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Development Trends of the Tourism Market, Current State of Supply and Demand for Tourism Products

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Abstract: "Tourism demand is defined as the total number of people who travel or are willing to travel to places away from their usual environment to enjoy tourist attractions, tourist products and services." It represents the ability and willingness of tourists to purchase tourist services at a given time. "There are other types of demand, namely, effective demand is the actual number of people who travel, while latent demand is the number of people who want to travel but are limited by factors such as economic conditions or lack of access." Tourism demand is very elastic and is affected by economic, social and psychological factors, and due to the influence of these factors, tourist demand also fluctuates.

Keywords: Tourism, demand and supply, touristic products, methods, types of demand and supply

1. Introduction

Tourism also has sufficient resources to take its rightful place in the economy of our republic, along with agriculture, industry, transport and other macroeconomic sectors. Our country is a leader among the Central Asian countries in terms of tourism development opportunities. Because our country is one of the centers of world civilization, famous for its monuments and antiquities. The culture has made a great contribution to the art, architecture, urban planning and many other areas of the world's peoples. History knows that tourism has also contributed to the development of the region to a certain extent.

Literature review

Tourism is one of such practical areas, especially since international tourism does not require large investments compared to other important sectors of the economy. At the same time, if we look at the place of tourism in our national economy, it becomes clear that the effective use of available resources is not always achieved. The development of tourism in our country coincides with the period of renewal of society, and it is necessary to further improve its quality, taking into account the process of gradual changes. It is known from the experience of developed countries that the development of the economy is also related to the tourism sector. Therefore, it is of great importance in countries transitioning to a market economy to pay great attention to international tourism.

Considering that in Uzbekistan there are enough tourism resources to develop tourism to the level that meets modern requirements, it becomes clear that this sector is of great importance for the economy and for the development of society as a whole. At the same time, the development of tourism in our republic is directly related to the ongoing

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economic reforms and the effective use of available resources. Tourism has become the most profitable sector in the world today. In recent years, it has accounted for 10% of world trade in goods and services. Therefore, many countries pay special attention to this sector. In particular, in Uzbekistan, the state is focusing on the development of tourism and is using all its potential. Our country has all the opportunities for the development of tourism.

2. Materials and Methods

In this study, a combination of **SWOT analysis** and **narrative analysis** was used to examine the current state and development trends of tourism demand and supply in Uzbekistan. The research focused on evaluating changes in the **tourism infrastructure**, particularly the number of accommodation facilities across regions from 2016 to 2024, to assess how supply factors influence and stimulate demand. Additionally, **Compound Annual Growth Rate (CAGR)** analysis was applied to transport and other tourism service segments to identify stable growth patterns and predict long-term trends. This approach allowed for a systematic assessment of tourism products, regional dynamics, and the interdependence of supply and demand factors, providing an empirical basis for sustainable tourism development strategies..

3. Results and discussion

According to this study, swot analysis and narrative analysis are used to illustrate tourism demand and supply.

A deep study of the dynamics of the development of tourism infrastructure in Uzbekistan allows us to assess the extent to which tourism supply and demand factors are being formed. In particular, changes in the number of accommodation facilities over the years have a direct impact on the expansion of the tourism market in the country, increased competition between regions, and improved service quality. In this regard, an analysis of the dynamics of the number of hotels and similar accommodation facilities by region in 2016–2024 is of significant practical importance for the strategy of sustainable tourism development. The table below (Table 2.1) systematically reflects changes in the number of accommodation facilities over this period.

№	Province	2016	2017	2018	2019	2020	2021	2022	2023	2024
1	Andijan	162	175	188	200	120	145	180	220	250
2	Fargana	190	205	220	235	140	165	210	260	290
3	Namangan	142	152	164	175	100	125	160	190	215
4	Korakalpakiston	112	122	132	142	75	96	125	155	175
5	Kharazm	215	230	245	265	140	180	230	280	320
6	Bukharo	250	270	295	320	165	200	270	330	380
7	Surkhondaryo	140	150	162	175	95	120	160	200	230
8	Kashkadaryo	175	190	205	220	110	140	180	230	270
9	Jizzakh	105	112	120	128	65	85	115	145	165
10	Samarkand	285	305	330	360	190	235	310	380	430
11	Sirdaryo	87	94	102	110	55	70	95	120	140
12	Toshkent	315	340	370	400	210	260	340	420	480
13	Navoi	125	134	144	155	80	105	135	165	190

Table-1. Number of hotels and similar accommodation facilities in Uzbekistan (2016–2024, in units).

The steady growth in the number of hotels and similar accommodation facilities in Uzbekistan in 2016–2024 indicates the strengthening of supply and demand factors aimed at developing tourism in the country. The dynamics in the table show that the sustainable

development of the tourism market is ensured by national policy, growth in domestic demand and expansion of regional infrastructure. This means that the strengthening of supply factors in the tourism sector will further stimulate demand.

The growth in the number of accommodation facilities, which is an important indicator of the tourist offer, over the years reflects the qualitative formation of the tourism market. The fact that by 2024 the number of facilities in almost all regions will increase by 1.5–2 times indicates the rapid modernization of the supply infrastructure. This process is one of the important factors serving to stimulate tourist demand, leading to an improvement in the quality of tourism services and increased competition.

The growth of accommodation facilities in the leading tourism centers, Tashkent, Samarkand and Bukhara, shows that the strategy of expanding the supply in regions with stable and high tourist demand is working effectively. The increase in the number of hotels in these regions by more than 50% in 2016–2024 is associated with a high flow of domestic and foreign tourists, the activity of historical heritage and business tourism. This confirms that the strengthening of demand factors is accelerating the development of the supply infrastructure.

In the Fergana Valley, Andijan, Fergana and Namangan regions, tourism infrastructure has also been gradually developing. The steady growth in the number of accommodation facilities in these regions is mainly associated with domestic tourism, family trips, nature-based tourism segments and the increasingly popular eco-tourism. These forms of demand indicate the need to diversify the supply and contribute to the sustainable development of regional tourism.

The Khorezm, Karakalpakstan and Surkhandarya regions, which have recorded significant growth in recent years, clearly demonstrate the potential for increasing demand through the development of supply infrastructure. In these regions, the expansion of tourist destinations, the popularization of festivals and cultural events, the development of natural and archaeological heritage sites contribute to a sustainable increase in tourist demand. Accordingly, the improvement of the supply infrastructure is making these regions an even more significant point on the country's tourism map.

The dynamics of accommodation facilities confirms the interdependence of supply and demand factors in the sustainable development of tourism. The expansion of the supply infrastructure expands the geographical coverage of tourist services and increases the opportunities for tourists. This, in turn, leads to an increase in tourist demand and ensures sustainable development in terms of both quantity and quality. The analysis shows that the growth of accommodation infrastructure is one of the key elements of the strategy for sustainable tourism development. The expansion of this infrastructure serves to strengthen the tourist offer, improve the quality of services, attract new segments and create new jobs in the labor market. From the point of view of the topic of the dissertation, these indicators demonstrate the need for harmonious management of demand and supply factors and serve as an important empirical basis for developing priority areas.

	Product type	Content	Direction
1	Transportation	A set of services that delivers tourists to their destination and ensures comfort, safety, and environmental sustainability during the trip.	A set of services that delivers tourists to their destination and ensures comfort, safety, and environmental sustainability during the trip.
2	Gastronomics	Local food, national cuisine, agro-tourism services	Local food, national cuisine, agro-tourism services
3	Cultural excursion	Services related to local heritage, traditions, art, and history	Services related to local heritage, traditions, art, and history
4	Religious/Pilgrimage	Pilgrimage routes, mosques, mausoleums, holy places	Pilgrimage routes, mosques, mausoleums, holy places
5	Adventure	Active tourism, sports, extreme routes	Active tourism, sports, extreme routes

6	Recreation and entertainment services	Services created for the physical and mental relaxation of the tourist	Services created for the physical and mental relaxation of the tourist
7	MICE	Event, conference, exhibition, business forum services	Conference, exhibition, business forum services
8	Guide and language services	Guide, tour operator services	Tours, excursions, business translations
9	Digital or Digitized Product	Online services, AR/VR tours, mobile guides	Online services, AR/VR tours, mobile guides

Table-2. Types of tourist products

A tourist product is a complex of tourist experiences and services, which is one of the most important economic indicators that reflects the tourism potential of a country. The growth rate of demand for a tourist product in the Republic of Uzbekistan is closely related to the socio-economic growth of the country, its international image and a sustainable tourism policy. This creates a solid foundation for transforming the tourism sector into a strategic sector of the national economy.

CAGR (Compound Annual Growth Rate) Based on the analysis of the annual growth rate, a scenario analysis CAGR is used to determine in which year the number of uses was less or more, based on the above information, forming a rating in the main regional section. "Scenario CAGR" may be "CAGR for Scenario" means calculating the annual annual growth rate based on various business or financial scenarios. CAGR is a general indicator used to show the average annual growth of investments over a given period of time, and a scenario-based approach allows for a more comprehensive analysis by projecting growth under different potential scenarios. CAGR stands for Compound Annual Growth Rate and is used to calculate the average growth rate of investments over a given period.

If the total number of transport uses in 2010 was 8,620, then in 2025 it will reach 21,600 and based on CAGR analysis, we can analyze it as follows"

CAGR formula®

$$\mathrm{CAGR} = \left(\frac{V_{\text{end}}}{V_{\text{start}}} \right)^{\frac{1}{n-1}} \quad (1)$$

where:

V_{end} — the value of the last year (2025)

V_{start} — the value of the starting year (2010)

n — the number of periods (2025–2010 = 15 years)

We multiply the result by 100 and express it as a percentage.

This formula helps to calculate a stable development trajectory, without taking into account random fluctuations in the data. Using CAGR to determine the annual growth trend of demand in tourism makes the results more reliable and easier to compare.

CAGR When evaluating the results, it is necessary to adhere to the following scientific principles:

CAGR = 0–3% - slow development, the market is stable, but the dynamics are low.

CAGR = 4–7% - moderate growth, demand is stabilizing.

CAGR = 8–12% - stable development at a high pace (ideal for tourism).

CAGR = 13% and above - rapid growth phase, the market is developing sharply.

In the tourism segment, a CAGR of around 8–12% is considered very positive and proves that the infrastructure in the region is developing effectively.

$$\mathrm{CAGR} (\%) = \left[\left(\frac{V_{\text{end}}}{V_{\text{start}}} \right)^{\frac{1}{n-1}} - 1 \right] \times 100 \quad (2)$$

$$\mathrm{CAGR} = \left(\frac{21600}{8620} \right)^{\frac{1}{15}} - 1 = 2.5058^{0.0667} - 1 = 1.0632 - 1 = 0.0632 = 6.32\%$$

The use of transport products increased by an average of 6.32% from 2010 to 2025. This indicates that the average growth rate of 6.32% in the use of transport products during 2010–2025 has formed a stable and continuous development trend in this segment. This indicator, measured by CAGR, confirms that the demand for transport services is increasing steadily year by year, and that, despite short-term fluctuations within the industry, the long-term trend is in a positive direction. This growth, on the one hand, is associated with an increase in incomes of the population and the activation of domestic tourism, on the one hand, with the modernization of transport infrastructure, the introduction of new routes and the improvement of service quality.

The average annual growth rate of 6.32% indicates that the transport services market has a moderately high dynamics. If the CAGR is in the range of 5–7%, then in the economic literature this sector is considered a zone of stable and investment-friendly growth. Thus, the steady increase in demand for transport services in 2010–2025 indicates the need to expand the offer in this direction, improve logistics efficiency and develop transport flows related to tourism. Such a growth rate also means that investments in transport infrastructure are economically feasible in the regions.

4. Conclusion

In general, the CAGR indicators by type of service demonstrate that long-term sustainable growth is taking shape in the country's tourism market. The fastest growing segment - entertainment services - may become the main driver of tourism in the next stage of development. Stable growth in the level of life indicates the need to further improve infrastructure, implement new tourist areas and projects, and develop strategies to improve the quality of services. Thus, the CAGR results confirm that the country's tourism industry is undergoing a process of sustainable development in all areas of transport, accommodation, catering, culture, guide and entertainment services; that the sector has the potential for rapid and continuous growth; that the economic foundations have been formed to increase the tourism competitiveness of Uzbekistan.

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