy, Kekemerren and Isfairam-Sai. There are also over 800 glaciers that make up more than 4 % of the country's territory; the Inylchek Glacier (62 kilometers) passes the Pobeda and Khan Tengri Peaks (Encyclopædia Britannica Online, 2012). There is the Shaar – the highest waterfall in Central Asia, but it is not studied (Turдумамбетов, 2005) and consequently isn't present on maps (location near the N41° E76°);

- Despite its small size, Kyrgyz Republic is relatively rich in species: possessing nearly 1 % of all known species in just 0.13 % of the world's land area. Furthermore, it displays species richness (over 20,000 species, or 0.8 % of known species) above the expectations for the country's size and above the average in the Central Asian region (Shukurov, 1997). Table 1 shows that the biodiversity of Kyrgyzstan is not only nationally important; it's also important within the world biodiversity parameters.

The flora of Kyrgyz Republic is rich and diverse: it includes the largest walnut forests in the world (CIA, 2012); large tracts of Tien Shan spruce and Semenov fir; perennial juniper, pistachio and almond, barberry, wild black-currants, honeysuckle, wild rose, scarlet poppies on the foothills surrounding lake Issyk-Kul, over 60 kinds of tulips, and a wide variety of mushrooms and medical herbs. The fauna is also diverse, with more than 80 species of mammals, over 300 species of birds, and about 30 species of reptiles and amphibians.

Thus, ecotourism in Kyrgyzstan has very high development potential. However, ecotourism already has some problems (Atyshov & Turдумамбетов, 2006; Palmera, 2006). This fact once again confirms Butler's (1999) opinion that 'even when the elements and processes of sustainability are identified and understood, there is still no guarantee that it will be practiced in destination areas' (p. 20).

Over the last 2200 years numerous tribes and nationalities have contributed to the historical development of Kyrgyzstan. An important factor in the history of the country was its location on the most trade route between China and Europe, the so called Silk Road (Akaev, 2001; Buyers, 2003; Kantarci, 2007; Lee *et al.* 2012).

The indigenous population of the country, Kyrgyz people, is a carrier of a disappearing nomadic way of life that is why they are interesting for tourists (Kradin, 2002). One of the effects of the break-up of the Soviet Union and the following political independence and economic recession of its Central Asian republics has been the resurgence of the pastoral nomadism. Since the 1990s, as the cash economy shrank, unemployed relatives were absorbed back to the family farm, and the importance of this form of nomadism has increased (Baas, 1996).

However, despite the foregoing, Kyrgyz Republic's segment in the international tourism market is tiny. The number of tourists visiting Kyrgyz Republic varies from 0.1 % to 0.2 % from the total number of international tourists. The country receives only from 0.03 % to 0.06 % from total income of the international tourism. The share of tourism in country's GDP fluctuates within 4 % (National Statistical Committee of the Kyrgyz Republic [NSC], 2012). However, for small highlands, but with well-developed tourism sector its share in the GDP reaches more considerable sizes up to 30 % and above (Turдумамбетов, 2005). In our opinion, taking into account growing world demand for travel services, high appeal of mountain environment and uniqueness of local historical and cultural heritage, the share of tourism in GNP of Kyrgyzstan should make not less than ¼ of its volume. Nevertheless, this indicator is still low. Unfortunately, the contribution of tourism to the currency receipts, to the income of the state and employment is also insignificant (NSC, 2012). Such situation testifies to the existence of the problems, breaking a fast and sustainable development of tourism and demanding deep study for their subsequent solving.

From above-mentioned problems the questions of a rational use of resources and protection of the surrounding mountain environment, interfaced to the formation and development of effective touristic complexes have special value. Therefore, the comprehensive study of economic potential of recreational resources of Kyrgyz Republic becomes an urgent need for sustainable tourism development.

Methodology

A short review of the state-of-the-art of tourism research with reference to applied methods and the corresponding paradigmatically perspective concluded that the vast majority are firmly rooted within the positivist tradition and quantitative methodologies (Riley & Love, 2000). This study takes a somewhat different approach by choosing a qualitative meta-theoretical and methodological orientation to the research theme and questions. Due to the limited use of qualitative approaches in tourism studies, I have placed great emphasis on a description and discussion in this study. However, argues for the applied research approach and use of the different applied techniques are also presented. Finally, I have presented the empirical data, analytical considerations and generalization challenges, and validity and reliability have been dealt with within this research.

Empirical materials may have the form of both primary and secondary data. Secondary data, i.e. data that already exists, have been collected by the researcher in order to acquire a more complete picture and thus understanding of the research theme and questions through reports, feasibility studies, brochures, letters, etc., that might contribute to expanding the researcher's understanding of and shed light on the preliminary conclusions and hypotheses with reference to the knowledge and assumptions which already exist within the field. The secondary data is characterized by being process data, accountancy data and research data. The collected secondary data is thus mainly investigations, scientific articles and reports, articles from newspapers and magazines, internal reports, minutes from meetings, statistical records, etc.

The primary empirical material has been analyzed based on what is known as the ad-hoc method involving the combination of different methods as an analytical tool. The ad-hoc method generally can be split into three analytical/interpretative levels:

- Interpretation of the self-understanding of the subject studied;
- The researcher's common-sense interpretation;
- The researcher's theoretical interpretation.

The SWOT analysis has applied to a Kyrgyz Republic's tour product.

Findings

The tourism sector of the republic now has only two types of resources, natural and cultural. The potential of the first is defined by 15,846.6 thousand people a year, and this indicator should be considered as a limit of development of the natural tourism; its overuse will negatively affect not only the environment, but also the economy. Meanwhile investments into modern ecologically safe technologies can essentially shift the limit of natural tourism development to the right (increase). So, by our calculations, only 12.5 % of natural tourism potential is used. The cultural and historical potential of tourism of the republic is estimated at 2 million people a year and the current level of its use is 20 %.

Thus, natural, cultural, and historical tourism resources of Kyrgyzstan have enormous potential and don't need yet investments for increase. The investments are necessary only for their protection. Absolutely, in other conditions, there are components of tourism material base which is need large investments for updating and potential increasing.

The analysis of the tour product of Kyrgyz Republic carried out by us allowed to reveal its strengths, limitations, opportunities and threats which are reflected in the SWOT matrix (Table 2).

Dynamics of arrivals and export of tourist services for the last 17 years is presented in Table 3 which is made according to the information of the National Statistical Committee of the Kyrgyz Republic (NSC KR).

Table 3 shows that the number of arrivals in the republic tended to grow until 1997. The sharp decline in the number of arrivals in 1998 once again proves that tourism is strongly dependent on social, economic, and political system, and also on information distribution about the destination place. The reason of sharp falling in number of arrivals in 1998 would be clear if we remember that financial and economic crisis fell upon all former Soviet Union that year. Besides, that year the information about a negative ecological situation in Kyrgyzstan with cyanide spill accident of cargo transport of gold mining Kumtor Operating Company on Barskoon river in Issyk Kul oblast was spread (European Commission, 2003).

The further recession of number of arrivals in 1999 is caused mainly by 'Batken incidents' about which it was possible to find out from all sources of news agencies of the world (Passon & Temirkulov, 2004). So, in 1999 the indicator of number of arrivals fell to level of 1996. This fact once again confirms Avraham & Ketter's (2013) opinion that 'If (destinations that suffer from fundamental problems) run a campaign without changing the destination first, tourists may be even more disappointed, creating more harm than good to their images' (p. 160).

In 2000, the growth in the number of arrivals was observed. However, it is necessary to note that also that year 'Batken incidents' took place (Claytor, 2010). From here it is possible to draw a conclusion that the international tourism, on the one hand, is strongly subject to influence of external economic and political factors, on the other hand, business in tourism is capable for fast restoration of the volumes in an adverse situation.

Since 2000 till 2004 the steady growth of arrivals of tourists, on the average 53 % a year is observed.

It is paradoxical, but figures show that unlike number of arrivals, despite 'Batken incidents', the income of tourism for 1998-99 tended stable growth. Most likely, it speaks the following two reasons:

1. The quantity of tourists arrived from non-CIS countries, especially from developed countries, was increasing every year. The spending of those tourists is essentially higher than the spending of tourists from the CIS (Turdumambetov, 2005).

2. The prices of tours in the Kyrgyz Republic rise every year.

The process of rather stable growth of the income in 1996-98 gained lines of sharp growth in 1998-99. It, most likely, is connected with the second reason, i.e. with rise in the price of tours in connection with financial and economic crisis of 1998 in South East Asia, and then and in Russia.

The fact of that tourists from non-CIS countries spend more than tourists from CIS countries, specifies that our efforts should be directed on attracting citizens of developed countries. Besides, the cultural and educational level of tourists from developed countries is higher and they have developed good ecological consciousness. Therefore our purpose shouldn't become the simple increase in the number of arriving tourists (as it is noted in all official documents), but the increase of qualitative parameters. In other words, we should recognize that tourism is a branch of the economy, and our country is a mountainous, the ecosystem of which is very fragile and vulnerable. The fundamental law of the economics says: the maximum profit at a minimum use of resources i.e. costs of production. If to recognize that tourism resources are used directly by tourists, this law should be interpreted as following: at maximum profit at a minimum of number of tourists.

Table 3 shows one more very interesting fact. In 2011, the total number of tourists arrived in Kyrgyzstan increased by 1,798, 100¹ people and made 3, 114,300 people, i.e. the growth rate is more than

¹ NSC, 2012

235%! And this phenomenon takes place despite the fact that search websites where foreign tourists usually get information when choosing a place to travel, still dazzle with sad photos of April and June events of 2010 (Wikimedia Foundation, 2010a, 2010b). We will try to understand this paradoxical phenomenon observed in the tourism market below.

The similar growth rate of arrivals (almost in 240%) was recorded in 2006, i.e. the next year after the first national revolution (Wikimedia Foundation, 2005). It means that assumption specified earlier in the (Turdumambetov, 2005) and being that even negative information on a destination spread in mass media can give a positive marketing effect, is confirmed. The following examples from the world tourism development experience also can confirm this hypothesis:

- in 1950s, mass arrival of tourists to Germany was observed, and it happened just five years after the WWII;
- Vietnam faced an inexperienced growth in the number of tourists just after the end of the war with USA. Moreover, the majority of the tourists were US citizens; they were visiting Vietnam despite its geographical remoteness. And this trend is being observed still;
- Small in land, Israel is one of the world leaders in receiving the religious and resort tourists although there are permanent conflicts in Palestine.

From the economic point of view such phenomenon partly can also be explained with the effect of 'deferred demand' ('pent-up demand') which, in my opinion, is evident in tourism. In other words, a potential tourist who has postponed his or her tour for any reasons this year will surely plan it for the next year.

Another, but less probable explanation is a statistical addition: 'Welcome, we are fine, and therefore a lot of tourists are visiting us and having rest without problems'. But, I sincerely hope that the statistical additions remained in the Soviet past.

Tourism in Kyrgyzstan develops following its 'natural' way, i.e. without direct government intervention, and as we see, it exhibits quite good results. The lack of government intervention is explained by the absence of legislation concerning tourism. In other words we have no state strategy on tourism development. The documents which were adopted during the first years of Kyrgyzstani independence simply became outdated, and they were purely declarative; the state programs of tourism development were almost never financed.

Nowadays the most important question in the legislation of tourism industry is to determine a 'painless' transition from the three 'S' tourism formula to the three 'L' formula. The world practice and domestic experience show that negative social effects, such as increasing crime rates, drug addiction, and prostitution are most likely to happen in the areas where the tourism develops by the three 'S' formula. In order to trace out the linkage of beach tourism and gangster groups, it is enough to state that up to 60% of gangsters in Kyrgyzstan were born in Issyk-Kul rayon of Issyk-Kul oblast which is considered to be the main touristic destination in the country.

Kyrgyzstan has an excellent potential of a sustainable tourism development. In order to do that it is necessary to focus on the three 'L' formula of tourism development. It is well known that the main consumers of such touristic services are generally inhabitants of the Western Europe, USA, Canada and Japan; their daily expenses are several times higher than the ones of tourists from CIS countries traveling by three 'S' formula.

How to attract tourists from developed countries? It is the second main issue which has to be designated in relevant state legislation on tourism. The Kyrgyz officials started to search an answer to the matter as always not with what is necessary: the visa-free regime for citizens of developed countries was introduced from businessmen's suggestions. On July 24 President of the Kyrgyz Republic Almazbek

Atambaev signed the Law 'On 60-days visa-regime for citizens of some countries' (International Business Council, 2012).

I don't see the visa-free regime as a panacea for the tourism sector, and the tourism is not a panacea for the economy as a whole. Perhaps, the cancellation of a visa regime for 44 countries somehow will ease the work of some companies in inbound tourism, but it isn't 'panacea' for the branch as a whole. When imposing this visa-free regime the experience of Georgia was provided; the statement of the officials was that Georgia faced large streams of tourists after the cancellation of visa regime. However, if to take a look at the statistics, in 2010 only about 900 thousand tourists visited Georgia which is only 0.12% from the total number of international tourists, i.e. approximately as many as visit Kyrgyzstan and even slightly less. Moreover, Georgia was not visited by tourists from developed countries. So, according to the data of the Department of tourism and resorts of the Ministry of economic development of Georgia, the leader in the number of foreign tourists in 2010 is Turkey (43.1% from total of tourists), then Armenia (33%) and Azerbaijan (8%). The increase in number of tourists from Iran and Ukraine was observed.

There is a striking example which shows that introduction of a visa-free regime changes nothing: the visa-free regime for Japanese citizens exists for more than 10 years, however, the number of tourists before and after refusing visas is the same, about 2 thousand tourists annually. Two thousand tourists is only 0,001% from the total number of tourists from 'the rising sun country'.

The specifics and character of tourism market, especially a segment of inbound tourism which is engaged in reception of tourists from developed countries forces businessmen to be more self-organized and intensively lobby their interests. Of course, it is good; however, sometimes such activities force them 'to run ahead of the train'. The same turned out with introduction of the visa-free regime for developed countries. This introduction primarily affects the departmental interests of the Ministry of Foreign Affairs; instead of introducing the visa-free regime, this ministry should work with the image and marketing of the country all over the world, it should work with attracting airline companies in order to establish direct flights from and to developed countries. The Ministry of Foreign Affairs has to speed up the work of its numerous embassies for development of tourism and attracting tourists from developed countries.

There are more important and acute problems in the branch than the introduction of the visa-free regime. And, first of all, it is a marketing of Kyrgyzstan as a country of international touristic destination. The businessmen again suggest solving this problem with creation of a new structure – a special promotion organization. It, of course, is not an exit in conditions of sharp budget deficit, and businessmen now financially and morally aren't ready to participate in funding such an organization.

I see the solution again in the Ministry of Foreign Affairs which, in my opinion, will cope with the task. However, marketing specialists have to coordinate this marketing work in one of departments in the government office. So it would be both logical and efficient.

Along with Kyrgyz Republic National Statistical Committee's (NSC) data, I have analyzed data of other public institutions, and domestic businessmen's data in this work. And as a result of this analytical comparison, it became clear that data of various establishments on the same indicator is very contradictory. So, for example, according to the data of the Department of Development Resort Complex (DRC) and Center for Tourism, Sports and Youth Policy (CTSYP) of Issyk-Kul oblast, more than 460,000 tourists visited Issyk-Kul in 2000, and according to NSC only 78,000 people did so. By the approximate calculations based on the data of the DRC, CTSYP of Issyk-Kul oblast and Head Department of the Border Control Service of National Security State Committee of Kyrgyz Republic, in 2000, the total revenue from arrived tourists was about \$102.9 million. Only \$15.3 million were officially recorded. The rest, about \$87.6 million weren't recorded and respectively the state budget had nothing from that. It was the result of both our high

level of tax burden and low level of domestic enterprise culture. Unfortunately, such rough digital contradictions in data of government bodies are observed even today.

Meanwhile the Kyrgyz economy has been having both the negative trade balance and negative current account since 1991, one of the fast-growing sources of export receipts in recent years is an export of tourist services making \$631.3 million in 2011 that makes 10.8% from the GDP and 18.7% from all exports of the country. Thus the volume of export of tourism services for the last 15 years steadily exceeds the volume of import of tourist services (Table 4).

This fact speaks about positive balance of the international tourism in Kyrgyzstan as one of the few effective forms of international economic activities.

It had been revealed within this research that it is highly important to protect recreational resources of the Kyrgyz Republic. Mostly the recreational resources are used not properly: they are used chaotically, without any state regulation, without taking care of the burden on these resources – people take care only of seasonal earnings. The activities aimed at protecting these resources are not systematic, inefficient, and ineffective. As a result of such overload the recreational resources are losing their quality. In order to save them it is necessary to elaborate preservation and restoration programs. It is not possible to develop them without scientific researches and investment.

From the above-mentioned we suggest that the general scheme of tourism development should be built on the following interconnected principles:

- maximizing profit at minimization of number of tourists;
- increases in profits should be followed by the decline in the overload of touristic infrastructure.

Observance of these principles will allow to keep vulnerable mountain ecosystems and at the same time to satisfy growing needs of tourists for contact with a natural environment.

In recent years, the tourism is getting the characteristics of a typical branch of the economy. As this branch exploits the nature, it requires infrastructure, finance, and labor, and makes a significant contribution to the regional specialization.

Naturally, the tourism with its complex structure needs a proper management. However, today there is no management system corresponding to the complexity of the tourism sector. At the same time system nature of processes of tourism development predetermines possibility of essential increase in efficiency of the sector with the management improvement.

In this regard, we present a new approach to tourism management, one of the results of the research, indeed, the new lever of optimal influence on the touristic market for the purpose of its sustainable development. This approach is based on the 'feedback' concept with application of new management information technologies which are usual for any open system.

The traditional levers of tourism market regulation such as licensing, certification, standardization, and other command-and-control policies can give expected positive effects in a closed authoritative system. This is because the feedback doesn't work there at all. Such scheme is shown in Figure 2.

However, Kyrgyzstan chose a way of democracy and market-led economy which is an open system; command-and-control policies in an open system would lead to such negative outcomes as bureaucracy, corruption, unstable development, deterioration of services, and others. Therefore the new management information technologies based on the feedback nowadays can become an effective method of management in Kyrgyzstan.

The feedback can be provided through a constant information stream from consumers of tourism services to the National Tourist Administration (NTA). For this purpose it is necessary to conduct a continuous poll and questioning of tourists, i.e. the standard questionnaire has to be developed which can be distributed to arriving tourists on borders (border check-points, the airports, stations, etc.). When they leave

the country, they can leave the completed questionnaires in the same place on the border. After that questionnaires have to go to NTA, where all collected information has to be processed by the independent scientific and analytical center for granting to the government and other interested parties.

Thus, if at least 20-30% from total of tourists would fill and leave questionnaires, i.e. information on the rendered services, problems during travel, etc., it would be already enough to take a look on the quality of supplied services and the level of customers' satisfaction.. We are sure that the volume of necessary information on the basis of which it is possible to receive an objective picture of the market if to consider will gather that 'offended' on producers of services tourists will try to fill and leave questionnaires. On the basis of information received thus, and scientifically reasonable, it will be possible to influence producers of tourist services and really to operate tourist branch for its sustainable development.

Such scheme will be even more effective if, first, to develop the electronic version of the same questionnaire and to extend it in Internet, and, secondly, without being limited with only above-mentioned, it is possible to conduct sociological research in places where tourist have rest, for example, in the Issyk-Kul resort and recreational zone. In this case these three methods will complement each other and even more objective information on the tourist market will be gathered.

The above is schematically shown in Figure 3.

Thus, the introduction of the new informational mechanism based on the 'feedback' in tourism can become the most efficient method of regulating the tourism market. The introduction of such scheme, in our opinion, will give a chance to carry out continuous monitoring and improving the quality of tourist services, see the gaps in the infrastructure, get a picture of marketing tendencies of the market, reduce bureaucratic barriers to investments, improve system of collecting statistical information.

Conclusion and Discussion

1. The role of tourism in the economy of Kyrgyzstan might be both positive, and negative depending on the level of general economic development of the country.

2. Successful development of tourism depends on effective use of natural environment. The big susceptibility of natural environment to external influence demands protection and development of its unique features which provide attractiveness (appeal) of a tourist zone in the opinion of tourists and investors. One of the main objectives must be the development which complements key positive features of a mountainous landscape, but doesn't suppress them.

3. The negative information on a destination spread in mass media can give a positive marketing effect.

4. The fast developing mass beach tourism in mountains is extremely unstable and short-living because of quick environment degradation, and often it generates the sociocultural conflicts. Besides, mass beach tourism can develop only in Issyk-Kul area as it happens now. It means that tourism develops unevenly: a large number of tourists are concentrated only in Issyk-Kul, and only on its northern coast. Accordingly, the government has to direct its work on even distribution of arriving tourists all over the country in time and space taking into account available resources of each region that would allow reducing the pressure of tourism on environment and infrastructure of certain areas. There are two ways to solve this problem: first, by investing into less-visited regions; second, by fiscal policy tools.

5. Nowadays, there is big 'shadow' component in tourism sector. With this component the share of tourism in GDP is 6-8%. It is necessary to elaborate methods to legalize this 'shadow' part of the sector. The taxing tourist services for international tourist as an export of services might be helpful in this regard.

6. Results of the research indicate the need to establish the National Tourist Administration. One of the functions of this organization must be the introduction of the system of continuous opinion poll and the

questioning that provide feedback from consumers. Such system promotes the simultaneous solution of such actual problems of tourism as quality management of tourist services, marketing, and statistical account.

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Table 1. Biodiversity and Density of Species in the Kyrgyz Republic

Species	Number of Species in the World	Number of Species per .000 km ² in the World	Number of Species in Kyrgyzstan	Percentage of Species in the World found in Kyrgyzstan	Number of Species per .000 km ² in Kyrgyzstan
Protozoa	5,760	0.011	261	0.05	1.32
Lower plants	73,883	0.145	3,676	4.98	18.57
Higher plants	248,428	1.666	3,786	1.52	19.12
Worms	36,200	0.071	1,282	3.54	6.47
Mollusca	50,000	0.098	168	0.34	0.85
Arthropods	≈ 2 million	13.407	10,290	0.51	51.72
Fishes	19,056	0.041	75	0.39	0.38
Amphibians	4,184	0.023	4	0.09	0.02
Reptiles	6,300	0.047	33	0.52	0.15
Birds	9,040	0.062	368	4.07	1.86
Mammals	4,000	0.027	83	2.07	0.44

Source: *Kyrgyz Republic Biodiversity Strategy and Action Plan*, (1998).

Table 2. SWOT matrix of Kyrgyz Republic's tour product

<p>The sustainable development of a tour product of Kyrgyz Republic and solution of problems of this matrix will require close cooperation of various public institutions with an increasing private sector, especially in the field of accommodation provision and development of sights, creation of economic conditions for support of internal and direct foreign investments.</p> <p>Strengths and Opportunities:</p> <p>The priority is an effective use of available opportunities in order to expand and strengthen tour production in the market and to receive the maximum return from its</p>	<p>Strengths</p> <ul style="list-style-type: none"> • high esthetic quality of the surrounding mountain environment; • a variety of the nature, beginning from high mountains to sandy beaches of the Lake Issyk-Kul; • hospitality of the Kyrgyz people; • historical link of the country to the Great Silk way; • availability of services of tour operators; • a variety of tourist rest, beginning from cultural rounds to water activities of rest; • richness of the Kyrgyz culture with ancient nomadic traditions. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • insufficient quality and limitation of the demanded places of accommodation; • discrepancy of the price and quality for the provided tourist services; • shortage of tourist information and explanatory material; • bad quality of infrastructure (especially transport); • underdeveloped handicraft sector; • lack of material values and vernacular architecture of settled civilizations in comparison with neighboring states; • poor language skills and poor-quality service, especially outside of Bishkek; • lack of cultural sporting events and festivals.

<p>strengths.</p> <p>Strengths and Threats:</p> <p>The priority is a concentration of strengths and opportunities for receiving a synergy with a view of decrease and possible elimination of threats.</p> <p>Weaknesses and Opportunities:</p> <p>The priority is skillful use of available opportunities for disposal of probably bigger number of weaknesses.</p> <p>Weaknesses and Threats:</p> <p>The priority is purposeful, skillful use of opportunities and strengths for overcoming of weaknesses and prevention of threats.</p>	<p>Opportunities</p> <ul style="list-style-type: none"> • growth of the international tourism; • growth of interest to adventure tourism at the main sources of the market; • possibility to control tourism development (the under-developed nature of the existing product presents the opportunity to shape future development); • anticipated development of Silk Rout tourism following initiatives undertaken by the UNWTO; • increased cooperation between private sector (especially tour operators) and public sector. 	<p>Threats</p> <ul style="list-style-type: none"> • absence of the strategic integrated plan on development of the tourism based on the deep scientific analysis; • competition growth within the international market; • the increased mobility of the regional market (increased awareness of, aspirations for, the tourism product offered by competitive destinations negatively impact market demand); • war and conflicts in Afghanistan, Iraq and Iran, tensions on southwest border of Kyrgyzstan with Uzbekistan and Tajikistan other problems of safety, including the international terrorism; • the restrictive character of the economic development environment and infrastructure (corruption, high level of the taxation, high interest rates of the credits, deficiency of investments etc.).
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Table 3. International tourism arrivals and export of tourist services of the Kyrgyz Republic

Year	Arrivals (thousand people)	+/- (%)	Income (mln. USD)	+/- (%)
1996	48,6	-	4,2	-
1997	87,3	+79.6	7,1	+69.0
1998	59,3	-32.0	8,4	+18.3
1999	48,2	-18.7	14,1	+67.8
2000	58,7	+21.7	15,3	+8.5
2001	98,5	+67.8	24,4	+59.4
2002	139,5	+41.6	35,7	+46.3
2003	211,3	+51.4	47,8	+33.8
2004	392,0	+85.5	75,3	+57.5
2005	319,3	-18.5	70,5	-6.3
2006	765,9	+139.8	164,6	+133.4
2007	1655,8	+116.1	342,2	+107.8
2008	2435,4	+47.0	509,2	+48.8
2009	2146,7	-11,8	445,0	-12.6
2010	1316,2	-38.6	271,7	-38.9
2011	3114,3	+136.6	631,3	+132.3
2012	3392,0	+8.9	677,7	+7.3

Source for Arrivals and Income: NSC KR.

Table 4. Import and Export of Tourism Services in the Kyrgyz Republic (\$ million)

Year	Tourist service export	Tourist service import	Balance, +/-	Total export	Total import	Balance, +/-
1996	4,2	-	-	-	-	-
1997	7,1	-	-	-	-	-
1998	8,4	3,5	+ 4,9	-	-	-
1999	14,1	10,7	+ 3,4	-	-	-
2000	15,3	15,6	- 0,3	-	-	-
2001	24,4	11,9	+ 12,5	-	-	-
2002	35,7	9,9	+ 25,8	-	-	-
2003	47,8	16,6	+ 31,2	-	-	-
2004	75,3	46,4	+ 28,9	-	-	-
2005	70,5	48,9	+ 21,6	-	-	-
2006	164,6	91,6	+ 73,0	1 265,5	2 392,0	- 1126,5
2007	342,2	112,4	+ 229,8	2 005,3	3 370,8	- 1365,5
2008	509,2	304,4	+ 204,8	2 751,6	5 066,2	- 2314,6
2009	445,0	257,1	+ 187,9	2 536,6	3 906,6	- 1370,0
2010	271,7	259,9	+ 11,8	2 449,0	4 147,0	- 1698,0
2011	631,3	407,5	+ 223,8	3 363,4	5 388,0	- 2024,6

Source: NSC KR.



Figure 1. The Location of Kyrgyz Republic

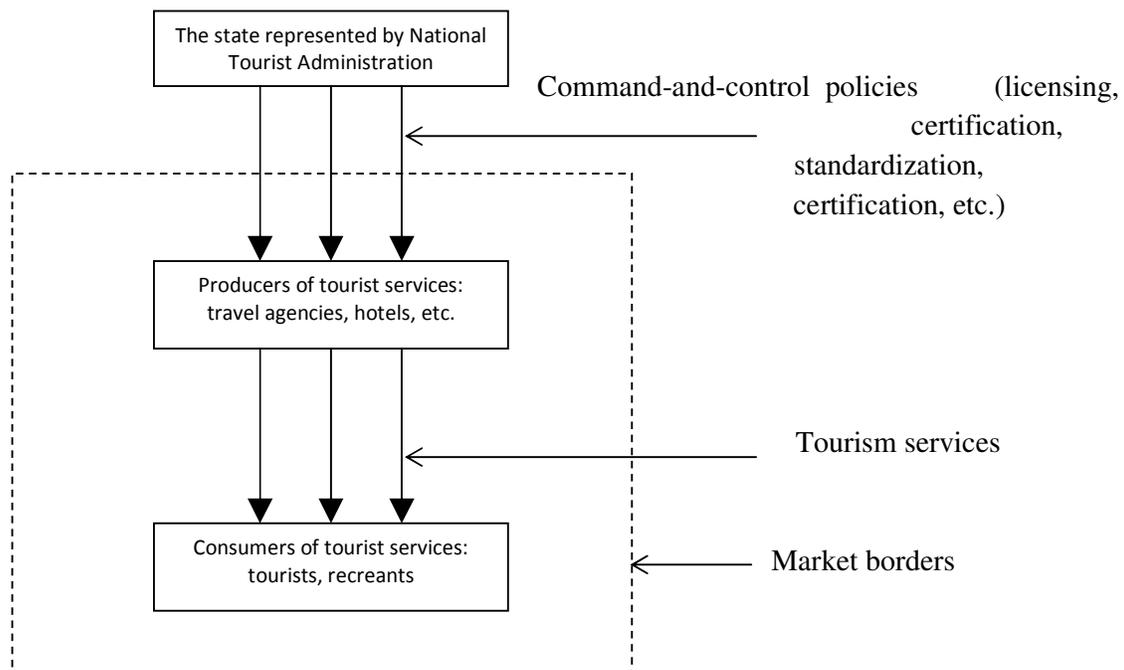
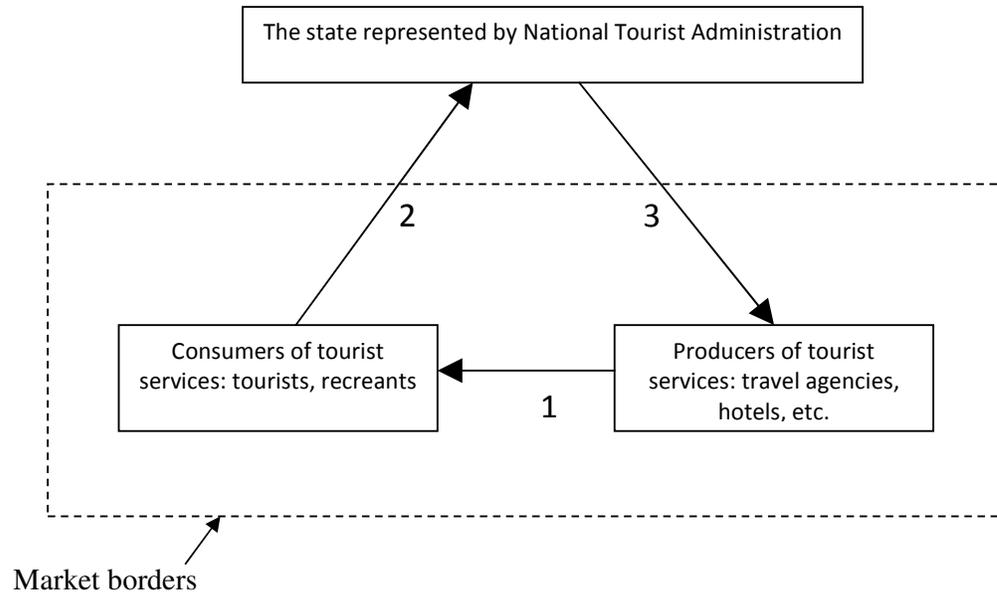


Figure 2. Mechanism of impact on the tourism market using traditional methods of management



- 1 – Tourist services;
- 2 – Feedback (information received from tourists through opinion poll);
- 3 – Management on the basis of scientifically processed objective information

Figure 3. The mechanism of impact on the tourist market by new information method of management based on the concept of ‘feedback’