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**Tourism potential
of Azerbaijan and
investment
environment**



Azerbaijan has great potential for the development of tourism and this field improves dynamically in our country. Since the land of fires hosts international events, it attracts interest of foreign tourists because of rich cultural heritage. Therefore the advancement of high-level hotels, service objects and resort zones is observed in the capital and regions.









The development of tourism industry (laying up roads, construction of hotels and resort complexes, establishment of new recreation areas) requires large investment and financed from various sources (state bodies, private companies (local and foreign), international organizations). Increase of production capacity in tourism industry is transferred to other fields of economy; new working places are created, trade circulation enlarged, consequently, revenues grew.



A part of incomes obtained, enters the state as taxes. Thus, collected resources can be forwarded to future financing of tourism infrastructure; turned to material aid for groups not provided socially; spent to the development of preparation system of staff in tourism service field.



Modern stage of tourism development is characterized by numerous small enterprises, family economies and functions together with more powerful and authoritative corporations. Small business prevails among firms taking part in tourism market in our country, the sector of tour operator develops as well.



Direct dependance of tourism sector on economic sitation of the country, i.e. economic crisis' making harm to tourism sector first, is seen in researches of World Tourism Organization, generally last estimations demonstrate this field's sector position which is stable, huge, profitable and fastly developed.



Legislation adopted in tourism field in our country and ‘State Program on Tourism Development’ notify establishment of stable business environment in this domain. As international experts note, improvement and renovation of our capital and regions, opening of hotels and resort complexes in various places of Azerbaijan by hotels and tourism companies are bright sample of existence of safe investment environment in this field (Kempinski Badamdar, Hilton Baku, Jumeirah, Flame Tower, Four Seasons, Absheron-JW Marriot , etc.).



Hotel Frame Towers





Hilton Hotel Baku





However, we have many problems. There is need for allocation of long-term credits in tourism field; freeing tourism centers and resort zones, as well as tourism companies accepting tourists, from VAT payments for 5 years. It would be rational to decrease income tax applied to permanent staff worked in tourism companies, hotels and resort bases by 15% application of bonus; giving licences on activities over classification of tourism companies and decrease of percentage degrees over bank credits since tourism has seasonal kind in the regions.



Freeing used equipment, special clothes for tourism purposes and small home things used in the hotels from customs and taxes, is also desirable.



Subdivision of licences for service and practice of tourism companies serves purification of business environment in this domain. The greater support of state is necessary in enlargement of concrete tourist routes. For instance, construction of sea port with the purpose to provide easy coming of tourists in Nabran; formation of mobile price policy in the field of organization of helicopter services for winter tourism lovers.



One of main problems in involvement of foreign tourists to Azerbaijan is expensive prices of flight tickets and large airport. This causes large tourists' stream to other countries. Groundless surveys of various state structures in Azerbaijan's tourism objects leads to increase of prices in this field by 20-30%. Simplification of visa regime can cause enlargen of tourist stream.

THANKS FOR KIND ATTENTION...

