

Developing Tourism: The Cluster Approach and Exporting Tourist Services

KEY CONCLUSIONS

Tourism is one of the most rapidly developing economic sectors

"There is positive dynamics <...> (in tourism volume – *Ed.*) – last year, there were over 56 million tourists. It is our all-time record," Olga Golodets, Deputy Prime Minister of the Russian Federation.

"Export of services in the 'Trips' category <...> retained positive dynamics and grew by 33% in the first quarter of this year," Vera Podguzova, Managing Director of External Communications, Russian Export Centre.

"The Presidential Address to the Federal Assembly and May Decrees set out important goals <...> to reach new values of USD 100 billion by 2024," Maxim Safonov, Director at Green Capital Alliance; Professor at the Russian Presidential Academy of National Economy and Public Administration (RANEPA).

Tourists' growing interest in the Russian Far East

"Last year, more than half a million tourists visited Russia. The number of trips may be up to 5 million if we speak about the whole country. The Far East was visited (last year – *Ed.*) by 700,000 people <...> Chinese businesses come to the Far East and we are ready to provide aid to this region. <...> We should develop investments and <...> information," Wang Ping, Chairman of the China Chamber of Tourism.

PROBLEMS

Insufficient information about tourist potential of the Far East

"The Far East has potential for providing recreational, touristic, health-resort services – it is unexplored factor, which is, however, in full demand," Irina Yarovaya, Deputy Chairman of the State Duma of the Federal Assembly of the Russian Federation.

"We do not have enough information (about the Far East – *Ed.*) <...> Developing infrastructure is a strategic issue <...> the Russian Federal Agency for Tourism must provide assistance <...> so that the mass tourist knows this region <...> The information field is highly underdeveloped," Julia Morozova, General Director of Creative Production.

"We spent, based on different data, from 150 to 400 billion roubles to attract tourists (to the World Cup – *Ed.*), but we did not spend almost

anything to retain them <...> Brazil, according to their data, raised USD 180 million over the following two years only from the routes made for the World Cup <...> Promotion and information is very important," Ruslan Novikov, General Director, Argumenty I Fauty Ltd.

Underdeveloped tourism infrastructure

"There is not enough accommodation in some regions," Taras Demura, General Director of TUI Russia.

"Poor infrastructure prevents investors from entering the tourism business," Vladimir Dmitriev, Vice President, Chamber of Commerce and Industry of the Russian Federation.

Poor level of service

"Receiving companies <...> should take accommodation to a new level, develop the logistics network that covers the major attraction points, improve the quality of services," Taras Demura, General Director of TUI Russia.

"Regarding Russian tourism development one should take into account <...> personal experience, which is about <...> hospitality, comfort <...> this contact is very important for success in tourism," Timothy Patrick McNally, Chairman of the Board of Directors, NagaCorp Ltd.

High cost of air transport

"Expensive air transport is one of the barriers," Taras Demura, General Director of TUI Russia.

SOLUTIONS

Designing tourist cluster development programme

"We suggest (under the new Federal Target Programme – *Ed.*) designing a separate subprogramme on developing a tourist cluster in the Far East <...> it's going to be a benchmark for business," Irina Yarovaya, Deputy Chairman of the State Duma of the Federal Assembly of the Russian Federation.

"The task is to develop tourism infrastructure, raise quality of service, actively promote tourism in Russia abroad <...> Under the new Federal Target Programme, the volume of financing is expected to reach 262 billion roubles (under the current programme, it is 120 billion roubles) <...> It is expected that implementation of the Federal Target Programme will drive a rise in the proportion of tourism in GDP up to 5% and will make 5.3 trillion roubles <...> Far Eastern regions are actively involved in

our Federal Target Programme. It is based on cluster approach and suggests joint effort of state and business, the most efficient use of public and private funds," Oleg Safonov, Head of the Russian Federal Agency for Tourism.

Adoption of e-visas

"This system has been working at 7 airports of Vladivostok since last year. More than 40 foreign tourists have received these visas and entered <...> the Far East. We are planning to extend the list of countries from which one can visit Russia using electronic visas to the ASEAN countries," Sergey Tyrtsev, First Deputy Minister for the Development of the Russian Far East.

Building airport facilities

"Within our preference regimes (ASEZ – *Ed.*), two projects are being implemented at present, and we have made an investment decision regarding the third (in Petropavlovsk-Kamchatsky – *Ed.*) on beginning of construction and reconstruction works at airport facilities – in Khabarovsk <...> and Yuzhno-Sakhalinsk. All this is made on private investments," Sergey Tyrtsev, First Deputy Minister for the Development of the Russian Far East.

Supporting education services export

"Serious work is being done together with the Ministry of Education and Science of the Russian Federation to promote our education <...> At present, we have signed about 25 agreements with leading higher educational establishments that provide exporting educational services <...> Considerable work is being done concerning promotion of health services," Vera Podguzova, Managing Director of External Communications, Russian Export Centre.