

Gulara Aliyeva
Independent Expert on Economics and Finance,
Baku, Azerbaijan
aliyevagulara@yahoo.com

E-BUSINESS IN TOURISM AREA: CASE OF AZERBAIJAN

Azerbaijan is a landlocked nation in Southwest Asia bordering the Caspian Sea, Armenia, Georgia, Iran, Russia, and Turkey. Azerbaijan's success today is an outcome of comprehensive, specific and targeted efforts of the past few years. Implementation of globally important projects in various sectors of the economy, including tourism, not only made our country more capable, but also facilitated regional and international cooperation.

In the globalizing world tourism is a lucrative part of the economy. It makes a great contribution to the budget of most countries. Tourism now has global importance; it regulates social economic relations, creates reciprocal ties between countries nations, and expands business. Estimates suggest that by 2020 tourism will reach its peak of development and the number of tourists will exceed 1.5bn that year.

Azerbaijan should not lag behind in this development, because the country has all the natural and geographic potential of a tourist destination. As entrepreneurship grows stronger, the opportunities for the development of tourism centres grow.

The Azerbaijani government has made developing tourism a priority. New tourist facilities are being built in the regions, and cultural and historical reserves are being set up or restored. The state has undertaken to create infrastructure in the regions. Tourism can help to tackle the serious problem of unemployment in the country, and has a positive impact on the development of all sectors.

As for the Azerbaijani regions, the dynamics of tourism development vary there. Development depends upon the number of facilities in a region, the proximity of the region to the capital, the pace of development of entrepreneurship and the overall level of economic development. The western region of Azerbaijan has not kept up with other regions in terms of tourism development. There are several reasons for

this. First, the western region is a long way from Baku and the roads are only just being repaired. Azerbaijan's Culture and Tourism Ministry is working on a programme to develop tourism in the western region in an attempt to keep tourism development on a par in all regions of the country.

The main challenge in developing tourism is to increase the number of recreation centres and hotels. A lack of awareness in the regions impedes the development of tourism. Every zone needs a plan of infrastructure and tourism should be developed in line with the plan. An increase in the number of recreation centres and hotels will not only improve the quality of service but also lead to a drop in prices.

Tourism is part of the economy and creates a strong foundation for small and medium-sized business, including e-business, helps create jobs and better infrastructure. All of this, certainly, is in line with the main provisions of the programme for the socio-economic development of Azerbaijan's regions and the programme to tackle poverty.

Electronic commerce is steadily increasing in Azerbaijan. The growing number of ATMs has increased the level of e-commerce to the market, and some B2B websites have also appeared. It directly concerns tourism area. The number of credit/debit card transactions is rising, and as of 2018 many hotels, restaurants, supermarkets, and mid-range shops increasingly accept credit or debit card payments.

The government has implemented some e-governance solutions, within the comprehensive "e-government" initiative, to make their services more transparent and more easily accessible. The Ministry of Taxes, for example, has moved tax payments on-line, making compliance easier. Other ministries could benefit from similar improvements but have not yet taken steps to modernize.

Some local businesses use these technologies to interact with their customers. Opportunities exist for companies that can create and successfully market electronic services that facilitate transactions on-line. Golden Pay, a service similar to PayPal, is a local company that has entered this market and is slowly expanding the ability of Azerbaijani businesses to conduct on-line transactions with customers.