

## THE MULTIPLICATIVE EFFECT OF TOURISM AND ITS IMPACT ON THE DEVELOPMENT OF OTHER INDUSTRIES

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### ANNOTATION

This article discusses the concept of tourism, its theoretical foundations, the multiplicative effect of tourism, and its influence on the development of other sectors. It elaborates on the interconnection of the multiplicative effect with economic, social, and ecological factors, as well as the types of economic effects. The main differences between the concepts of direct and indirect effects are explained. Additionally, the article clarifies the concept of the multiplier. It discusses how to generate income through tourism, create job opportunities for the population, and how to allocate tourist expenditures. The article concludes with the significance of the multiplicative effect in enhancing the competitiveness of hotels. This scientific work may be useful for practitioners and researchers in the field of economics.

**Keywords:** Tourism, economic effect, multiplicative, income, employment, tourist expenditures, job opportunities, direct effect, indirect effect, economy, induced effect.

### АННОТАЦИЯ

В данной статье рассматриваются понятие туризма, его теоретические основы, мультипликативный эффект туризма и его влияние на развитие других отраслей. Подробно освещается взаимосвязь мультипликативного эффекта с экономическими, социальными и экологическими факторами, а также виды экономического эффекта. Объясняются основные различия между концепциями прямого и косвенного воздействия. Кроме того, в статье также поясняется понятие мультипликатора. Оценивается, как можно зарабатывать доходы через туризм, создавать рабочие места для населения и распределять затраты туристов. В заключение статьи подчеркивается важность мультипликативного эффекта для повышения конкурентоспособности гостиниц. Данное научное исследование может быть полезно практическим специалистам и исследователям в области экономики.

**Ключевые слова:** Туризм, экономический эффект, мультипликативный, доход, занятость, расходы туристов, рабочие места, прямое воздействие, косвенное воздействие, экономика, индуцированное воздействие.

### ANNOTATSIYA

Mazkur maqolada turizm tushunchasi, uning nazariy asoslari, turizmning multiplikativ samarasi va uning boshqa tarmoqlar rivojiga ta'siri haqida so'z borgan. Multiplikativ samaraning iqtisodiy, ijtimoiy va ekologik omillar bilan uzviy bog'liqligi hamda iqtisodiy samara turlari haqida batafsil yoritilgan. Bevosita ta'sir bilan bilvosita ta'sir kontsepsiyalarining asosiy farqlari izohlangan. Shuningdek, maqolada multiplikator tushunchasi ham tushuntirilgan. Turizm orqali daromad topish, aholi uchun bo'sh ish o'rinlari yaratish choralari va sayyohlar xarajatlarini qanday taqsimlash kerakligi asoslangan. Maqola yakunida multiplikativ samaraning mehmonxonalarda raqobatbardoshlikni oshirishdagi ahamiyati xulosa qilinadi. Ushbu ilmiy ish amaliyotchi mutaxassislar va iqtisodiyot sohasida tadqiqot olib borayotganlar uchun foydali bo'lishi mumkin.

**Kalit so'zlar:** Turizm, iqtisodiy samara, multiplikativ, daromad, bandlik, sayyohlar xarajatlari, ish o'rinlari, bevosita ta'sir, bilvosita ta'sir, iqtisodiyot, induksiylangan ta'sir.

### The Introduction

The law of the Republic of Uzbekistan on the "tourism barrier" defines the concept of tourism as follows: «tourism is the departure (travel) of an individual from a permanent place of residence for a period of one year, not engaged in paid activities in a place of recovery, educational, professional-practical or other purposes (in the country). The concept of tourism is derived from the word tour, meaning hiking. In today's modern world, tourism is a type of travel, the rest of those who travel can take, learn the culture of other peoples. Current tourism in the financial activities of almost all states in the process of globalization the sector is of great importance as a source of high income. Of this area the impact on the socio-economic status of the country on the organization of foreign exchange income, jobs ancestral heritage, along with the creation of business and private entrepreneurship is also the main support for the preservation of cultures and values. Current trends in tourism development world it is gaining influence both in its economy and in the economy of Regions. Currently, Tourism Meets the needs of the population of the national economy is becoming a big industry. Due to the variety of these needs national economy participating in all types of enterprises and entrepreneurial activities as one of the factors that have a multiplicative effect on improving the complex being recognized. Tourism activities in Uzbekistan compared to other countries insufficiently developed. Also, the tourism industry is not well developed the development of tourism in a number of countries increased cash receipts, unemployment reducing the level, stabilizing the socio-economic situation, tourist the possibility of studying the activity market, expanding

the tourist education system gives<sup>1</sup>. Today to a new step the innovative development of Tourism large-scale reforms is being carried out on lifting. Tourism development of the industry of the state economy with other sectors denotes a multiplicative effect may have, and alternatively significant impact on growth rates of all macroeconomic indicators shows. And this is the rapid development of the industry, its place in the economy and profit increase the coefficient, diversification of tourist services and tourism represents the relevance of the tasks of expanding infrastructure. Successful implementation of the established tasks of the state economy promotes improved competitiveness. The process of globalization has become increasingly tense and has led to international cultural relations in the case of the expansion of the tourism industry worldwide accelerated it is recognized as one of the developing industries. According to the WTO (World Tourism Organization), World goods and tourism was 4th in exports of services. And in terms of earnings, 3- held the seat. 2020-its share in the world Gross Domestic Product (GDP) 11.3 percent.<sup>2</sup>

In the modernization of the economy, the tourism sector is the main one of the economy is the revenue sector and is part of the world goods and services market to increase, reducing the unemployment rate of the population, various types of the world interrelated relations between states and regions serves to develop. Effective organization of tourism activities at present development and implementation of innovative technologies in making electronic it is becoming one of the important stages in the formation of the economy. The implementation of the "travel through Uzbekistan" program in the country it has had a significant impact on the development of tourist culture. In the country the total number of domestic tourists from 8.8 million in 2016 to 2019 14.7 million, up from 15 million in 2021.<sup>3</sup> This has been reported by the Ministry of Tourism and cultural Europe. 833 new ones in Uzbekistan in the last 4 years' hotels: using large, medium and small hotels filed. The total number of placement funds had grown to 1,442. In this while the number of rooms is -33.4 thousand units, the seats in it-71.2 to. Hundreds of new hotels in Uzbekistan at the moment projects are being built, they will be put into use in the near future planned. Multiplier concept--changes in one component of gross product how to get to the total volume of production through further spending indicates that it can have a big impact. This relationship is economic policy formulation, predicting economic trends, and financial markets dynamics in response to macroeconomic changes is important in the explanation.<sup>4</sup>

<sup>1</sup> Ulug'bek Valiyev, Omonjon Umarov. "O'zbek turizmning iqtisodiyotda tutgan o'rni"/Ta'lim sifati yangi O'zbekiston taraqqiyotini yanada yuksaltirishning muhim omili. 2023.

<sup>2</sup> UNWTO (World Tourism Organization) – Annual Reports, [www.unwto.org](http://www.unwto.org)

<sup>3</sup> I. Jo'rayev, B. Sharipov, [www.in-academy.uz](http://www.in-academy.uz)

<sup>4</sup> <https://arxiv.uz/uz/documents/referatlar/iqtisodiyot/turizm-tushunchasi-kurs-ishi>



The multiplicative effect (or multiplier effect) of tourism is that tourists chained to various sectors of the economy of the money spent by spread through reaction and initial consumption of total economic activity is more of an increase than a cost. More simply, when a tourist spends money somewhere (for example, for hotel, restaurant, excursion), this money serves only those the income of the show does not remain<sup>5</sup>. This money is at the following stages will have even more impact on the economy:

- Indirect (curve) impact: tourism enterprises to maintain their activities buys products and services from other industries (e.g. hotel buying food from farmers, furniture manufacturers take). This, in turn, also provides income and jobs in other areas leads to the appearance.
- Induced (stimulated) effect: in the field of Tourism and related people who work in networks can generate their income from other products and they spend on services (for example, buying clothes, household appliances, use of other services). Which is an additional requirement in the economy and brings activity to the surface. Thus, the multiplicative effect of Tourism the initial cost of tourists shows how it creates several times more income and jobs in the economy. This is the calculation of the effect for special coefficients (multipliers) are used.

### **The Conclusion**

In conclusion, the multiplicative effect of tourism is that of travelers costs of larger income and jobs in different spheres of the economy shows the creation. To measure and analyze this effect multipliers (coefficients) are used. Tourism Development certain it has an incomparable positive effect on the local economy.

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