# ECONOMIC MECHANISMS FOR INCREASING INVESTMENT ACTIVITY IN REGIONAL TOURISM ENTERPRISES (ON THE EXAMPLE OF SURKHANDARYA REGION)

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***Abstract:*** *This article examines the economic mechanisms for increasing investment activity in regional tourism enterprises, using the Surkhandarya region as a case study. The relevance of the research is обусловлено by the growing role of tourism as a strategic sector in regional economic development and employment generation. The study analyzes the current investment climate in the tourism industry of Surkhandarya, identifying key financial, institutional, and infrastructural constraints that limit investment flows. Special attention is given to economic instruments such as tax incentives, public–private partnerships, preferential credit systems, and state support programs aimed at stimulating private and foreign investment. The research also evaluates the role of digital technologies and information transparency in enhancing investor confidence and improving the efficiency of investment decision-making. Based on comparative analysis and regional statistical data, practical recommendations are proposed to improve investment attractiveness and ensure sustainable development of tourism enterprises. The findings of the study may be useful for policymakers, regional authorities, and tourism business entities in designing effective investment policies and development strategies.*

***Keywords:*** *Regional tourism; investment activity; economic mechanisms; tourism enterprises; investment climate; Surkhandarya region; public–private partnership; sustainable development.*

In recent years, tourism has become one of the most dynamically developing sectors of the global economy, significantly contributing to regional development, employment creation, and income diversification. For developing countries and

regions with high cultural, historical, and natural potential, tourism serves as an important driver of sustainable economic growth. Uzbekistan, and particularly its regions, has been actively promoting tourism as a strategic priority within national development programs. Among these regions, Surkhandarya stands out due to its unique geographical location, rich cultural heritage, favorable climatic conditions, and growing interest from domestic and foreign tourists.

Despite its high tourism potential, investment activity in regional tourism enterprises remains insufficient. Limited access to financial resources, underdeveloped infrastructure, institutional barriers, and weak investment incentives hinder the rapid development of tourism-related businesses. In this context, the formation and effective implementation of economic mechanisms aimed at stimulating investment activity become a key task for regional authorities and policymakers. Economic mechanisms such as tax benefits, subsidized loans, public–private partnerships, and targeted state support programs play a crucial role in improving the investment climate and enhancing the competitiveness of tourism enterprises [1-3].

The relevance of this study is determined by the need to identify and analyze effective economic tools that can attract both domestic and foreign investment into the tourism sector of Surkhandarya region. While national-level tourism development strategies exist, regional specificities require tailored investment approaches that consider local resources, market conditions, and institutional capacity. The lack of comprehensive regional studies focusing on investment mechanisms in tourism enterprises further emphasizes the importance of this research [4].

The purpose of this article is to examine the existing economic mechanisms for increasing investment activity in regional tourism enterprises and to develop practical recommendations based on the example of Surkhandarya region. The study analyzes the current investment environment, identifies key challenges faced by tourism businesses, and evaluates the effectiveness of state and market-based financial instruments. Special attention is given to the role of public–private cooperation and digitalization in enhancing transparency and investor confidence.

The findings of this research are expected to contribute to the improvement of regional investment policy in tourism and to support sustainable economic development. The results may be useful for government institutions, regional development agencies, investors, and tourism enterprises seeking to enhance their investment potential and long-term competitiveness [5,6].

The analysis of investment activity in tourism enterprises of the Surkhandarya region reveals a mixed picture characterized by significant potential and persistent structural challenges. On the one hand, the region possesses valuable tourism assets,

including historical monuments, cultural sites, eco-tourism opportunities, and cross-border tourism prospects. On the other hand, the level of capital investment in tourism infrastructure, accommodation facilities, and service quality remains relatively low compared to more developed tourism regions.

The results indicate that one of the main barriers to investment activity is limited access to financial resources. Small and medium-sized tourism enterprises face difficulties in obtaining long-term and low-interest loans due to high credit risks and insufficient collateral. In this regard, preferential credit mechanisms and state-backed financial guarantees have proven to be effective tools in stimulating investment. Enterprises that benefited from subsidized loans demonstrated higher rates of business expansion, service diversification, and employment growth [7,8].

Another important finding concerns the role of tax incentives and fiscal support. Tax holidays, reduced profit tax rates, and exemptions from customs duties for imported tourism equipment have positively influenced investment decisions. These measures reduce initial investment costs and increase the attractiveness of tourism projects, particularly for private investors. However, the effectiveness of tax incentives largely depends on their stability and transparency. Frequent regulatory changes negatively affect investor confidence and long-term planning.

Public–private partnerships (PPP) emerged as a promising mechanism for mobilizing investment in large-scale tourism infrastructure projects. The study shows that PPP-based initiatives, such as hotel complexes, transport services, and recreational facilities, allow for risk-sharing between the state and private sector while ensuring efficient resource allocation. Nevertheless, the limited experience of local authorities in implementing PPP projects and the lack of clear legal frameworks remain significant constraints.

The discussion also highlights the growing importance of digital technologies in enhancing investment activity. Digital platforms that provide information on available tourism projects, investment opportunities, and regulatory procedures contribute to greater transparency and reduce transaction costs. Improved information accessibility increases investor trust and facilitates more informed decision-making [9,10].

Overall, the findings suggest that a comprehensive approach combining financial incentives, institutional reforms, and digital solutions is essential for increasing investment activity in regional tourism enterprises. Strengthening coordination between government agencies, financial institutions, and the private sector will further enhance the effectiveness of economic mechanisms and support the sustainable development of tourism in the Surkhandarya region.

**Conclusion.**

This study has examined the economic mechanisms for increasing investment activity in regional tourism enterprises, using the Surkhandarya region as an illustrative case. The findings confirm that tourism has significant potential to serve as a key driver of regional economic growth, employment generation, and income diversification. However, the realization of this potential largely depends on the effectiveness of economic instruments designed to attract and sustain investment in the tourism sector.

The analysis demonstrates that financial constraints, institutional barriers, and insufficient infrastructure remain the primary obstacles limiting investment activity in regional tourism enterprises. In this context, state-supported economic mechanisms—such as preferential credit systems, tax incentives, and public–private partnerships—play a critical role in improving the investment climate. These instruments not only reduce investment risks but also enhance the financial viability of tourism projects, particularly for small and medium-sized enterprises.

Furthermore, the study highlights the importance of regulatory stability and transparency in fostering investor confidence. Consistent investment policies and clearly defined legal frameworks are essential for long-term planning and the successful implementation of tourism projects. The growing role of digital technologies in providing accessible information and streamlining administrative procedures was also identified as a significant factor in increasing investment attractiveness.

In conclusion, the research emphasizes that a comprehensive and region-specific approach to investment policy is necessary to ensure sustainable development of tourism enterprises in the Surkhandarya region. Strengthening coordination between government authorities, financial institutions, and the private sector, alongside the integration of innovative financial and digital solutions, will contribute to higher investment activity and the long-term competitiveness of the regional tourism industry.

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