## TOURISM AS ONE OF THE IMPORTANT BRANCHES OF GEORGIAN ECONOMY

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## **Abstract**

The article mentions that the development of tourism has a great impact on the local infrastructure: transport, telecommunications and other systems. It is also given that tourism directly participates in the formation of the country's national income. Along with this, numerical data on the income from the tourism economy in the countries of the world are provided. It is mentioned about the important role of tourism in the country's economy. And especially in employment and investment attraction. The article also mentions that the tourism development strategy in Georgia is based on the globally recognized principles of sustainable development of tourism, at the same time, its great potential in increasing the country's income and the existence of reserves for equalizing the level of regional economic development and stimulating the development of other sectors of the economy are indisputable.

Keywords: tourism, economy, sustainable development, travel.

## **Content**

Tourism as a field of economic activity is of great importance with a number of characteristic features. Tourism serves the interests of people, society as a whole and is a source of income, both at the micro and macro economic levels. Tourism becomes one of the main factors in creating additional jobs, accelerating the construction of roads and hotels, stimulating the production of all types of vehicles, and promoting the preservation of folk crafts and national culture of regions and countries.

Tourism is a very versatile developed sector of the economy, which is one of the main components of income in some countries, which affects the development of the economy and global cooperation. In many countries, including Georgia, tourism plays an important role in the formation of the gross domestic product, creating additional jobs and providing employment and in the activation of foreign trade. Tourism has a great influence on such key sectors of the economy as transport and communication, construction, agriculture, consumer goods production and others, ie. Acts as a catalyst of socio-economic development. In turn, the development of tourism is influenced by various factors: demographic, natural-geographic, socio-economic, historical, religious and political-legal.

The economic development of tourism is characterized by impressive data of the global economic market. They show that tourism is the most dynamically developing industry in many countries of the world and that its role in the global economy is constantly increasing. International tourism has a strong impact on employment. The tourism industry is a labor-intensive process and therefore employs mostly unskilled workers. However, this does not mean that the tourism sector does not employ highly skilled labor. New jobs in this area are more widely distributed geographically than in other sectors of the economy. The development of tourism in the world is influenced by scientific and technological progress, improving the quality of life of the population, increasing the number of free time, vacations, economic and political stability and a number of other factors. Tourism is the fundamental basis of the economy of many developed and developing countries of the world.

The basis of the modern tourism market, both qualitatively and quantitatively, is paid leave for employees. Recently, the role of business trips in tourism is increasing, as well as the travel of people of retirement age. The scale and degree of influence of international tourism in the world can be estimated by the following indicators. In particular, according to many analysts, the development of international tourism is based on the following factor-opportunities: 1. Economic growth and social progress led to the expansion of not only business trips, but also travel for educational purposes. 2. Improvements in all forms of transportation have made travel cheaper and more affordable for many segments of the population. 3. The increase in the number of hired workers and employees in economically developed countries and the increase in their material and cultural level increased their desire for spiritual and cognitive

The economic opportunities for the development of tourism on an international scale created favorable conditions for the development of organizational and economic processes in individual countries. For many of them, international tourism is: 1. the most important source of foreign currency income; 2. Stimulating factor of payment balance growth; 3. A strong stimulus for the development and diversification of many sectors (both enterprises and individual industries serving the tourism sector appear).

Tourism affects the economy in almost every aspect of the fundamental definition of this area of society. From an economic point of view, tourism is considered: 1) as a certain combination of social relations in the field of production, exchange and distribution of products; 2) part of the national economic complex of the given country, including separate sectoral types of production and economic activity; 3) economic science that studies tourism as a branch of the country's or region's economy (tourism economy); 4) Social science that studies behavior in the areas of tourism product production, consumption, distribution and exchange. Economists analyze current processes in these areas, predict their consequences for individuals, organizations and society as a whole; 5) modern economic theory, which studies the behavior of people as economic subjects at all levels of the tourist economic system in the processes of production, distribution, exchange and consumption of tourist services, with the limited resources of the family in order to meet human needs; Company and society as a whole. From the point of view of fundamental economics, tourism is an economic complex, the development of which is largely explained by world economic processes and relations, rather than by immanent (internal) causes. But tourism is also the most important catalyst for economic growth in many rapidly developing countries because it acts as a channel for the reallocation of gross national product between countries, which is not accompanied by the export (import) of goods and services. In other words, if tourists not only export part of the funds received in other fields, but also create new jobs in other countries. Modern tourism as an economic phenomenon: 1. has an industrial form; 2. acts as a tourist product and service, which cannot be accumulated and transported; 3. creates new jobs and often acts as a pioneer in the development of new fields and a catalyst for accelerated development of the national economy; 4. Acts as a mechanism of redistribution of national income in favor of countries specialized in tourism; 5. It is a multiplier of national income growth, employment and local infrastructure development and the living standard of the local population; 6. It is characterized by a high level of efficiency and a quick return on investment; 7. Acts as an effective means

of protecting nature and cultural heritage, since these elements form its resource base; 8. Compatible with almost all sectors of the economy and types of human activity, because it is their differentiation and discreteness that make the difference in the potential of the recreational environment and the need for people to change places and learn.

Georgia, despite its high tourism potential, currently occupies an insignificant place. According to experts, Georgia's potential opportunities allow, with the appropriate level of tourism infrastructure development, to receive 12 million international visitors in 2025, and the number of tourists up to 8 million. The number of foreign visitors to Georgia for tourism, business and private purposes in 2022 will be 4.9 million people. As for the income, international visitors spent 3.5 billion dollars, the most of which came from Russia (\$891) million), followed by Turkey and Armenia. On January 18, 2023, the World Travel and Tourism Association published the results of a study according to which Paris took the first place in terms of the contribution of tourism to the economy. It is also said that the Covid-19 pandemic has had a negative impact on this area, although since 2022, tourists have returned to megacities and such trips are becoming more and more popular. According to the estimate of 2022, the contribution of tourism to the economy of Paris was 35.65 billion US dollars, in second place is Beijing - 32.62 billion. Third is Orlando with 31.1 billion. Shanghai (29.69), Las Vegas (29.99), New York (21.09), Tokyo (17.97), Mexico City (16.76), London (14.92) and Guangzhou (\$14.92 billion) also entered the top ten. According to the forecast, the leaders of the rating in 2032 will be Chinese cities - Shanghai and Beijing, while Paris will be relegated to the third place. Incoming tourism in Georgia has a huge potential, despite the ideal state of tourism business and tourism infrastructure, and exogenous factors (environmental, political, environmental, etc.) do not always contribute to the growth of incoming tourist flows. Thus, tourism can actively influence the economy of the region (or country) in which it develops on its economic, social and humanitarian basis. There is a direct connection between the development trends of the tourism industry and general economic, technical and social achievements.

The rising standard of living in the developed industrialized countries of the world leads to an increase in the duration of workers' vacations and a fairly high level of pensions, which also has a significant impact on the development of tourism. Demand for travel and tourism is simultaneously determined by market mechanisms (demand for tourist, excursion and other services, supply of these services and their distribution) and exogenous variables, i.e. Factors not directly related to tourism and travel.

Thus, we can conclude that the development of tourism has a positive effect on the sectors of the public economy, provides an incentive for the development of territories, and increases the employment of the population. will not transform into a service economy. In other words, the effectiveness of the tourism economy implies that it should develop in the state in parallel with other branches of the socio-economic complex.

The increase in the volume of production in the tourism industry will be transferred to other sectors of the economy, in which there will be investment activities, new jobs will be created, the trade network will expand and, accordingly, profits will increase. Tourism should be approached as an independent large inter-sectoral complex of the national economy. The economy of tourism is a specific field that depends on the whims of nature, where seasonality is one of the important factors of operation.

According to recent years, the development of tourism in Georgia has become one of the priorities. It should be noted that there are still many problems in terms of tourism development, in particular, first of all, it is related to sustainable social economic growth in the country, it is necessary to create a perfect banking and insurance system, and the infrastructure in rural areas, in particular, communication, should be organized., road network and general supply areas and others.

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