



Current Directions and Prospects for Domestic Tourism Development in Azerbaijan

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Abstract. Domestic tourism has become one of the strategic priorities of Azerbaijan's socio-economic development due to its significant contribution to regional development, employment, and the sustainable use of tourism resources. This study examines the current directions of domestic tourism development in Azerbaijan, with particular emphasis on mountain tourism, ecotourism, cultural tourism, and regional tourism potential. The research is based on the analysis of statistical data, official reports, and relevant scientific literature to evaluate recent trends in domestic tourist flows and tourism expenditures across different regions of the country. The findings indicate that domestic tourism has experienced substantial growth over the past decade, despite the temporary decline caused by the COVID-19 pandemic. The analysis demonstrates that regions such as Guba–Khachmaz, Shaki–Zagatala, Lankaran–Astara, and Ganja–Dashkasan have become leading domestic tourism destinations owing to their natural landscapes, cultural heritage, and improving tourism infrastructure. The study also highlights the importance of government support, infrastructure development, service quality improvement, and digital transformation in strengthening the competitiveness of the national tourism sector. The results suggest that the sustainable development of domestic tourism can contribute significantly to economic diversification, regional prosperity, employment generation, and the preservation of Azerbaijan's cultural and natural heritage. The study concludes that continued investment in tourism infrastructure, effective destination management, and the promotion of sustainable tourism practices are essential for ensuring the long-term growth and international competitiveness of Azerbaijan's domestic tourism sector.

Keywords: tourism, regions, mountain, ecotourism, Azerbaijan, digital

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1. Introduction

Recent years have witnessed increasing interest in the development of domestic tourism in Azerbaijan due to its significance as a significant contribution to socio-economic growth. Azerbaijan is known for its natural beauty and culture, landmarks, historical sites, and unique geographical location. Notably, the development of domestic tourism has now become one of the government's priority areas, and several measures have been taken to improve tourism infrastructure, diversify tourism routes, and promote local tourism. Such a sector's growth has also contributed positively to the economy by providing new jobs, triggering local economic growth, and raising living standards throughout the country. Domestic tourism serves as an effective means of utilizing the country's tourism potential within the national market and offers an important alternative to outbound tourism. Azerbaijan's diverse natural resources, varied climatic zones, and rich cultural heritage provide favorable conditions for the development of different tourism segments (Ricapito, 2015). Mountain tourism, ecotourism, cultural tourism, historical tourism, and



recreational tourism are among the principal directions of domestic tourism development (Goeldner & Ritchie, 2012). In recent years, destinations such as Quba, Qusar, Shaki, Lahij, Gabala, and Zagatala have attracted increasing numbers of domestic tourists owing to their unique natural landscapes, historical monuments, and cultural attractions.

The development of domestic tourism in Azerbaijan has brought significant social and economic changes to the region. This sector not only celebrates and disseminates local culture, traditions, and cuisine, but it also stimulates local economies (Page, 2019). The promotion and expansion of domestic tourism create new opportunities and income sources for local communities (Weaver & Weaver, 2006). These are the main determinants for the socio-economic growth of the regions, ranging from tourism infrastructure and hotel and accommodation development to new jobs in the service industry (Hall, 2008).” The Government of Azerbaijan has carried out numerous reforms to promote the growth of this field. By way of this, not only the tourism sector, but also the broader international promotion of Azerbaijan is advancing, as a result of these reforms. In addition to economic development, the domestic tourism sector is becoming an important sector in introducing Azerbaijan’s culture and natural resources to the world and strengthening Azerbaijan’s position in the global tourism market (Telfer & Sharpley, 2002). Tourism activities that promote Azerbaijani culture, language, music, cuisine, and local traditions also play a central role in forming the country’s tourism brand (Swarbrooke, 2002). Therefore, all measures to promote domestic tourism would be of social, cultural, and economic significance

Several critical determinants must be considered to fully understand the expansion of domestic tourism. On the one hand, local people’s attitude toward tourism, the effect of tourism on the regional economies, the presence of modern tourism infrastructure, and the quality of tourism service are very essential aspects. Conversely, the promotion of tourism and the establishment of educational and operational activities for different tourism segments must also be increased. The diversification of various types of tourism, the development of mountain tourism, ecotourism, and cultural tourism, the educational promotion of tourism in local communities, and the education of locals regarding tourism also play a significant role in the sustainable development of the industry (Fennell & Cooper, 2020). While there are unique qualities of each type of tourism and each type of tourism sector has its own distinctive features, domestic tourism as a whole is important to the diversification and development of the economy of Azerbaijan. Accordingly, the analysis of directions in domestic tourism of Azerbaijan reveals that it can be a relatively productive economic, social and cultural sector in the country. Promotion of national tourism as a means of bolstering the country’s status in the international tourism sector is welcome. Any effort in this direction will be favorable to the national economy along with general cultural awareness and social development of the citizens.

2. Analysis

The development of domestic tourism has become one of the priority areas of Azerbaijan's tourism policy in recent years. The continued expansion of this sector contributes to the growth of the tourism industry, increases domestic tourist flows, promotes economic diversification, and improves the socio-economic well-being of local communities. Azerbaijan's rich natural and cultural heritage, favorable geographical location, and diverse tourism routes provide a solid foundation for the sustainable development of domestic tourism. The country's mountainous regions, coastal areas, historical and cultural monuments, and rural tourism destinations possess considerable tourism potential. The continuous development of tourism infrastructure in regions such as Quba, Qusar, Shaki, and Ismayilli has created new opportunities for domestic tourism. These destinations attract visitors seeking to experience natural landscapes, cultural heritage, and authentic local traditions.

Furthermore, state-led initiatives play a pivotal role in fostering the growth of domestic tourism. The Government of Azerbaijan has promoted its tourism and tourism promotion legislation, along with an impressive list of tax holidays, to stimulate the sector. Meanwhile, several projects are being put in place



via public-private partnerships to modernize the nation's tourist facilities and develop new tourist routes. In the past few years, Azerbaijani domestic tourism has advanced significantly. From the statistics displayed in Table 1, the figures show that the tourist industry is taking on a more and more serious part in the national economy. From 2016 to 2020, domestic tourism in Azerbaijan experienced the dual crises of record growth and a severe drop-off due to the global pandemic.

Year	Number of People Traveling for Domestic Tourism Purposes (persons)	Expenditures for Domestic Tourism Purposes (AZN)
2016	3,5 million	2,5 billion
2017	3,7 million	2,8 billion
2018	3,8 million	3 billion
2019	4,5 million	3,5 billion
2020	1,3 million	813 million

Table 1. Domestic Tourism Indicators of Azerbaijan (2016–2020). Compiled by the author

In recent years, domestic tourism in Azerbaijan has developed rapidly. The statistical data presented in Table 1 demonstrate that the tourism sector has come to play an increasingly significant role in the national economy. Between 2016 and 2020, Azerbaijan's domestic tourism market experienced both record growth and a sharp decline as a result of the global pandemic. Azerbaijan experienced the dual crises of record growth and a severe drop-off due to the global pandemic. National tourism numbers show that it started growing from 2016 onwards. In 2016, the number of domestic tourists jumped from 3.5 million to 4.5 million, reaching a record 4.5 million. This is about a 28 per cent rise in the total number of domestic travelers over the four years. It is evident economically as well from even more numbers. The amount of domestic tourism increased from 2.5 billion Azerbaijani manats in 2016 to 3.5 billion manats in 2019 (State Statistical Committee of the Republic of Azerbaijan, 2025). This expansion had been directly attributed to small and medium-sized enterprises' growth in areas such as hotels, restaurants, and transport services (World Bank, 2023).

The year 2020 is considered to be one of the toughest years in the course of tourism in Azerbaijan. Tight quarantine measures, interregional travel restrictions, and health fears were among the main reasons why the domestic tourism industry suffered. Travelers are down 71 percent from 2019 to 1.3 million. Simultaneously, domestic tourism expenditure dropped hugely from 3.5 billion manats to only 813 million manats. This precipitous drop affected thousands of income-earning employees from the sector and highlighted the importance of government support packages for the tourism sector.

Regions	2021	2022	2023	2024	2025
Lankaran-Astara	180,492	238,225	194,198	247,898	255,612
Guba-Khachmaz	176,971	544,623	449,373	604,760	533,763
Shaki-Zagatala	238,201	413,950	435,271	555,399	530,355
Ganja-Dashkasan	128,559	196,236	221,849	234,725	255,336
Mountainous Shirvan	99,856	140,233	153,067	148,462	148,217

Table 2. Source: State Tourism Agency of the Republic of Azerbaijan. Comparative analysis of domestic tourism indicators by year.

Table 2 presents a summary of the most recent statistics regarding the patterns in tourist flow in the regions of Azerbaijan. Rather than looking at each area in isolation, this work is dedicated to analyzing general trends, the growth of patterns, and variations over time.

Tourist flow over the entire region of Azerbaijan from 2021 to 2025 indicates upward growth and the recovery and expansion of the tourism industry (United Nations World Tourism Organization, 2024). The numbers start at moderate levels in 2021, after the pandemic recovery conditions, presumably affected by the impact, and dramatically increase in 2022. This trend was stable in the years 2023 and 2024, but a mild



oscillating pattern was observed in 2025. Homegrown tourists flocked to the Southern area over the years because of the South's subtropical climate and unique beauty. As a significant increase from 180,492 tourists in 2021 to 238,225 in 2022 (a 32% increase). From 194,198 visitors in 2023, which fell back in 2023, it returned to growth by 2024, when a record 255,612 tourists reached the region in 2025. This surge is largely caused by infrastructure projects, recreation, and ecotourism development in the region.

The Quba-Khachmaz region has maintained a leading position with respect to tourist arrivals. Visitor numbers jumped from 176,971 in 2021 to 544,623 in 2022—over three times as many as a year earlier—showing how attractive its environment is to domestic tourism. The region peaked at 604,760 visitors in 2024. In 2025, the total number of tourists decreased to 533,763. Despite the somewhat stable figure in 2025, the region was still the most visited tourism zone in Azerbaijan. This performance is mainly attributed to the coastal tourism prospects of Khachmaz and the mountain tourism prospects of Quba. Shaki-Zagatala region has been showing reliable and resilient growth year-over-year in respect of both its historical and contemporary significance, from 2021-2025. Tourist numbers also grew, from 238,201 in 2021 to 555,399 in 2024. Growth has been more balanced and consistent than in other regions. With an anticipated intake of over 530,000 visitors in 2025, the region continues to demonstrate substantial tourism potential. The Ganja and Dashkasan area also saw quite an increase. During the same period, the number of visitors increased from 128,559 in 2021 to 255,336 in 2025, which was almost double in numbers. The development has been linked to Ganja's status as a cultural center, as well as the growing interest in the Goygol-Maralgol area as a natural tourism attraction. In the Upper Shirvan region — Shamakhi and Ismayilli included — the rise in tourist arrivals was more moderate yet was not markedly different from the rest. In the years since, visitor numbers increased from 99,856 in 2021 to 153,067 in 2023 and stabilized at around 148,000 in the following years.

Encouraging local tourists to perform more cultural and ecotourism activities could enhance domestic tourism. Some of the statistics reveal that the number of people interested in ecotourism increased by more than 40% in 2022. Among people travelling, 47% were meant to visit relatives and friends, and 29% were for leisure and entertainment. According to the 2022 domestic tourism summary report, tourism revenues reached 17.7 million manats, representing a 30% increase compared with 2021. Most of the domestic tourism activities in Quba, Qusar, Gabala, Lankaran, Khachmaz, and Shaki had a recreation/entertainment focus, as of 2023. Statistics indicated that the new tourist flows have allowed these areas to more effectively exploit their recreational potential. In 2024, the domestic tourism data in Azerbaijan showed relatively slower growth compared to previous years. From statistical information, the overall growth rate of domestic tourism stood at 9%, reflecting a stabilization phase for the development dynamics of the sector compared with 2023. A regional analysis, in particular, shows sharp upsurges in tourism in the areas of Ismayilli, Shamakhi, Astara, and Zagatala. As shown in the statistics of January–June 2025, total domestic tourism spend in Azerbaijan was approximately 2.5 billion manats, which is an increase of 13.6 percent from the same period of the previous year. This growth is in line with both rising demand for tourism services and the strengthening of economic turnover in this sector.

Tourism infrastructure covers all the material, technical, and service parts of a destination, and it is essential for the movement, accommodation, and overall comfort of tourists in the nation. These consist of accommodation (hotels, guesthouses, inns), food and beverage (restaurants and cafés), transport systems, and essential utilities such as water, electricity, and internet services. Significant financial investments have been directed toward this sector, yielding substantial potential for further development. While currently in the growth phase, tourism infrastructure modernization is still needed for durable and competitive growth. Specifically, the construction of high-quality accommodation facilities and food service establishments that meet international standards, in conjunction with the development of favorable conditions for tourists in the regions, should be key matters of future development. For that purpose, investor incentives and public & private investment are paramount. Second in line is service quality. The level of services offered in the tourism industry has a direct impact on tourist satisfaction and is critically important in defining the



country's tourism image (Mason, 2012). Hence, enhancement of such service quality entails more well-structured labor training, development programs, and the implementation of advanced education for the professionals in the field.

3. Conclusion

The development of domestic tourism in Azerbaijan is paramount for economic diversification, social welfare improvement, and the maintenance of cultural heritage. Its beauty and diversity, natural vistas, and historical buildings of the country will be attractive to both local and foreign tourists. The domestic tourism sector has been growing at a rapid rate, primarily with the backing of the state, and provides the opportunity for the establishment of new tourist routes, the enhancement of the infrastructure, and the enlargement of employment for the local population in the tourism industry. The homecoming of tourism in general, and the three types of tourism, mountain tourism, ecotourism, and cultural tourism, are some of the main sectors that have considerable potential to rejuvenate tourism, economic development, and social development in the various regions of the country. Besides stimulating socio-economic development in surrounding regions, this sector provides great potential to raise the level of regional development by providing opportunities for local people to showcase their culture and traditions, open up the international marketplace, and improve Azerbaijan's reputation.

The full potential of Azerbaijani domestic tourism is not exploited to date, despite a huge capacity to promote tourism in the country. Effective cooperation between the government, the local tourism corporations, and communities, through practical application of the right concepts and actions, will bring about further progress in the growth of domestic tourism and enhancement of national competitiveness in the world tourism market.

The development of domestic tourism should be recommended and advertised before it is finally presented to the global community and the media, because a full range of positive economic impacts and socio-welfare aspects, as well as showing an evidence of Azerbaijan's tourism potential to the world.

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