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THE ROLE OF INTERNATIONAL TOURISM IN THE DEVELOPMENT OF THE ECONOMY OF ARMENIA

***Аннотация:** путешествия и туризм являются важным ключом для ускорения и расширения экономического развития, инвестиций и занятости в Армении с ростом числа посетителей в годовом исчислении, ростом частных и государственных инвестиций и широкой удовлетворенностью потребителей. Кроме того, согласно Национальной стратегии развития Армении на 2014–2025 годы, туризм является одним из пяти приоритетных секторов для создания рабочих мест. Стратегия показывает, что въездной туризм должен сохранить свою роль второго основного экспортного сектора и на его долю будет приходиться около 20 процентов экспорта.*

***Ключевые слова:** путешествия, туризм, экономика, Армения, туристы.*

***Abstract:** travel and tourism is an important key for accelerating and expanding economic development, investment and employment in Armenia with visitor numbers increasing year-on-year, growing private and public investment, and broad consumer satisfaction. Furthermore, according to Armenia's National Development Strategy 2014–2025, tourism is one of five priority sectors for job creation. The strategy indicates that incoming tourism should retain its role as the second main export sector and will account for around 20 percent of exports.*

***Keywords:** travel, tourism, economy, Armenia, tourists.*

The role of tourism and hospitality industry in world economy is steadily increasing. This is one of the most profitable and dynamically developing industries of the global economy. In recent years, despite the world economic crisis effects on local economy, the industry has achieved impressive results in Armenia and is currently

in the development stage [1]. Incoming tourism is Armenia's second export line item after mining and metal industry and covers more than half of services export. According to many authors, tourism is an effective mechanism for economic growth, whether through the creation of new attractions (Waitt 2001; Getz 2008) or through infrastructure and enhancements (Briedenhann and Wickens 2004; Becker and George 2011; Liasidou 2012). International travel and tourism comprises a major part of the global economy and is the largest service sector in international trade (Lew 2011).

Tourism has a significant and influential role in the development of countries. It's economic, social, cultural, environmental and political impacts are as follows:

- it has a direct and total contribution to GDP;
- it brings money from visitor expenses;
- tourism has a great multiplier effect;
- it creates new jobs and enables new investments;
- contributes to poverty decrease especially in regions;
- creates the brand and image of the country abroad;
- provides recreational facilities that may be used by local population.

Most international visitors are either Diaspora Armenians or business travelers. Armenia has more than 700 possible tourist attractions – mostly ancient churches and monasteries – but the majority of them are underdeveloped and difficult to reach. Stunning natural vistas and adventure tourism are a potential attraction throughout Armenia, but the lack of knowledge of English, international-standard hotels, restaurants and other services in the regions, as well as poor access deter many tourists.

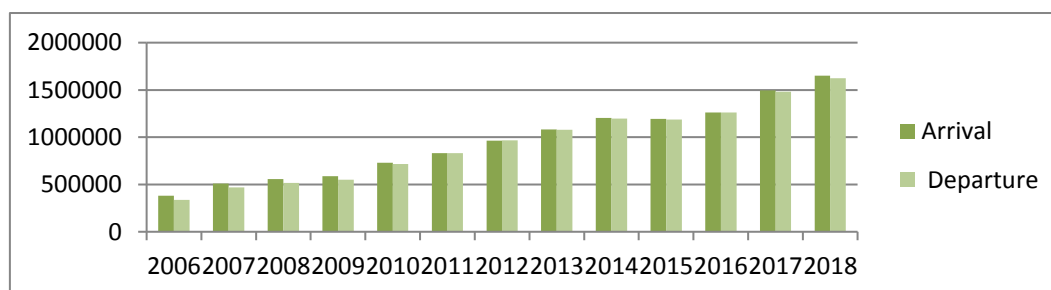


Chart 1. Number of arriving and departing passengers from Armenia, 2006–2018, person

Table 1 shows the number of arriving and departing passengers from Armenia in 2006–2018, the results are taken from National Statistic Service: Yearbook 2017, Social Economic Situation in Armenia. From 2006 to 2018 there was a stable growth. It is obvious to note that both the arrivals and departures were almost the same variations, and the highest point was in 2018, accordingly 1651782 and 1622791 person.

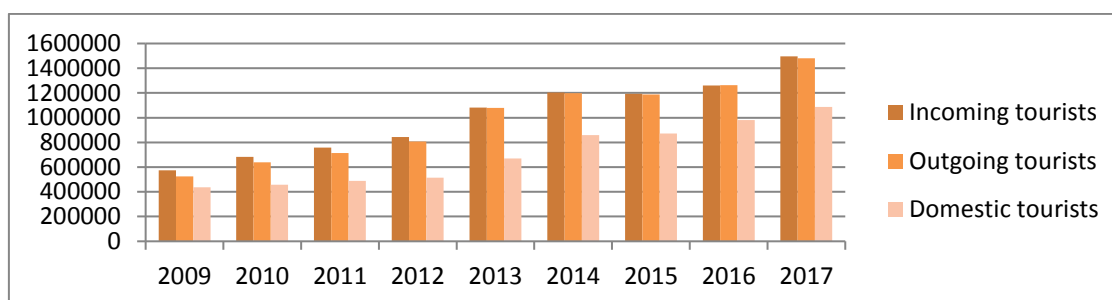


Chart 2. Incoming, outgoing and domestic tourists of the Republic of Armenia, 2009–2017

Table 2 shows incoming, outgoing and domestic tourists of Armenia, in 2009–2017. As table 2 shows in every time incoming tourists have a stable growth and the highest point was in 2017 about 1494779 person, and the lowest was in 2009 about 575281 person. How Many People Arrive in Armenia almost all of them left Armenia. This is pictured in the Table 2. Domestic tourists mobility also have a growth and the highest point was in 2018, accordingly 1086707 person.

| | 2015 | 2016 | 2017 | 2018 |
|------------------------|--------|---------|---------|---------|
| Tour operator Services | 28183 | 25038 | 31364 | 35364 |
| Hotel Services | 46291 | 47835 | 52642 | 55113 |
| Travel export | 935800 | 967700 | 1120200 | 1220200 |
| Travel import | 995800 | 1067200 | 1269800 | 1369800 |
| Exchange rates | 478 | 480 | 483 | 484 |

Table 3. Tourism Sector in Armenia; Unit Thousand U.S. Dollars [2]

Armenia is a unique tourism destination with a rich and diverse cultural heritage that provides dynamic opportunities for developing tourism markets. The country features an abundant variety of cultural, natural, and historical sites, six UNESCO World Heritage sites, medieval monasteries, churches, and fortresses. Over 2,000 hospitality companies work in Armenia, including hotels, B&Bs, restaurants, transportation companies, tour operators, and travel agencies. Armenia's key geographical markets are France, Germany, Russia, Iran, and the United States [2].

Despite the development in recent years, Armenia was in the 84th place among 136 countries with its tourism competitiveness. Tourism in Armenia in 2019 keeps on developing, expanding its frames and presenting Armenia in a new way to its visitors. Thus, we have a lot to do towards increasing the competitiveness and developing tourism. As a result, several suggestions are made for tourism promotion in Armenia. The goal of state policy in tourism is to increase the contribution of tourism to gross national income, balanced development, improvement of living standards and poverty alleviation in rural areas [3].

References

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