



State Tourism Agency
of the Republic of Azerbaijan



azerbaijan
TOURISM BOARD

Azerbaijan Tourism Strategy 2023-2026

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Introduction



Azerbaijan Tourism Strategy 2023–2026 presents a strategic and holistic framework to lead the tourism development in the country for the next 4 years. It defines the strategic vision and guiding principles, and envisions tourism development through a 9-pillar model.¹

This strategy is well aligned with the overarching strategy document of the government of Azerbaijan – The Social Economic Development Strategy of the Republic of Azerbaijan for 2022–2026.²

¹ This Strategy builds upon Azerbaijan's Tourism Development Strategy 2023 and CAREC Tourism Strategy 2030, Asian Development Bank, CAREC Programme, CAREC Tourism Strategy 2030 (December 2020), <https://www.adb.org/sites/default/files/institutional-document/668406/carec-tourism-strategy-2030.pdf>

² 'Azerbaijan 2026: The Social-Economic Development Strategy of the Republic of Azerbaijan for 2022–2026', https://static.president.az/upload/Files/2022/07/22/5478ed13955fb35f0715325d7f76a8ea_3699216.pdf

A Look Back at Key Achievements

3.2 mln

ARRIVALS
(2019)

1.6 mln

ARRIVALS
(2022)

99%

RECOVERY
OF SOUTH ASIA
MARKET

1.2 bln

INBOUND TOURIST
EXPENDITURE
(AZN)

The year 2019 set the record for international visitor numbers to Azerbaijan with close to 3.2 million arrivals. The Tourism Development Strategy of 2019 set an ambitious goal of reaching 4 million arrivals by the end of 2023. Yet the global pandemic and instabilities in the region and beyond had an inhibiting effect on the speedy development of the tourism field in the last two years. The tourism sector was one of the most hit economic sectors during the pandemic and its impact has been far-reaching.

Only the second half of 2021 saw the tourism industry of Azerbaijan kick-off its passive recovery. The country wrapped up the year with 789,982 international visitors. In 2022, an active recovery process in all main source markets started.

Azerbaijan received 1.6 million arrivals in 2022, which was twice more than in 2021.

Among the top 15 visiting countries were Saudi Arabia, Uzbekistan, Kazakhstan, India, United Arab Emirates, Germany and UK, along with neighboring countries. Four countries among the top 15 even outperformed 2019, which was the best year for Azerbaijan in terms of arrivals. Among them were Belarus (+25%), Pakistan (+13%), Uzbekistan (+9%) and Oman (+4%). Moreover, three countries from the top 15 showed a very high recovery rate, such as Türkiye (98% recovery), Saudi Arabia (91% recovery), and India (90% recovery). Overall, the South Asia market showed a 99% recovery. Inbound tourist expenditure accounted for 1.217 billion AZN for January–November 2022.

1,000
pieces of
coverage

6.8 bln
media reach

16
exhibitions
visited

2022
foundation of the
tourism complex
in Sugovushan
was laid

Azerbaijan Tourism Board conducted extensive marketing and communications activities in source markets, such as the Middle East and South Asia in the first half of the year. These activities were significantly extended into European markets such as Poland, Czech Republic, German-speaking countries and the UK. The country's immense tourism potential was promoted via three leading international television channels – CNN, BBC and Euronews. Overall, up to 1,000 pieces of coverage was generated as a result of these activities, with a total reach of 6.8 billion. In 2022, Azerbaijan was represented in 16 global trade and consumer exhibitions and shows, a number of familiarisation trips for tour operators and tour agencies, as well as for media representatives and bloggers, were organised to Azerbaijan.

In addition to the **azerbaijan.travel** showroom in Tbilisi, Georgia, which acts as a multisensory travel experience centre, in 2022 a representative office of Azerbaijan Tourism Board in Tel Aviv, Israel, was opened.

Another significant achievement of 2022 was the launch of the pilot phase of the Tourism Information and Support Services Project. Now, by dialing 848 both locals and international tourists can obtain centralised information on various topics from 9 am until 6 pm.

Furthermore, institutionalisation and networking within the local tourism industry continued to be a priority. As a result, three new tourism industry associations were established (The Azerbaijan Hotel Association in 2018, The Azerbaijan Tour Guide Association and the Association of Travel Agencies in Azerbaijan, both in 2019). A milestone for enlarging the B2B networks in the regions was the setting up of the Destination Management Organisation, with offices in Sheki, Guba, Ganja and Lankaran.

In 2022, the State Tourism Agency continued its activities towards the formulation and implementation of a unified state

policy in the field of tourism, the implementation of norm-setting activities in the field of tourism, as well as state regulation, control and coordination of activities for the development of tourism. The legal framework has been improved with the adoption of the new Tourism Law in 2021, regulation of the Tourism Registry and adoption of standards for service providers in the tourism sector.

Tremendous progress has been made in studying and developing the tourism potential of the liberated territories of Karabakh and Eastern Zangezur. In March 2022, the foundation of the tourism complex to be created on the basis of the Tourism Development Concept was laid in the Sugovushan settlement of Tartar District. At the same time, the primary recreation infrastructure for tourism was built around the historical Shahbulag fortress in Agdam. The tourism opportunities of Shusha, Dashalti, Fuzuli, Khojavand, Jabrayil, Zangilan, Gubadli and Kalbajar were evaluated and integrated into relevant development strategies and action plans.

The Reserve Management Centre has carried out restoration and conservation works at important national attractions in the realm of the protection and sustainable management of national heritage. Among them is Ateshgah Fire Temple, close to Baku, as well as restoration work in Basgal and Sheki. In June 2019 the new museum complex at the Yanardag Reserve was opened by the President of the Republic of Azerbaijan. The Historic Centre of Sheki, along with the Khan's Palace, was voted onto the UNESCO World Heritage list in July 2019. In 2022, an extensive infrastructure update work in heritage sites, such as Sheki, Basgal, Khinalig and Diribaba, was conducted.

Finally, the Government of Azerbaijan set forth its tourism development vision in the recently approved Socio-Economic Development Strategy of the Republic of Azerbaijan, in which tourism is confirmed as a priority area of its economic diversification policy.

Strategic Vision, Guiding Principles and Objectives

The strategic vision is to make Azerbaijan an accessible, sustainable and 'quality tourism' destination that offers unique experiences both to domestic and international tourists with an enchanting blend of Caucasian atmosphere, alluring nature and delightful gastronomy to delight all the senses.

The guiding principles for this Strategy are:

1. Balancing between quality and quantity to match the need for tourism-led economic growth with quality service and sustainable use of tourism resources;
2. Responsible planning and management practices consistent with the conservation of the nation's natural and cultural heritage, as well as the protection of the environment;
3. Alignment with the overall government strategy on socio-economic development;
4. Reduction in the development gap between Baku and other regions through fostering sustainable and inclusive growth in rural areas;
5. Promotion of public-private partnerships and increase in the destination's competitiveness on a regional scale;
6. Focus on existing resources to offer unique experiences by locals for national and international visitors alike.
7. Learning from international best-practice and achieving benefits from international cooperation.

The primary objectives set in this Strategy are:

- To improve the effectiveness of tourism governance and regulatory capacity;
- To increase the tourism industry's contribution to national income, employment growth and the balance of payments;
- To assist SMEs and local level tourism institutions to rectify the regional development gap and ensure balanced development;
- To promote policies on international openness and accessibility;
- To support innovation and digitalisation in the sector;
- To reinforce tourism product diversification and reduction in seasonality;
- To aid the quality of human resources through meaningful reforms in vocational and higher educational institutions;
- To optimise innovative marketing and branding activities based on market research.

The 9-Pillar Strategy for Tourism

The following key pillars have been identified in the strategic framework of tourism development in Azerbaijan to achieve the set vision and overcome existing challenges:

1
Tourism
governance

2
Regulatory
capacity

3
Destination
development, heritage
and communities

4
Brand, marketing
and communications

5
Tourism products
and experiences

6
Digitilisation, technology
and innovation

7
Data analysis
and research

8
Tourism investment
and public-private
partnerships

9
Human resource
development

Sustainability, safety and security, private sector involvement, accessibility and inclusiveness are the unifying themes that need to be taken into consideration in every strategic pillar.

Tourism governance

Improving the effectiveness of tourism governance requires actions on the government side to ensure a balanced perspective between the top-down and bottom-up approaches to tourism development.³ The State Tourism Agency (STA) along with Azerbaijan Tourism Board (ATB) provides leadership at the national and regional levels among the fragmented public and private stakeholders through well designed strategic planning, reconciling conflicting interests and steering the actions of stakeholders, improving coordination, and introducing and enhancing continual financing mechanisms. A number of achievements in improving tourism governance are already notable in Azerbaijan. The State Tourism Agency and its specialised agencies (Azerbaijan Tourism Board and Reserve Management Centre) along with regional DMOs have been created since 2018. In addition, new tourism business associations such as the Azerbaijan Hotel Association, the Azerbaijan Travel Agencies Association and the Azerbaijan Tourism Guides Association have been promoted by the government. The establishment of tourism councils, which are regional level coordination instruments, are included in the Socio-Economic Strategy for 2022–2026. STA has become a member of the Supervisory Board of the Entrepreneurs Development Fund under the Ministry of Economy and has actively channeled tourism development needs into the Socio-Economic Development Strategy of the government. Also, STA has lobbied for the establishment of two inter-ministerial working groups under the Cabinet of Ministers, focusing on passport power ranking and tourism competitiveness.

Finally, five regional Destination Management Plans are in progress covering the key tourism regions of Azerbaijan with the view of the DMPs potentially forming the basis for a State Programme that will create a more structured and longer-term approach to prioritising and developing tourism in regional destinations. The DMPs will also be the guiding document of the Regional Tourism Councils who will help monitor and drive their implementation.

Policy Outlook and Directions

The overall, policy outlook is to improve the effectiveness of tourism governance through increasing the government's capacity in implementing tourism related economic and social reforms.

In more detail:

- To lead tourism development by ensuring proper strategic planning, institutions, coordination, delegation and budget allocation, both at national and regional levels through the involvement of a wide range of public and private stakeholders;
- To align the relevant policies of public agencies with tourism development needs;
- To secure continuous financing of the sector through effective use of available funds and financial products, as well as creating new public-private funding mechanisms;
- To harmonise strategic planning with public investment programmes and budgeting processes.

³ A top-down approach refers to governments forging an ideal public good and providing infrastructure, planning control, marketing and promotion (Yuksel, Bramwell, & Yuksel, 2005). A bottom-up approach is defined as the involvement of local communities in creating a vision and a plan for the development of the destination that may or may not require the support of public organisation (Vernon, Essex, Pinder, & Curry, 2005).

Tourism regulatory capacity

The effectiveness of tourism governance depends on the regulatory capacity of the government. The Government of Azerbaijan has taken initial measures to build a regulatory management system, including processes and institutions through which regulations are developed, enforced and adjudicated in the tourism sector. Notable changes are the ensuring of free entry to the market by abolishing licencing requirements for accommodation facilities and travel companies, simplified tourism business registration, classification and grading (labelling), a mandatory hotel star classification system, tourism guide certification, a contractual liability insurance mechanism for tourism agencies and tour operators, and finally COVID-19 standards for tourism services.

Policy Outlook and Directions

At large, the policy is to finalise the formation of a regulatory management system, to improve the quality of existing regulations and to ensure the high quality of new regulations.

In more detail:

- To support the enabling of a business environment through maintaining open entry to the market;
- To enforce a quality and consumer protective approach in market transactions through mainly market based mechanisms, such as certification, grading and labelling of tourism services, as well enforcing contractual liability of tourism businesses to meet visitor's expectation;
- To minimise the possible negative impact of regulations on the tourism market through reliable monitoring mechanisms;
- To harmonise tourism regulations with other sectoral regulations (e.g. land use, urban, fiscal, investment, SME support, budget and finance, transport and aviation, regional development, education, health, culture, employment, youth, migration, visas and borders, safety and security policies), based on the following approaches:
 - a) Minimise the negative impact of other sector regulations in the tourism sector;
 - b) Maximise the benefits for the tourism sector from the existing regulations of relevant public agencies;
 - c) Get preferential advantages from other sector regulations for the tourism sector;
 - d) Apply other sector requirements into the tourism sector;
 - e) Contribute to the development of other sector and managerial policies.

Destination development, heritage and communities

The development of destinations at regional and local levels are key to the overall tourism development. STA's regional institutionalisation and capacity building goes hand in hand with heritage conservation and management policies of RMC. So far, STA has channeled its policies to the destination level through 11 Tourist Information Centres, which now are set to be transformed into fully-fledged regional tourism departments. At the same time, four regional tourism destinations have been prioritised through establishing Destination Management Offices. Regional development also involves the planning and management of special tourism and recreation zones. In parallel, RMC has successfully managed to ensure cultural heritage protection and infrastructure development in its reserves, along with financing tourism complexes such as the Mud Volcano Complex. Heritage conservation and management guidelines have been enforced and the tourism approach has been integrated into high-level strategic planning for the liberated territories and the cities of Baku and Naftalan.

Policy Outlook and Directions

Overall, the strategic vision is an improved regional level representation, which is now at full capacity to lead and steer regional tourism development policies on infrastructure and product development, heritage conservation and the involvement of communities.

In more detail:

- To support the emergence of new regional destinations, tourism and recreation zones through spatial planning, destination management and infrastructure development policies;
- To improve the capacity and expertise at the local level through public-private partnership models with local service providers;
- To integrate a sustainable tourism approach into heritage sites through implementing heritage conservation, restoration and management guidelines, as well as introducing and enabling tourism services with tourism superstructure elements;
- To support the economic and social development of communities by driving tourism demand into provincial regions, as well as increasing the quality of the offered tourist services;
- To enforce the specialisation of regional destinations based on a tourism cluster approach;
- To promote thought leadership at the destination level and support knowledge-based tourism development;
- To contribute to destination competitiveness through product development and destination marketing approaches.

Brand, marketing and communications

Destination marketing and branding is at the core of the Azerbaijan Tourism Board's activities. With the launch of a new country brand in 2018, ATB has successfully led the brand campaign and represented Azerbaijan in numerous international events. In parallel, the online presence of Azerbaijan as a tourism destination has been supported through such tools as **azerbaijan.travel** destination website, Azerbaijan 101 learning platform, leading product presentation platforms (i.e. hiking trails) as well as social media. Effective B2B communication, countless FAM trips, roadshows and media collaborations have contributed to presenting Azerbaijan as an emerging and worthwhile tourism destination.

Policy Outlook and Directions

Overall, the strategic vision in destination marketing is to transform the perception of Azerbaijan from an industrial oil and gas country to a sustainable tourism destination, offering immersive tourism experiences which are unique to Azerbaijan and based on its social, cultural and natural heritage.

In more detail:

- To create a compelling destination brand for visitors seeking authentic culture, nature and health and wellness experiences;
- To highlight aspects of the assets that are unique to Azerbaijan and present their authenticity to the world while communicating the country's core brand message;
- To ensure the efficient use of resources to market the destination in key source markets classified as priority, traditional and emerging;
- To involve the local tourism industry in the branding and marketing policy development and its implementation process, to ensure the highest possible standards are delivered at each touch point of the customer journey;
- To increase the quality and value of all-year-round tourist offers.

Tourism products and experiences

The strategic vision is to provide Azerbaijan's most engaging experiences for visitors to the Caucasus Region. ATB's product development mission is to create a suite of quality products that promote authentic experiences based on the unique nature, culture, health and wellness, and special interest opportunities of Azerbaijan. To this date, ATB has successfully identified the needs and travel patterns of various traveller groups from target markets and initiated the development of new products, experiences and services. A range of notable achievements, from mapping the tourism product potential of the country and infrastructure development to creating cultural heritage routes and initiating the look and feel of recreational zones, have been achieved.

Policy Outlook and Directions

- To contribute to the competitiveness of the tourism destination through developing and enabling tourism products under brand pillars, such as nature, culture, health and wellness and special interest, focusing on immersive experience themes;
- To support the development and emergence of tourism products through a comprehensive development approach;
- To support growth in the tourism market share with a higher yield;
- To sensitively manage and develop Azerbaijan's tangible and intangible assets, along with man-made facilities and services in holistic tourism products;
- To foster the development of sustainable, high quality attractions, while respecting the local communities in which they function;
- To deliver a range of authentic experiences in a friendly, engaging environment
- To respect and support Azerbaijani culture in all its diversity;
- To support the creation and maintenance of a positive and diverse international tourism product profile for Azerbaijan.

Digitalisation, technology and innovation

Tourism in the 21st century requires the application of innovative tools for effective development, management and promotion of the destination. STA and ATB has invested in e-tools to maximise the gains from technological advances.

The **azerbaijan.travel** website has been launched and the SEO optimisation of all relevant websites has been carried out. In parallel, there has been the implementation of a visitor telephone hotline, tourism information system, a monitoring system (registry for tourism businesses, resources and events), an e-learning programme for travel professionals, and the RITM (regional innovation startup programme).

Policy Outlook and Directions

The strategic vision is to ensure alignment with technological innovations and tools and make the best of them for effective destination development.

In more detail:

- To increase the digital presence of Azerbaijan as a tourism destination on various platforms;
- To support the tourism industry to improve their digital presence, business models, marketing methods, customer management, user engagement, distribution channels, search tools and payment processes;
- To integrate the tourism sector into the national digitalisation and innovation framework.

Data analysis and research

Research and statistics ensure informed and knowledge-based tourism policymaking. Notable progress has been made in improving the methodology for international and domestic tourism surveys and the frequency of international tourism statistics which have been shifted from quarterly to monthly. Additionally, STA has been reporting monthly and annual tourism statistics to government agencies and businesses through traditional and innovative tools. Notably, a tourism database with an interactive dashboard has been introduced. The database compiles information from multiple sources including self-originated data and databases of relevant government agencies. All these have been complemented with surveys on tourist loyalty, destination and departure.

Policy Outlook and Directions

The strategic vision is to ensure comprehensive, reliable and frequent statistics and data analysis, combined with in-depth and objective research, to meet the information and learning requirements of the government and businesses.

In more detail:

- To improve the quality of tourism data, analysis and research;
- To ensure access to data analytics and tourism insights for government and businesses using tourism data-generation platforms;
- To support government reforms, tourism industry and decision-making through professional research on tourism governance, competitiveness and sustainability.

Tourism investment and public-private partnerships

Attracting financing to the under-invested tourism sector is among the top priorities of the government. So far, progress has been made in appealing to private investment for the Shahdag Tourism and Recreation Zone, along with active cooperation with the Ministry of Economy on the Investment Incentive Document. RMC has also managed to implement PPP projects in the heritage sites.

Policy Outlook and Directions

The strategic vision is aimed at ensuring an open, attractive, competitive and favourable tourism business environment, designed on the basis of best international practices, know-how and smart solutions.

In more detail:

- To improve the investment environment for the tourism business through a) Creating an investment-friendly framework in tourism and recreation zones; b) Applying tourism specific PPP models; c) Integrating the tourism sector, including tourism and recreation zones, into national investment incentive schemes;
- To guide investors from A to Z through a 'one-stop shop' approach with effective communication.

Human Resource development

Human resources is a factor that plays an eminent role in building and promoting the image of a tourism destination. Azerbaijan Tourism and Management University and two vocational training schools operate as the main institutions for building the human capacity in the tourism sector in the country. Additionally, the assessment training needs for the industry has been implemented and the Tourism Training and Certification Centre has been founded by ATB. The public financing of IMC Krems Programmes has been sustained and a dual programme has been implemented in cooperation with vocational schools. These have been followed by governance and infrastructure reforms at the ATMU and Mingachevir Tourism College. Yet, the loss of experienced staff in the sector brought on by the pandemic requires additional policy actions.

Policy Outlook and Directions

The strategic vision is to improve tourism education governance by upgrading the vocational and higher educational system that gives life-long learning and enables the development of sufficient professional tourism personnel and experts.

In more detail:

- To draw investors into the tourism education business;
- To develop policies to slow down the 'brain drain' in the tourism labour market;
- To meet the long-term human resource needs of the sector through upgrading admission plans to educational establishments and curriculum development for tourism specialisations;
- To meet short-term human resource needs of the sector through organising and enabling tourism trainings and short-term programmes, as well as dual educational programmes;
- To increase competitiveness in specialised tourism educational establishments under the management of STA, while supporting tourism education in other educational establishments.



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TAKE ANOTHER LOOK

Contacts

STA and ATB are interested in collaborating with partners regarding the implementation of the national tourism strategy.

Please contact us for any information or request: info@tourismboard.az



State Tourism Agency
of the Republic of Azerbaijan

www.tourism.gov.az



azerbaijan
TOURISM BOARD

www.tourismboard.az

Address:

Azerbaijan Tourism Board
134 Uzeyir Hajibeyli Street
Baku AZ1010
Azerbaijan