



FACTOR ANALYSIS OF MANAGING THE PROCESSES OF ATTRACTING INVESTMENTS INTO THE TOURISM SECTOR

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Annotation. The article theoretically and practically examines the factor analysis of managing the processes of attracting investments into the tourism sector. In the course of the research, factors were classified according to the levels of management of investment processes in the tourism sector, and a survey was conducted among 120 participants in investment activities in the tourism sector (75 legal entities and 45 individuals) selected from three cities of the republic – Fergana, Namangan, and Tashkent – and the results were analyzed.

Keywords: tourism, investment, investment activity, management, tourism resources, tourism resource potential, tourism market, tourism activity, investment activity in the tourism sector.

Introduction

Investment processes play a significant stimulating role in the sustainable growth of Uzbekistan's economy. At the same time, maintaining the technical and technological level of the economy at a competitive standard requires improving the quality of state investment policy and advancing it to a new stage of development. In particular, enhancing the investment and business climate, as well as fundamentally improving the tourism sector – which represents one of the strategic sectors of the national economy – is of particular importance.

The rapid transformations, modernization and development processes occurring in the global economy require each country to implement and continuously refine effective reforms aimed at ensuring stable and active economic growth. Under such conditions, it is essential to conduct both domestic and foreign policies with a high degree of responsibility and strategic focus in order to realize and protect the priority interests of the national economy in both the short and long term.

However, it should be emphasized that without actively attracting domestic and foreign investments, it is impossible to effectively implement large-scale measures across various sectors of the economy. In the contemporary global context, investments are widely recognized as a key factor ensuring economic stability and sustainable growth.

Managing the processes of attracting into the tourism sector necessitates a comprehensive study of the various aspects of innovation-driven development, the factors influencing these processes and the extent of their impact on the efficiency of innovative activities.

First and foremost, in the managing the processes of attracting investments into the tourism sector, the factors of innovative development serve as a fundamental methodological framework. These factors encompass conditions and determinants that are either directly or indirectly related to the activities of tourism enterprises and exert influence on their innovative development. They are taken into account in the formulation and implementation of a company's innovation strategy, as they significantly shape the trajectory of innovative growth.

The systematic classification and comprehensive examination of the factors influencing innovate development within the management of investment attraction processes in the tourism sector possess considerable scientific relevance. Moreover, within the research framework, particular emphasis is placed on analyzing both internal and external factors that affect the innovative performance of tourism enterprises, as these determinants play a decisive role in ensuring sustainable sectoral development.

Literature Review

In order to develop a coherent and comprehensive scientific understanding of investments directed toward the tourism sector and the economic essence of investment activity, it is appropriate to conduct a comparative analysis of existing theoretical approaches and interpretations. Since investment activity represents the process of implementing investments, these concepts are intrinsically interconnected in terms of their economic content and constitute a logical continuation of one another.

According to the scholarly perspectives of B.S. Mamatov, D.Y. Xujamkulov, and O.Sh. Nurbekov, investment activity in the tourism sector, in a broad sense, encompasses the development of ideas, the substantiation of investment projects, the provision of material-technical and financial resources, the effective management of newly established facilities, and the creation of opportunities for investors to achieve their strategic objectives.

Furthermore, the national economist D.G. Gozibekov defines the essence of investment as the mobilization of funds from reliable and clearly identified sources, their rational allocation, and the preservation of capital value while taking into account the level of risk involved. [1].

According to the national economist D.G. Gozibekov, “the essence of investments consists of obtaining funds from clearly identified and reliable sources, mobilizing them on a justified basis, preserving capital value while taking into account the level of risk, and achieving the intended economic return.” Furthermore, F.O. Dodiyev conducted research on the role of commercial banks in investment activity. In his view, “the investment activity of banks refers to the process by which banks, acting as investors, acquire financial assets and allocate funds for the creation and organization of real assets with the objective of generating income” [2].

According to N.R. Qo‘ziyeva, “investments represent the financial resources, property, and intellectual assets directed by the state, legal entities, and individuals—both domestically and internationally—toward the establishment of new enterprises, the expansion, reconstruction, and technical modernization of existing enterprises, as well as the acquisition of real estate, shares, bonds, and other securities and assets, with the aim of generating income and achieving other positive economic outcomes” [3]

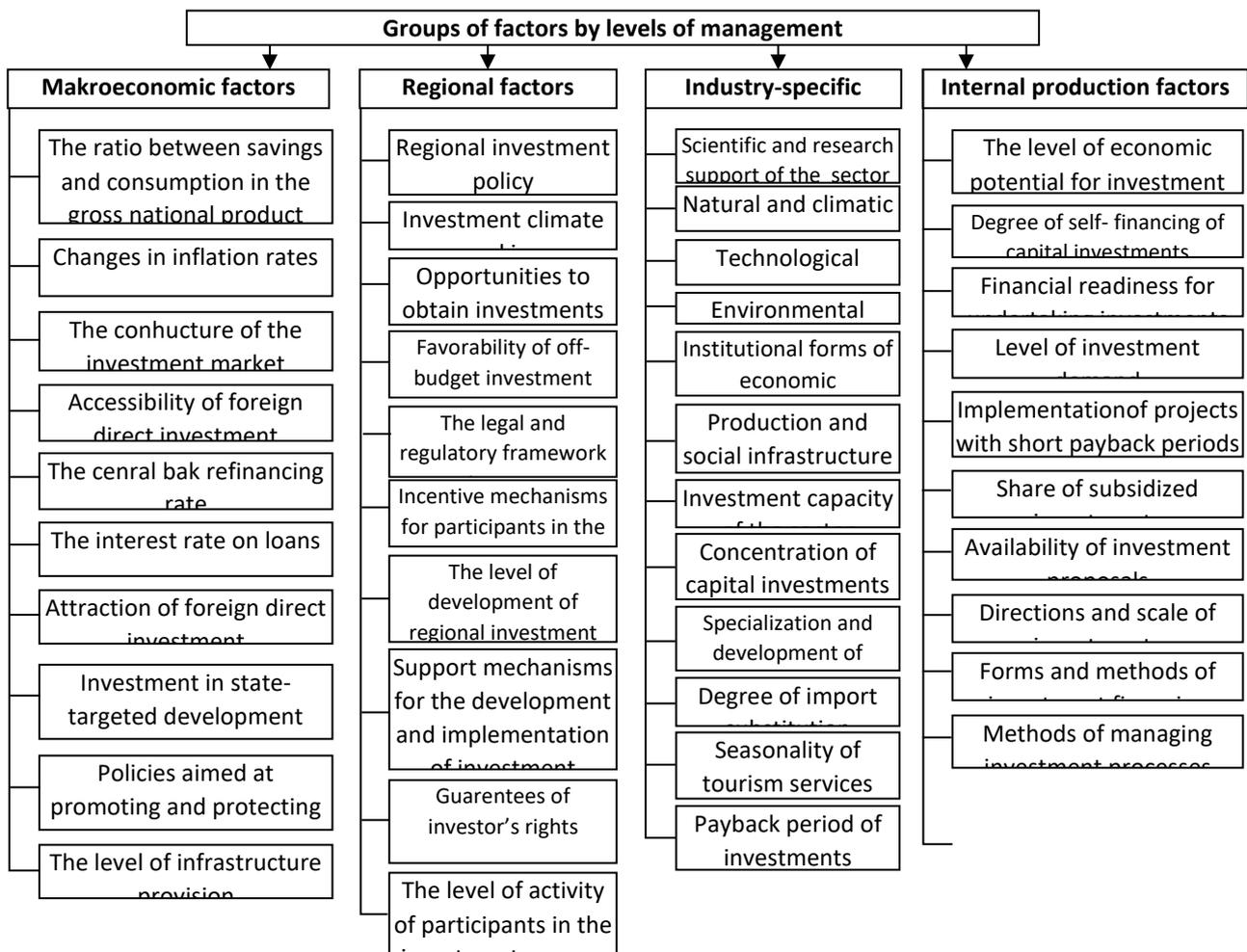
In our view, the existing definitions of investment activity in the tourism sector do not fully capture its comprehensive nature. This is because investment activity in tourism inherently involves the sequential transformation and dynamic movement of investments—namely, the allocation of resources (values) as expenditures, followed by the generation of economic returns (profit, income) as a result of investment. Without the realization of returns, there would be no incentive to invest. Investment activity in the tourism sector constitutes the central and most critical link in the investment process, as it is precisely within this stage that investments transition from one form to another: from savings (resources) to capital expenditures (investments), to capital assets (final products), and ultimately to economic or social outcomes (income, profit).



Analysis and Results

The balanced development of political processes, the formation of a favorable investment climate, the establishment of a sound legal framework for investment, the consideration and mitigation of economic uncertainty, as well as the development of investment markets and infrastructure, collectively form the fundamental components of the investment management system. The effective implementation of these interconnected factors provides the foundational basis for the sustainable development of investment processes.

When making decisions regarding the allocation of funds in tourism enterprises, investors must evaluate not only numerous factors determining the scale and development level of investment potential, but also the broader dynamics of investment processes at the national, regional, sectoral, and enterprise levels. Moreover, it is necessary to assess the future efficiency of investments while considering the interaction and cumulative impact of these factors. Taking into account the diversity of their combinations across sectors and their overall and interrelated effects, the principal determinants of investment in the tourism sector have been identified (see Figure 1).



1-Figure. Classification of factors for managing investment processes in the tourism sector by levels of governance¹

¹ Developed by author



Under the current conditions of tourism sector development, a comprehensive understanding of the evaluation and typological analysis of these factors requires particular attention to their most significant characteristics. Examining the substantive nature of the identified key factors enables a deeper and more targeted analysis of the investment support mechanisms in the tourism sector and facilitates the development of conceptual directions for its investment-driven development.

Thus, the fundamental macroeconomic factors serve as the underlying foundation in the formation of the tourism investment system. Among the principal determinants ensuring the development of investment exchange and the attraction of investments at the macro level are the scale of the country (population size and resource base) and its market capacity, the provision of political and social stability, the creation of a generally favorable environment for investors, the formulation of state investment policy and strategy, the development of investment infrastructure, and the improvement of the legislative framework.

A comprehensive review of various methodological approaches to investment evaluation has led to the conclusion that, in assessing the investment support of the tourism sector, it is essential to distinguish key criteria as well as specific indicators of investment evaluation, and to develop localized methodologies adapted to sectoral characteristics.

An objective assessment of investment activity attracted to the tourism sector necessitates the establishment of a clear evaluation criterion. While the criterion itself should be unified, it may be defined through multiple indicators. Based on research findings, it can be concluded that ensuring the stability and efficiency of tourism sector management through the enhancement and optimization of investment potential may serve as such a comprehensive criterion.

Building upon the aforementioned classifications, the systematization and characterization of factors influencing the management of investment attraction processes in the tourism sector make it possible to assess their impact on the sector's development in both the short and long term. Moreover, this approach facilitates the formulation and implementation of development policies at various levels, as well as the improvement of the quality of strategic and tactical planning.

From an economic-mathematical perspective, the objective of factor analysis is to determine a matrix of factor loadings in which the number of columns corresponding to factors is significantly smaller than the number of rows corresponding to parameters. This matrix should allow for the reconstruction of correlation coefficients among the selected parameters with the required level of accuracy [4].

The composite indicator of the effectiveness of managing investments in the tourism sector of a given region is determined using selected individual indicators based on the following formula (1):

$$F_0 = \sum_{i=1}^n G_i \cdot F_i$$

Where:

- the value of the effectiveness indicator of investment management in the tourism sector across specific directions, measured on a 10-point scale;
- the weight coefficient of the respective indicator;

- the value of the i-th indicator.

During the research process, a survey was conducted among 120 participants involved in investment activities in the tourism sector (75 legal entities and 45 individual investors) selected from three urban regions of the Republic—Fergana, Namangan, and Tashkent city.

The primary objective of the survey was to determine the weight coefficients in the proposed formula for calculating the composite indicator of the effectiveness of managing the processes of attracting investments into the tourism sector at the regional level [5, 6].

In the survey, respondents were asked to evaluate the significance of each of the six indicators in terms of their importance for ensuring investment support for tourism development in the region, as well as their contribution to the effectiveness of managing investment attraction processes. The evaluation was conducted using a 100-point scale divided into five intervals. The results of the survey demonstrated variability in the indicators depending on the specific characteristics of investment management effectiveness in the tourism sector across the regions. Based on the aggregation and generalization of these indicators, the weight values of effectiveness indicators for the previously identified directions were determined (see Table 1).

Table 1

Results of the survey conducted among participants of investment activities in Fergana, Namangan, and Tashkent cities regarding the significance of weight coefficients of effectiveness indicators for managing the processes of attracting investments into the tourism sector by specific directions

№	Range of indicator significance (based on a 100-point scale)	Number of respondents		
		Total (120 respondents)	Legal entities (45)	Individual respondents (75)
1.	How do you assess the importance of tourism service quality indicators?			
	80-100 ball	20	6	14
	60-80 ball	30	9	21
	40-60 ball	57	24	33
	20-40 ball	10	4	6
	0-20 ball	3	2	1
Overall weight of the indicator:		0,39	0,37	0,41
2.	How do you assess the importance of indicators reflecting the volume of investments in the sector?			
	80-100 ball	11	2	9
	60-80 ball	18	4	14
	40-60 ball	34	13	21
	20-40 ball	48	19	29
	0-20 ball	9	7	2
Overall weight of the indicator:		0,27	0,25	0,29
3.	How do you assess the importance of indicators reflecting the volume of investments made by domestic investors in the sector?			
	80-100 ball	4	1	3
	60-80 ball	11	2	9
	40-60 ball	27	11	16
	20-40 ball	46	18	28



	0-20 ball	32	13	19
Overall weight of the indicator:		0,18	0,19	0,17
4.	How do you assess the importance of indicators reflecting the volume of investments made by foreign investors in the sector?			
	80-100 ball	3	1	2
	60-80 ball	8	1	7
	40-60 ball	22	9	13
	20-40 ball	49	20	29
	0-20 ball	38	14	24
Overall weight of the indicator:		0,11	0,09	0,13
5.	How do you assess the importance of indicators reflecting the effectiveness of managing organizational and economic processes in the course of investment implementation?			
	80-100 ball	0	0	0
	60-80 ball	5	1	4
	40-60 ball	15	4	11
	20-40 ball	30	12	18
	0-20 ball	70	28	42
Overall weight of the indicator:		0,01	0,01	0,01
6.	How do you assess the importance of profitability indicators of investments made in the sector?			
	80-100 ball	1	0	1
	60-80 ball	9	2	7
	40-60 ball	19	7	12
	20-40 ball	32	13	19
	0-20 ball	59	23	36
Overall weight of the indicator:		0,04	0,03	0,05

During the processing of the survey results, the weight coefficients of the effectiveness indicator for managing the processes of attracting investments into the tourism sector were determined based on the expert conclusions of leading specialists from the Tourism Committee under the Ministry of Ecology, Environmental Protection and Climate Change of the Republic of Uzbekistan operating in the Fergana region. The determined weight coefficients are presented in Table 2.

Table 2

Weight coefficients of effectiveness indicators for managing the processes of attracting investments into the tourism sector [7, 8]

No	Types of effectiveness indicators for managing the process of attracting investments into the tourism sector	Coefficient
1.	Indicators of tourism service quality	0,39
2.	Indicators reflecting the volume of investments attracted to the sector	0,27
3.	Indicators reflecting the volume of investments made by domestic investors 0.18	0,18
4.	Indicators reflecting the volume of investments made by foreign investors	0,11
5.	Indicators of effectiveness in managing organizational and economic processes during investment implementation	0,01



6.	Profitability indicators of investments attracted to the sector	0,04
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Based on the processes analyzed above, the regional composite indicator of the effectiveness of investment management in the tourism sector for respondents surveyed in Fergana, Namangan, and Tashkent cities can be determined using Formula (1) as follows:

$$F_0 = 0,39F_1 + 0,27F_2 + 0,18F_3 + 0,11F_4 + 0,01F_5 + 0,04F_6$$

In general, assessing the effectiveness of managing the processes of attracting investments into the tourism sector makes it possible to:

- determine the efficiency of tourism enterprises in managing their assets and in delivering tourism services and products of appropriate quality;
- systematically evaluate the effectiveness of investment attraction management in order to identify leading tourism enterprises and to plan target performance parameters for other enterprises based on benchmark indicators;
- establish effective feedback mechanisms between consumers and tourism enterprises, which play a crucial role in ensuring customer satisfaction with tourism services and products;
- define and implement measures aimed at improving and sustaining service quality and enhancing the overall efficiency of operational processes within tourism enterprises.

Based on the above research findings, it is considered appropriate to implement structural transformations in the management of investment attraction processes in the tourism sector along the following directions:

- replacing obsolete equipment and infrastructure components in tourism enterprises that contribute to resource inefficiencies within the sector;
- reducing the level of losses while increasing consumer demand through the introduction of modern types of tourism services and products;
- enhancing the thermal efficiency of facilities and infrastructure;
- improving the professional qualifications of tourism enterprise personnel in the development of modern service formats and expanding promotional activities among consumers;
- conducting activities aimed at achieving positive performance outcomes through the accurate assessment of factors influencing enterprise efficiency, management processes, and service quality.

The comprehensive implementation of the proposed directions in the future will enable tourism enterprises operating in the tourism services market to deepen market relations within a relatively short period, ensure effective coordination and management of existing development factors, and reduce potential risks associated with sectoral transformation.

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