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MODERN TRENDS OF TOURISM DEVELOPMENT IN UKRAINE

ABSTRACT

The article analyzes current trends in tourism development in Ukraine and its place at the global and European tourism market. The location of Ukraine within the European tourist macro-region is characterized. The contribution of tourism to the country's economy is determined; the dynamics of direct and total contribution of tourism to GDP and employment are analyzed. It is shown that Ukraine has a rich tourist potential, but it is not fully claimed. The modern and forecasted main economic indicators of tourism development are characterized in comparison with the average numbers for the world and Europe. The changes in Ukraine's place in the TTCI rating for 2013, 2017 and 2019 are considered, the reasons for the positive changes in the rating between the latest reports are determined.

The dynamics of inbound and outbound tourism in 2000–2017 is analyzed, its main determining reasons are considered. The article characterizes the structural changes in goals and geography of tourist arrivals and departures.

The author examines dynamics of the activities of tour operators and travel agencies. The concentration coefficients of tourist arrivals, income from tourism and the population are calculated, which indicate the extremely uneven development of tourism in the regions of Ukraine. Based on the index presentation of indicators of tourism entities development and the calculation of the integral index, 4 groups of regions were identified that confirms the absolute leadership of the capital region in the provision of tourism services.

The main factors which further trends in tourism activity will depend on are determined.

KEYWORDS: tourism, tourist arrivals and departures, the contribution of tourism to GDP, employment, the tourist market

INTRODUCTION

Today, tourism is a competitive sector of the world economy and one of the important directions of international economic relations and socio-economic development of most countries of the world. According to the UNWTO, tourism accounts for 10 % of global GDP. International tourist arrivals and tourism receipts are growing rapidly. In 2018, international tourist arrivals in the world was 1,401 mln, which is 47.1 % more than in 2010. And tourism receipts rose by 48.8 % to US\$ 1,451 bln³.

The huge impact of tourism business on the economies of countries and their regions indicates the relevance of the topic for Ukraine with its unstable and relatively low level of socio-economic development. According to the data of The Social Progress Imperative international research project, in The Social Progress Index, which takes into account the social welfare of the population and social progress, Ukraine took 80th place in 2019 among 149 countries with an index of 66.97. Its neighbors in the ranking are Algeria and Kyrgyzstan⁴. And by the prosperity index

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³ UNWTO Tourism Highlights 2019 Edition. Web resource: http://tourlib.net/wto/WTO_highlights_2019.pdf (accessed 5 Jan 2020)

⁴ Index to Action to Impact. Web resource: <https://www.socialprogress.org/index/global/results> (accessed 5 Jan 2020)

(The Legatum Prosperity Index), a combined indicator of the British analytical center The Legatum Institute, which reflects the achievements of the world's countries in their well-being and prosperity, Ukraine was at 96th place among 167 countries of the world with an index of 54.5. Similar indices had Tunisia and Cuba¹. The development of tourism in the country would contribute to the growth of its economy and social sphere.

The theoretical, geographical and economic foundations of the development of the global tourism market and its regions, problems of competition, competitiveness, typology and strategies in the field of international tourism were analyzed by such foreign scientists as: A. Alexandrova, O. Stupina [2014], S. Baloglu, D. Bringberg [2006], R. Baretje [2005], G. Harris, K. Katz [2000], M. Kasimoglu [2012], V. Kwartalnov [2003], R.Ch. Mill, A.M. Morrison [2013], S. Shcherbakova [2004], A. Tarasenok [2014] etc.

The problems of tourism development in Ukraine and its role at the global tourism market were considered in the works of G. Balabanov [2015], O. Korol, V. Rudenko, Z. Hochmut [Geographical aspects, 2010], L. Gontarzhetskaya [2008], O. Lyubitseva, E. Pankova, V. Stafiychuk [2007], O. Melnichenko, V. Shvedun [2017], I. Olynyk, P. Shishchenko, O. Lyubitseva et al. [2008], A. Parfinenko [2015], T. Tkachenko [2009], O. Iurchenko, S. Iurchenko [2018], M. Sidorov, O. Iurchenko, S. Iurchenko [2017] and many others. However, the situation at the global and regional tourism markets is changing very quickly. It depends on many factors and requires constant monitoring and rethinking.

The purpose of the article is to consider current trends in tourism development in Ukraine in order to determine directions for intensifying tourism activities in the country.

MATERIALS AND METHODS OF RESEARCHES

Analysis of tourism development trends was based on the materials: The official website of the State statistics service of Ukraine, World Data Atlas, The World Travel & Tourism Council's (WTTC), UNWTO, World Economic Forum (WEF) and The Travel & Tourism Competitiveness Index (TTCI). The following methods of geospatial analysis have been used: descriptive, comparative, statistical to determine the features, growth rates and dynamics of the main indicators of tourism development, to identify spatial changes in the international tourism market; modeling — to assess the degree of centrality of Ukraine in the geospace of the European tourist region, to identify differences in distribution of population, tourists and tourism income by regions of the country, typology of regions based on the calculation of the integral index in terms of the development of tourist activities.

RESULTS OF RESEARCHES AND THEIR DISCUSSION

With Ukraine gaining independence, opening the border and shifting the emphasis of tourist activity outside the republic, its economic and geographical position at the world tourism market has changed. According to the UNWTO classification, Ukraine belongs to the European tourist macro-region, which includes countries of Europe, republics of Transcaucasia and Central Asia, Kazakhstan, Turkey, Israel, Cyprus. To determine the “centrality” of Ukraine's location in the macro-region, a coefficient of hierarchy of position was calculated by the following formula:

$$K = \frac{\sum_i^n L_i}{\sum_i^n L_i \min},$$

¹ The Legatum Prosperity Index™ 2019; A tool for transformation Country Profile [saccelerate.amazons.com/4415/8635/2894/The_Legatum_Prosperty_Index_2019_Country_Profile_Document.pdf](https://www.legatum.com/4415/8635/2894/The_Legatum_Prosperty_Index_2019_Country_Profile_Document.pdf)

where K is the coefficient of hierarchical position of the country relatively to the country located in the center;

$\sum_i^n L_i$ — sum of topological distances for each country;

$\sum_i^n L_i \min$ — minimum sum of topological distances (of central country) [Sidorov M., Iurchenko O., Iurchenko S., 2017, pp. 57, 131].

The calculated indicators of the topological assessment of the geographical location for all countries of the European tourist macro-region indicate the central location of Ukraine ($K_i = 1.0$). This is favorable for the accessibility of the country and tourism development, especially short-term 1–3 days trips and travel during additional holidays for 4–7 days.

According to a five-level assessment of the natural comfort of the territories, most regions of Ukraine are characterized by uncomfortable conditions (2nd level) in the presence of signs of hypocomfort (3rd level) — mountain ranges with threats of floods, landslides, mudflows, with a difficult topography. Areas with excessive moisture — Polissia; with flood threats — in Transcarpathia; with droughts in the south of the country [Baburin, Mazurov, 2000, p. 21]. But in general, the natural and climatic resources of Ukraine constitute an attractive potential for the development of domestic and inbound tourism.

The country has unique recreational resources for organizing vacations in the Carpathian, Pre-Carpathian and Transcarpathian regions, on the shores and estuaries of the Azov and Black Seas (Odesa, Mykolaiv, Kherson, Zaporizhzhya, Donetsk regions), lakes and rivers. A variety of mineral waters are available in many regions of Ukraine, and therapeutic mud — in the areas of Berdyansk, Mariupol, Cherche (Ivano-Frankivsk region), in salt lakes and estuaries.

The historical and cultural heritage of Ukraine is of high value and can adequately represent the country at the global tourism market. There are objects with a long history that have been preserved. So, the age of the archaeological site of the Early Paleolithic in Transcarpathia (Vynogradsky district) is about a mln years old, and the Cyril site (Kyiv) — about 40 000 years old.

About 130 000 objects of cultural heritage are registered in the state. Of these: 52 % — objects of archeology, 35 % — history, 10.6 % — architecture and urban planning, 2 % — monumental art. There are also 327 objects of landscape gardening art, 219 landscape objects and 92 objects of science and technology. The following regions are rich in objects of historical and cultural heritage (excluding Crimea): Dnipro, Odesa, Kharkiv, Zaporizhzhya, Lviv, Cherkasy, Chernihiv, Kyiv. They account for almost $\frac{3}{4}$ of the monuments registered in the state.

Of particular interest to tourists are 6 monuments (0.6 % of the global total amount) included in the UNESCO World Heritage List. In 401 settlements of the country, there are cultural heritage objects, planning and form of development that are typical for specific cultures or periods of development and have been fully or partially preserved¹.

The central position of Ukraine in European geospace, moderate-favorable geopolitical situation, comfortable climatic conditions for living, availability of personnel, natural and historical-cultural attractions, tolerance and hospitality of Ukrainian residents favor the development of tourism in the country. At the same time, instability of socio-economic development, military operations in the east of the country, insufficient level of development of tourism infrastructure, environmental pollution in some regions, recommendations of the government of some countries not to visit Ukraine since 2014 due to unsafe and unstable situation, etc. negatively affect tourist flows to our country. However, in recent years, there have been positive changes in the tourism business of Ukraine.

¹ The concept of state policy of reforming the protection of immovable cultural heritage. Web resource: http://min-cult.kmu.gov.ua/control/uk/publish/article?art_id=245358162&cat_id=244993460

According to the typology of the countries of the world in terms of international tourism development by A. Alexandrova, Ukraine can be attributed to the countries of the semi-periphery of the world tourist space [Alexandrova, 2016, p. 19], where the development of the tourism market is associated with transformational processes, the transition to a civilized market.

Now at the world tourist market, Ukraine takes 75th place in terms of domestic tourist consumption in constant prices in 2011 and 104th in terms of the real rate of growth, 90th in terms of expenses of international tourists within the country and 63th in terms of the real rate of growth, 93th in terms of direct contribution of tourism to GDP, 121st — in terms of the share of international tourism revenues in exports. These and some other indicators show a low level of tourism development in the country.

Tourism potential of Ukraine is not yet fully claimed, which is also reflected in the low contribution of the tourism industry to GDP and employment. It had maximum values in 2004 for the period 2000–2018, which decreased significantly during the crisis years and did not reach the level of 2004 in subsequent years (fig. 1).

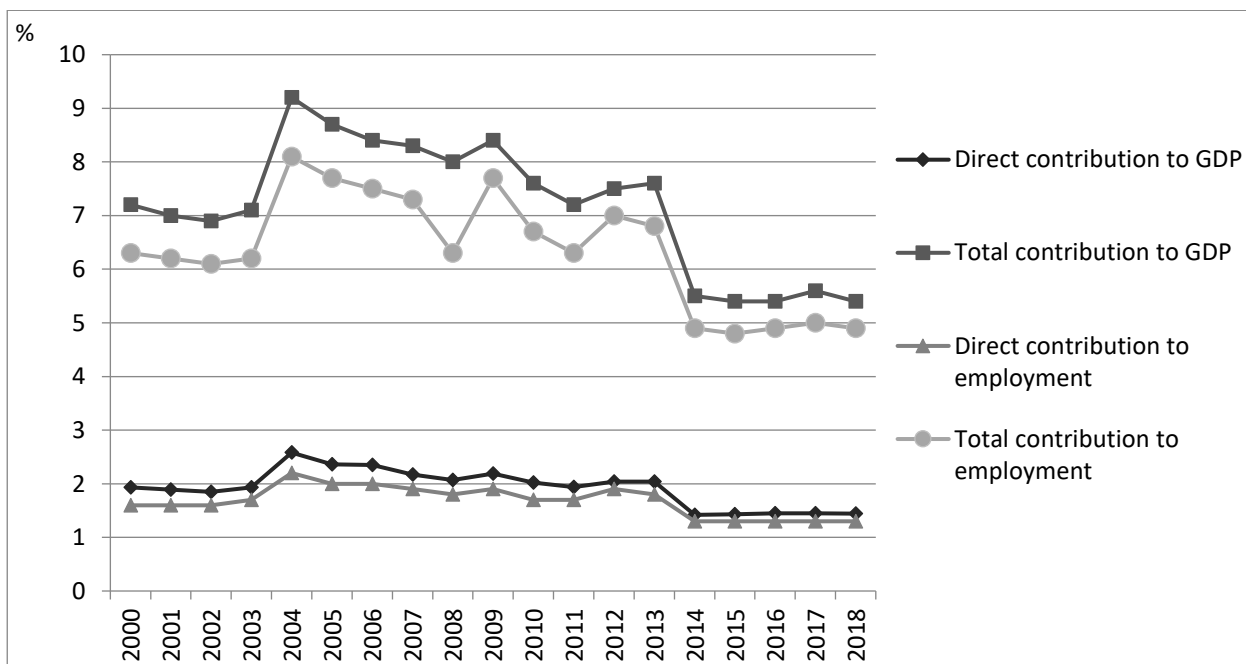


Fig. 1. T&T Direct and Total contribution to GDP and to employment, %

In 2004, the total contribution of T&T to GDP growth was 45.9 %, and the direct contribution was 50.52 %. However, in 2012–2013, as a result of improving tourism infrastructure and activities related to the preparation and holding of Euro-2012, enhancing the country's tourist image, the economic importance of the industry has increased. In 2013, the share of direct and full contribution, respectively, to GDP was 2.04 % and 7.6 %, and to employment — 1.8 % and 6.8 %. But in 2014 and 2015 as a result of the socio-economic and political crisis, events in Crimea, military operations in the east of the country, the role of tourism in Ukrainian economy decreased. In the following years, there has been a fragile trend of economic activity in the tourism business (table 1), which is generated by the functioning of travel agencies and tour operators, enterprises in tourist accommodation and transport sectors. However, in 2018, the total contribution of T&T to the GDP growth rate amounted to -0.05 %, and the direct contribution — 2.46 %. The reduction in employment directly in tourism and in tourism-related industries has led to a decrease in the industry's contribution to GDP¹.

¹ World Data Atlas. Web resource: <https://knoema.com/atlas/topics/Tourism> (accessed 5 Jan 2020)

Table 1. T&T Direct and Total contribution to GDP and to employment in Ukraine

	Direct contribution to GDP*		Total contribution to GDP*		Direct contribution to employment		Total contribution to employment	
	US\$ bn	growth, %	US\$ bn	growth, %	thousand person	growth, %	thousand person	growth, %
2012	3	5.16	10.3	5.2	384.0	13.07	1,424.6	11.54
2013	3	0.18	10.4	0.99	367.9	-4.19	1,388.2	-2.56
2014	2	-34.89	7.0	-32.23	226.0	-38.59	887.5	-36.07
2015	2	-9.64	6.2	-11.91	206.6	-8.56	789.7	-11.02
2016	2	4.10	6.4	3.72	208.6	0.95	793.0	0.42
2017	2	2,52	6,8	5,44	207.8	-0.40	812.0	2.39
2018	2	2,46	6,8	-0,05	206.2	-0.77	791.0	-2.59

*In real prices (2011)

In Ukraine, tourism sector's development is mainly hampered by factors of a managerial, economic, social, environmental and cultural nature. Despite the fact that WTTC believes that tourism in Ukraine shows positive trends and is a promising industry, its contribution to the country's economy is lower than the average for the world and Europe (table 2) [Iurchenko, Iurchenko, 2018, pp. 15–16].

Table 2. T&T Estimates & forecasts (World, Europe, Ukraine)¹

	World			Europe			Ukraine		
	2017	2028		2017	2028		2017	2028	
	1	1	2	1	1	2	1	1	2
Direct contribution to GDP	3.2	3.6	3.8	3.6	3.9	2.4	1.5	1.7	2.7
Total contribution to GDP	10.4	11.7	3.8	9.9	10.7	2.2	5.7	6.6	3.0
Direct contribution to employment	3.8	4.2	2.2	3.8	4.6	1.7	1.4	1.6	1.4
Total contribution to employment	9.9	11.6	2.5	9.8	11.2	1.3	5.1	6.0	1.5
Visitor exports	6.5	6.9	4.1	5.9	6.7	3.7	3.3	5.1	4.5
Domestic spending	5.0	5.8	3.9	5.3	5.4	1.7	3.4	3.6	2.2
Leisure spending	2.5	2.8	4.1	2.8	3.1	2.4	1.3	1.5	2.9
Business spending	0.7	0.8	3.2	0.8	0.9	2.3	0.2	0.2	4.7
Capital investment	4.5	5.1	4.4	4.9	5.6	2.9	1.9	2.6	5.0

1 — % of total; 2 — annualized real growth adjusted for inflation in 2018–2028, %

According to the WTTC forecast, by 2028, compared with 2017, the gap between Ukraine and the world and Europe will increase in terms of the shares of the direct contribution of T&T to GDP, employment, vacation expenses, expenses for business tourism and the gap in the share of exports associated with the arrival of tourists in the total export of the country. At the same time, the difference between the indicators of capital investments' share in their total volume will not practically change, despite the high growth rates in the next decade. This is an unfavorable circumstance, since the tourism sector in Ukraine needs an investment inflow. However, Ukraine's neighboring countries are medium-developed countries. Many of them are in a state of reforming economic systems and have internal problems. It is also not expected that there will be a significant

¹ Travel & tourism economic impact 2018 World. Web resource: <https://www.wttc.org/-/media/files/reports/economic-impact-research/regions-2018/world2018.pdf> (accessed 15 Jan 2019); Travel & Tourism Economic Impact Europe 2018. Web resource: <https://www.wttc.org/-/media/files/reports/economic-impact-research/regions-2018/europe2018.pdf> (accessed 15 Jan 2019); Travel & Tourism Economic Impact Ukraine 2018. Web resource: <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2018/ukraine2018.pdf> (accessed 15 Jan 2019)

influx of tourists and investments into the tourism business from highly developed countries that are in second and third “neighborhood zones”. According to the WTTC forecast, by 2028 the growth rate of expenses for business tourism will be higher than expenses for leisure and will significantly exceed similar indicators for the world and Europe. Business tourism may become a priority in the tourism policy of the country. At the same time, at higher growth rates than the world and Europe average, Ukraine will increase the share of domestic expenses of foreign tourists traveling for business and tourism purposes, including the share of transportation costs, but except for international costs on education.

Among the neighboring countries, in terms of absolute and relative indicators of T&T contribution to the country’s GDP, Ukraine is ahead of Belarus and Moldova only, and in terms of relative indicators of direct contribution — Romania and Russia, full contribution — Moldova, Poland and Russia. At the same time, in absolute terms of the direct and full contribution to employment in the T&T sector, Ukraine is ahead of many countries, which indicates the low efficiency of tourism development in the country. This is also shown by indicators of capital investment and number of tourist exports. In 2017, Ukraine was ranked 106th among the 173 countries of the world in terms of capital investments in T&T and 163rd in their share in total capital investments, which is significantly lower than the world average and European average. Its neighbors in the world ranking by the first indicator were Serbia and Malta, and by the second — Libya and Suriname. However, in terms of tourism exports (89th place) and its share in total exports (144th place), the country’s position is higher than in terms of capital investments¹.

Table 3. Travel & Tourism Competitiveness of Ukraine²

Index	2013		2017		2019	
	Rank	Score ¹	Rank	Score ¹	Rank	Score ¹
Global Rank, Overall Score	76	3.98	88	3.5	78	3.7
Enabling Environment	...	...	78	4.6	65	5.0
Business environment	114	3.90	124	3.71	103	4.1
Safety & security	77	4.65	127	3.51	107	4.8
Health and hygiene	8	6.55	8	6.63	11	6.5
Human resources & labor market	65	4.93	41	4.89	48	4.8
ICT readiness	70	3.13	81	4.15	78	4.5
T&T policy and enabling conditions	...	...	85	4.1	70	4.5
T&T Prioritization of Travel & Tourism	84	4.24	90	4.29	92	4.3
International Openness	...	...	78	2.94	55	3.7
Price competitiveness	110	4.01	45	5.19	19	5.9
Environmental sustainability	92	4.30	97	3.86	114	3.9
Infrastructure	...	...	79	3.1	73	3.4
Air transport infrastructure	78	2.80	79	2.40	71	2.7
Ground & port infrastructure	73	3.52	81	3.01	77	3.1
Tourist service infrastructure	50	4.63	71	4.00	65	4.3
Natural and cultural resources	...	...	88	2.2	89	2.1
Natural resources	102	3.03	115	2.26	116	2.2
Cultural resources & business travel	80*	2.08*	51	2.14	55	1.9

¹ Overall score range from 1 to 7, where 1 = worst and 7 = best

*without resources for business trips; ...no data

¹ World Data Atlas. Web resource: <https://knoema.com/atlas/topics/Tourism> (accessed 10 Jan 2020)

² The Travel & Tourism Competitiveness Report 2013. Web resource: <http://reports.weforum.org/travel-and-tourism-competitiveness-report-2013> (accessed 10 Jan 2020); The Travel & Tourism Competitiveness Report 2017. Web resource: http://www3.weforum.org/docs/WEF_TTCR_2017_web_0401.pdf (accessed 10 Jan 2020); The Travel & Tourism Competitiveness Report 2019 Travel and Tourism at a Tipping Point. Web resource: http://www3.weforum.org/docs/WEF_TTCR_2019.pdf (accessed 10 Jan 2020)

The competitiveness of countries at the global tourism market can be traced based on data from WEF reports. A total of 8 such surveys were conducted. According to the competitiveness rating, leading positions are held by economically developed countries. Ukraine is in a group of countries with rapidly developing tourism markets. According to WEF 2019, Ukraine did not reach the 2013 level in the TTCI rating and by many other indices (table 3).

However, in general, compared with the previous report, Ukraine went up from 88 to 78 among 140 countries and is on a par with such countries as Dominican Republic, Tunisia and Sri Lanka. Such a highest increase in the overall rating among the countries of the Eurasia subregion became possible due to the stabilization of economic development, the rating improvement in terms of general indicators: business environment (from 124th to 103rd), safety and security (127th to 107th), international openness (78th to 55th) and infrastructure as a whole (from 79th to 73rd). This is significantly more than growth indicators of other factors considered by experts.

In the regional TTCI ranking among 54 countries in Europe and Eurasia, Ukraine was at 47th place ahead of Armenia, Serbia, Albania, Moldova, Tajikistan, Northern Macedonia, Bosnia and Herzegovina and Kyrgyzstan. This position of Ukraine in the world and the region is due to the following low indices: cultural and business travel resources (1.9), natural resources (2.2), development of air infrastructure (2.7), land and water transport (3.1). The country has the highest rating (11th place in the world) in terms of health and hygiene index (6.5), although the country has worsened in terms of this indicator. At the same time, Ukraine is distinguished by its extremely poor quality of road infrastructure (123rd place and 2.7), effect of taxation on incentives to invest (131 and 2.5), property rights (129 and 3.3), business impact of rules on FDI (115 and 3.0), etc.

Ukraine's difficulties in gaining the best positions at the global tourism market are associated with an unfavorable foreign and domestic political situation; low level of socio-economic development, fierce competition for tourists, subjectivity of international experts in assessing certain indicators, for example: natural resources (116th place), environmental sustainability (114th place), business environment (103th place), priority of the tourism industry in the country (92th place), etc.¹

Lack of investments affects the tourism business of Ukraine. Due to the unstable socio-economic situation, investors refuse to invest in the tourism sector of Ukraine. Although a timid upward trend in investment in recent years is observed.

Economic indicators of tourism development correlate with the volume of tourist flows. By the number of tourist arrivals, Ukraine took 25th place in the world in 2017 and 14th place in Europe, and in terms of the number of departures, respectively — 12th and 7th.

The volume of inbound and outbound tourism in Ukraine has changed very unevenly over time. This was influenced by military operations in Iraq, terrorist acts in Israel, Indonesia, the spread of SARS (8AK8) detected in Asia, North America and Europe, the global financial and economic crisis, military-political events in our country, etc. As a result, the number of tourist arrivals to Ukraine and departures from Ukraine grew steadily but decreased during the crisis years (fig. 2)².

Until 2003, the tourism balance had a negative value. In 2004 the situation changed and this figure began to grow rapidly, reaching a maximum (9,950 thousand) in 2008, and after that the difference between the number of arrivals and departures of tourists began to decline with a sharp increase in the latter. Ukrainian tourists began to travel abroad more actively. After the Maidan events and their consequences, the number of foreign tourists decreased in 2014 compared to 2013 by almost 2 times, which in general negatively affects the economy of the country. And

¹ The Travel & Tourism Competitiveness Report 2019 Travel and Tourism at a Tipping Point. Web resource: http://www3.weforum.org/docs/WEF_TTCR_2019.pdf (accessed 10 Jan 2020)

² The official website of the State statistics service of Ukraine. Web resource: <http://www.ukrstat.gov.ua> (accessed 20 Jan 2020)

only in 2016 and 2017, there has been an increase in this indicator, but it has not even reached the 2004 level.

In 2017, the majority of trips to Ukraine were carried out with private goals (96.6 %), which is significantly more than in 2014 (76.3 %). The share of sports tourism in the total number of visits was 2.4 %, business — 0.7 %, organized — 0.3 %. The trend is an increase in travel with business purposes and a decrease in organized tourism. The geography of tourists visiting Ukraine is constantly expanding, but the largest number of tourist arrivals is observed from border countries. In 2017, the Top 10 countries by tourist arrivals (fig. 3) accounted for 89.9 % of the total volume of inbound tourism, and the Top 20 — 94.3 %¹.

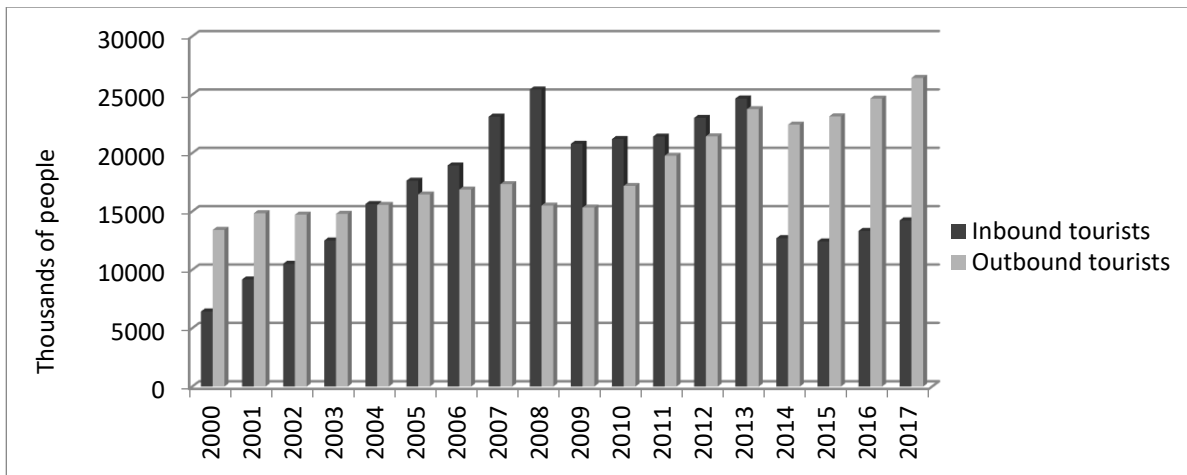


Fig. 2. Amount of inbound and outbound tourists in Ukraine in 2000–2017

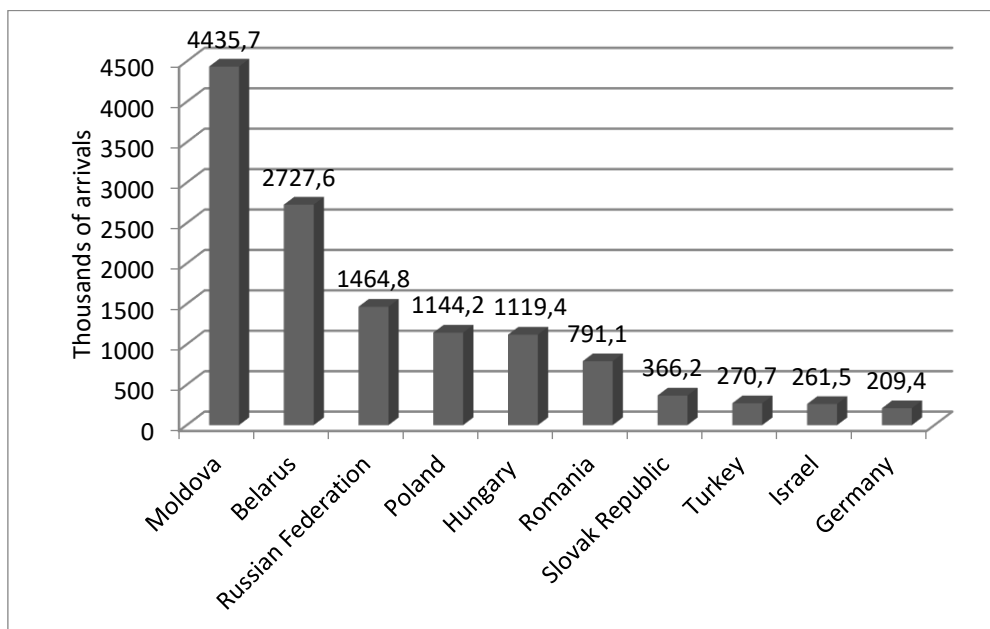


Fig. 3. Inbound tourism in Ukraine in 2017, Top 10 countries

¹ The official website of the State statistics service of Ukraine. Web resource: <http://www.ukrstat.gov.ua> (accessed 20 Jan 2020)

Traditionally, the main audience of tourist arrivals falls on the countries of Central and Eastern Europe and, above all, on the post-Soviet countries that are accustomed to the Ukrainian level of service. Moldavians and Belarusians go to Odesa region and Carpathian mountains for the purpose of relaxation or shopping. Tourists from Central and Central Asia prefer the beaches of Odesa, as well as Truskavets and Morshin with their sources of mineral water¹.

The following trend has begun: decreasing in arrivals from bordering countries and increasing from non-border countries, for example, from Spain (by 68 %), Great Britain (47.3 %), India (57.4 %), China (38.8 %), Japan (38.3 %), Israel (21.4 %), USA (19 %). In a future, combined tours can be considered, for example: China – Ukraine – Poland – Germany or India – Turkey – Ukraine – Hungary etc.

Significant changes have occurred in the structure of trips abroad carried out by Ukrainian citizens. Compared to 2000, the volume of organized tourism decreased by 7.3 times, business travel — by 3.4 times, and the volume of private travel increased by 2.3 times in 2013. Between 2013 and 2017, an increase in the share of private trips and a decrease in other types of outbound tourism continued. The share of organized tourism is decreasing most rapidly in the travel structure. Of the total number of foreign trips in 2017, 97.3 % were private trips, 1.5 % — organized tourism, 1.2 % — business trips (fig. 4)².

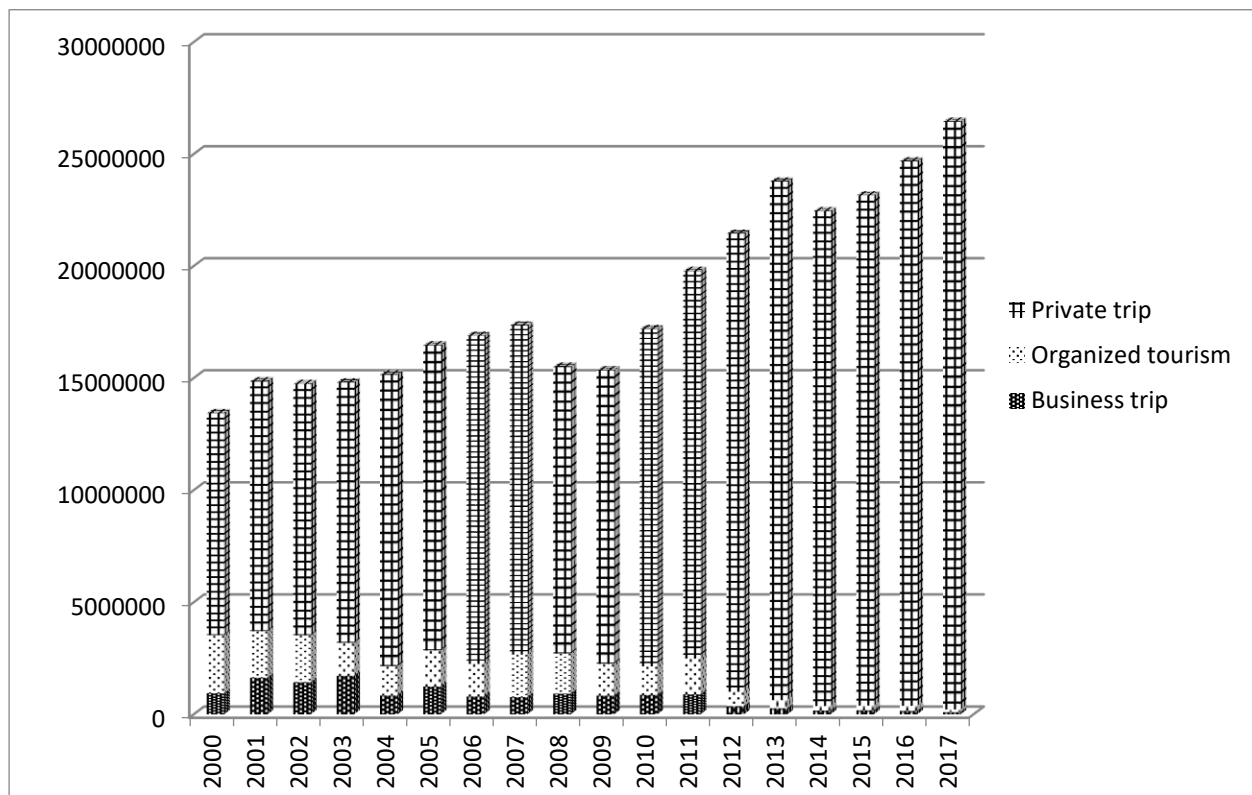


Fig. 4. Outbound tourism in Ukraine by categories in 2000–2017 according to State Border Guard Service of Ukraine data

The increase in the number of unorganized trips to and from Ukraine with tourism purposes is connected with the fact that more and more people are eager to see new countries and regions

¹ Ivan Liptuga. President of the national tourism organization. Web resource: <https://www.ukrinform.ru/rubric-tourism/2421417-ivan-liptuga-prezident-nacionalnoj-turisticeskoj-organizacii-ukrainy.html> (accessed 25 Jan 2020)

² The official website of the State statistics service of Ukraine. Web resource: <http://www.ukrstat.gov.ua> (accessed 20 Jan 2020)

and are forming tours by themselves. This became possible thanks to information on tourist destinations received from the Internet, media, spreading of budget flights, a well-developed system of booking travel tickets, hotel rooms and other accommodation facilities, excursions, concert tickets, sporting events, etc.

The travel geography of Ukrainian tourists covered 62 countries in 1997, 96 countries in 2000, 77 — in 2011, 71 — in 2012, 75 — in 2015, 71 countries — in 2017. The main partners of Ukraine at the foreign tourism market are neighboring countries, where both tourist and transit trips are directed (fig. 5)¹.

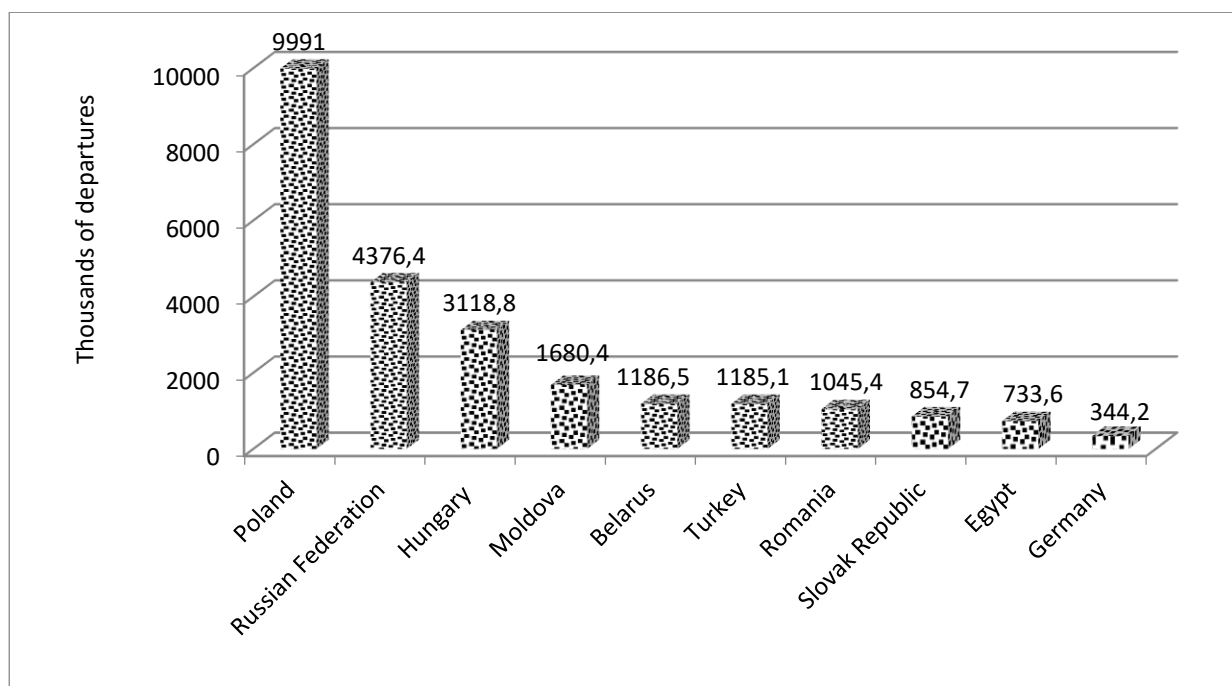


Fig. 5. Outbound tourism in Ukraine in 2017, Top 10 countries

The abolition of the visa regime with EU countries has significantly changed the geography of outbound tourism in Ukraine. So in 2017, compared to 2013, the proportion of Ukrainian citizens traveling to the western border countries increased: Poland (from 29.4 % to 37.8 %, respectively), Hungary (from 8.0 % to 11.8 %), Slovakia (from up to 2.4 % to 3.2 %), Romania (from 3.3 % to 4.0 %) and flows to Russia sharply decreased (from 25.8 % to 16.6 %), Belarus (from 7.3 % to 4.5 %), Moldova (from 10.1 % to 6.4 %). The share of flows to Turkey and Egypt almost doubled. In general, the first 10 destinations accounted for 92.7 % of the total flow (in 2013 — 91.8 %), and the first 20 — 97.4 % (in 2013 — 97.7 %). Thus, there is approximately the same picture for inbound and outbound tourism — for most tourists, a small number of countries are attractive for traveling, but the number of countries as the international tourism destinations is increasing.

In 2014–2018 the activities of tour operators and travel agencies intensified. This generally affected the volume of tourist flows served by them. The volume of inbound tourism, although it has increased, is significantly behind in comparison with outbound and domestic tourism (fig. 6)².

¹ The official website of the State statistics service of Ukraine. Web resource: <http://www.ukrstat.gov.ua> (accessed 22 Jan 2020)

² The official website of the State statistics service of Ukraine. Web resource: <http://www.ukrstat.gov.ua> (accessed 23 Jan 2020)

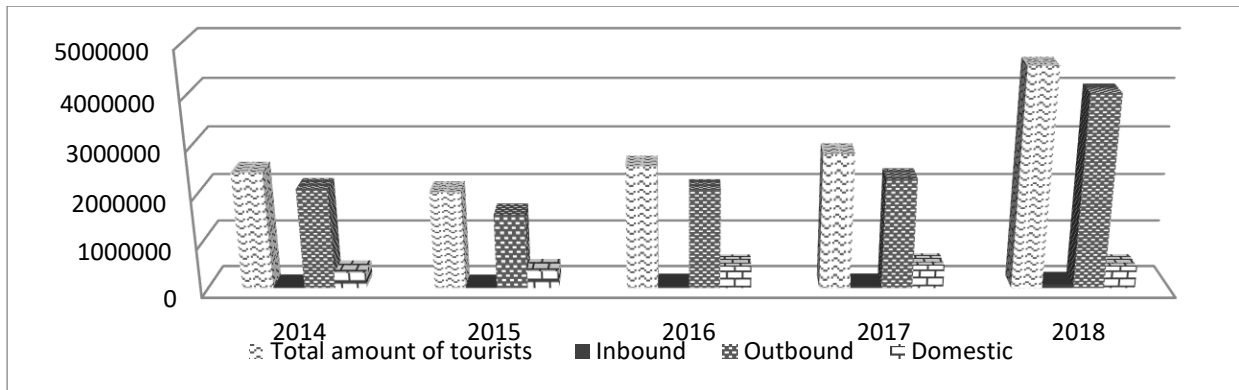


Fig. 6. An amount of tourists that used tour operator or tour agency services in 2014–2018

The state is interested in the development of inbound tourism. According to sociological studies of the Ukrainian National Tourism Organization, the average check per day for a local tourist is 200–300 UAH, and for a foreign one — 200 US dollars¹, because foreign tourists stay in hotels most of the time, eat in restaurants and use guide services. However, the flow of inbound tourists was very uneven in time. The range of variation of this indicator in the period of 2000–2013 amounted to 358.3 thousand people and in 2014 (compared to 2013) due to the aggravation of the political and economic situation in the country, it decreased by 13.6 times, but since 2016 it has begun slightly increasing. At the same time, the number of days foreign guests stay in Ukraine (who were served by tour operators and travel agencies) was reduced: in 2017 foreign tourists stayed in the country on average 3 days, and in 2013 — 4.8 days².

In 2018, the largest number of foreign guests served by tour operators and travel agents accounted for Kyiv (82.3 %), Lviv (8.8 %), Ivano-Frankivsk (4.7 %) and Odesa (2.7 %) regions. These destinations have diverse tourism potential. For Kyiv and Lviv region with their many historical and cultural attractions, including the presence of UNESCO World Heritage Sites (Kyiv Sophia Cathedral and Kiev Pechersk Lavra, the Ensemble of Lviv historical center), temples, museums, galleries, shopping and entertainment centers. In Ivano-Frankivsk region, guests are attracted not only by mountains and rivers, natural monuments, the Dniester Canyon, but also by new routes to small settlements (Gvozdets, Gorodenka, Tlumach, Obertin), local museums. Vacations on Black Sea coast, as well as educational and sightseeing tourism have always been popular with foreign tourists in the Odesa region. Of particular interest are the Odesa National Academic Opera and Ballet Theater, the Potemkin Stairs, excavations of the ancient cities of Tira and Nikoniy, a fortress of the 12th–15th centuries in the city of Belgorod-Dniester, monuments of religious architecture in the cities of Odesa, Izmail, Kiliya, Reni, etc. “City breaks” i.e. 2–3 night tours with visits to the most famous tourist places in the host city and its environs are the most popular tours. Recently, combined tours, for example, “Kyiv–Odesa”, “Kyiv–Lviv–Odesa”³, have become popular with foreign guests.

In the regions, tourism is developed very unevenly, as evidenced by the formula calculated by the concentration indices of the population and tourist indicators:

$$I = \frac{1}{2} \sum_{i=1}^n |P_i - S_i| \cdot 100\% ,$$

¹ Ivan Liptuga. President of the national tourism organization. Web resource: <https://www.ukrinform.ru/rubric-tourism/2421417-ivan-liptuga-prezident-nacionalnoj-turisticeskoj-organizacii-ukrainy.html> (accessed 25 Jan 2020)

² The official website of the State statistics service of Ukraine. Web resource: <http://www.ukrstat.gov.ua> (accessed 3 Jan 2020)

³ Tourist boom: what attracts foreigners to Ukraine. Web resource: <https://uatelegraph.com/rus/2019/04/05/turisticheskij-bum-chto-vlechit-inostrantsev-v-ukrainu.html> (accessed 13 Jan 2020)

where P_i – the share of the indicator of the i -th region in the total amount of the indicator for the country (according to the data of tour operators and travel agencies);

S_i — the share of the area of the i^{th} region in the total area of the country.

Index values can vary from 0 to 100 (that is, from absolutely uniform to absolutely uneven placement).

Calculations showed that there are significant differences between the distribution of the population ($I = 34$) and the distribution of tourists ($I = 66$), income from tourism ($I = 85$). Thus, not all regions are actively involved in the country's tourism market.

In order to bring the values that are different in absolute values to the same scale, we used the index representation of the indicators of tourism entities' development. Indices were calculated by the formula:

$$I_j = \frac{X_{ji} - X_{j \min}}{X_{j \max} - X_{j \min}}$$

where I_j — index of j -mark;

X_{ij} — present value of j -mark;

$X_{j \max}$ — maximum value of j -mark in a series of observations;

$X_{j \min}$ — minimum value of j -mark in a series of observations [Ukrainian-Russian..., 2013, p. 53].

Then, for each region, an integral index equal to the sum I_j (1–7) was calculated. The results of the calculations allowed us to make a typology of the regions according to the integrated index of tourism entities' development (table 4).

Table 4. Typology of the regions of Ukraine according to the integrated index of development of tourism entities and their indicators¹

Integral index, level	Regions	The share of the group of regions in the overall indicator by country, %						
		1	2	3	4	5	6	7
7.0 (very high)	Kyiv	30.5	52.2	91.7	69.7	78.5	74.5	79.4
0.3–0.8 (high)	Kharkiv, Odesa, Dnipro, Lviv	30.2	23.1	4.2	18.6	11.0	14.0	9.7
0.1–0.3 (medium)	Cherkasy, Donetsk, Poltava, Zaporizhia, Ivano-Frankivsk	15.5	11.9	2.7	5.2	4.2	3.9	4.4
0–0.1 (low)	Kirovohrad, Ternopil, Zhytomyr, Chernihiv, Sumy, Volyn, Mykolaiv, Khmelnytsky, Kherson, Rivne, Zakarpattia, Chernivtsi, Luhansk	23.8	12.8	1.4	6.5	6.3	7.6	6.5

1 — Number of entities; 2 — Number of full-time employees; 3 — Income from the provision of tourist services (excluding VAT); 4 — Number of sold tourist vouchers; 5 — Cost of sold tourist vouchers; 6 — Number of tours on the sold tourist vouchers; 7 — Number of tourists served by tour operators and travel agents

There is a concentration of tourism entities and the results of their functioning in the regions of Ukraine. More than 60 % of all entities are concentrated in Kyiv, Dnipro, Lviv, Odesa, Kharkiv regions with very high and high values of the integral index. These are regions where the center is the largest city or a city with a population of a million people, developed tourism infrastructure, including the one for business and educational tourism; there are natural, historical and cultural resources for the development of various types of tourism activities. At the same time, 30.5 % of tourism entities are concentrated in Kyiv region. It leads by all indicators by a wide margin from other regions. This situation has developed due to the central position of the region, a large population (4 718.8 people, or 11.2 % as of 01.01.2019), a significant number of consumers of tourist

¹ The official website of the State statistics service of Ukraine. Web resource: <http://www.ukrstat.gov.ua> (accessed 30 Jan 2020)

services, which is expressed in number of tours, tour days and the number of tourists, affects served by tour operators and travel agents.

A group of regions with an average integrated level of indices has great potential for tourism development. They account for 15.5 % of tourism entities. However, their efficiency is higher than the one among the groups of regions with lower index indicators. A variety of natural, recreational, historical and cultural resources, plenty of archaeological and architectural monuments depicting different stages of history and culture attract not only Ukrainians, but a lot of foreign tourists as well.

The largest group is formed by regions with a low level of tourist activity (54.2 % of the total amount). The number of tourism entities in the regions of this group does not exceed 100. They have minimal income from functioning, and their contribution to the tourism development of the country is still insignificant. On the other hand, in some regions of this group, there is an influx of tourists who organize their own tours using the Internet. For example, in summer, not only Ukrainian tourists, but also foreign guests like to relax on Black Sea coast (Mykolaiv region). The architectural heritage represented by palaces, historical monuments of the 18th–20th centuries, as well as parks, park buildings, a large number of monuments of animate and inanimate nature, objects of the nature reserve fund attract tourists to the Chernivtsi and Khmelnytsky regions. Sources of mineral waters in the Chernivtsi region, ski resorts contribute to the development of health and mountain tourism. However, the price-quality ratio of tourism infrastructure holds back tourism development in these regions.

The calculated correlation coefficients indicate a very close relationship between the income of tourism entities and the number of enterprises ($R = 0.93$), full-time employees ($R = 0.98$).

The vast majority of tourist trips served by tour operators and travel agents are carried out for the purpose of entertainment and recreation. The visa-free regime between Ukraine and the EU, introduced on June 11, 2017, contributed to the growth of this indicator and a decrease in the share of other types of tourism (table 5).

Table 5. Distribution of tourists served by tour operators and travel agents, by purpose of trip and type of tourism (%)¹

	2014	2015	2016	2017	2018
Business and professional, educational	6.16	9.09	7.1	7.03	4.77
Leisure, recreation	92.07	84.33	85.5	89.69	93.17
Healthcare	1.2	1.8	3.75	2.83	1.76
Sport tourism	0.14	0.14	0.15	0.1	0.08
Specialized tourism	0.01	0.06	0.03	0.09	0.04
Other	0.42	4.58	3.47	0.26	0.18
Total	100.0	100.0	100.0	100.0	100.0

The average cost of one tour is 21,228.05 UAH (\$ 1=27 UAH). It ranges from 6,744 UAH (Lviv Region) to 29,903 UAH (Kyiv Region without the city of Kyiv). As a rule, this indicator is higher in regions, where the share of outbound tourists served by tour operators and travel agents is greater, and the share of the rural population is lower. The duration of the tour with an average value of 6.4 days varies from 3.9 (Khmelnytsky Region) to 11.4 days (Lviv Region).

An important problem for tourism entities is the availability of qualified personnel. In 2018, only 39 % (45.6 % in 2014) of employees of tourism enterprises had higher or specialized education in the field of tourism. The range of variation by region was 51 %. In 2014–2018 the number of workers in this category decreased by 14.1 % with a general decrease in the number of

¹ The official website of the State statistics service of Ukraine. Web resource: <http://www.ukrstat.gov.ua> (accessed 30 Jan 2020)

employees. In the coming years, the task is to improve existing and create new educational institutions to improve the skills of middle-level and entry-level tourism workers, and to create courses on topical issues of their practical activities. According to a successful experience of other countries in the field of tourism, regular in-house trainings will also help to increase the efficiency of enterprises.

One of the main problems in Ukraine is that out of the total number of tour operators, only 13.7 % comply with licensing conditions and only 6 % of accommodation facilities have “stars” (from 1 to 5). Currently, the National Tourism Organization of Ukraine, together with the leading global company for verification, testing and certification (SGS), conducts voluntary certification, and Ukrainian companies are invited to raise the level by these standards.

Tourism in Ukraine is one of the promising areas of socio-economic development of the country, its regions and cities. According to the version of portal Zruchno.Travel, in 2018 Kyiv was recognized as the tourism leader. The following cities are also included in the Top 10 tourist leaders of Ukraine: Kamenetz-Podilsky (festival capital of Ukraine), Chernihiv (city of legends), Zaporizhzhya (breakthrough of the year), Lutsk (the most mysterious city), Lviv (gastronomic capital), Ternopil (outpost of Ukraine), Odesa (capital of humor), Uzhhorod (capital of wine tourism), Kharkiv (city of youth)¹.

In 2017, the “Development of Tourism and Resorts Strategy for the period until 2026” was adopted, which reflects the prospects for the development of the tourism sector in Ukraine. Its implementation is based on 5 basic areas: marketing, infrastructure, human resources, tourist safety and regulatory framework. Thus, the development of tourism and resorts will be one of the priorities of state policy².

CONCLUSIONS

Ukraine is located in the center of the European tourist macro-region. It has enough resources to replenish GDP through tourism.

Tourism in the country is developing unevenly in time and space, depending on global and domestic processes. Currently, it is gradually gaining momentum after the crisis of 2013–2014. However, Ukraine falls behind many European countries and other countries of the world in terms of the development of tourism infrastructure and the quality of tourism services. Huge tourist potential is not used effectively. The contribution of tourism to GDP, employment is far behind the world and European levels.

The analysis showed that foreigners have an interest in visiting our country. But after 2013, the number of tourist arrivals sharply decreased, and the outbound tourism flows significantly exceed the inbound flows. The structure of trips is dominated by trips with private goals, whose share is constantly growing.

After the abolition of the visa regime with EU countries, the proportion of Ukrainian citizens traveling to the western border countries, as well as to Turkey and Egypt, increased. The largest number of tourists comes from border countries. Central position of the country in the European tourist macro-region allows you to create combined tours with minimal cost.

The activities of tour operators and travel agencies become more vigorous. The number of tourists served by them is increasing. However, the number of tourist departures served by tourism entities significantly exceeds the number of arrivals and domestic. The main purpose of travel is leisure and recreation, whose share is growing.

¹ Top 10 Cities of the Year — tourism leaders in Ukraine 2018. Web resource: <https://zruchno.travel/News/New/3282?lang=ua> (accessed 8 Jan 2020)

² About approval of Strategy of development of tourism and resorts for the period until 2026. Web resource: <http://zakon5.rada.gov.ua/laws/show/168-2017-p>. (accessed 3 Jan 2020)

Calculations of the integral index of tourism entities' development based on 7 indicators made it possible to identify 4 groups of regions. Moreover, each group of regions has wide opportunities for the development of tourism activities. Such a typology may be of theoretical and practical interest, especially for administrations of the National Tourism Organization and tourist companies of Ukraine. It is necessary to prioritize specific types of tourism and develop appropriate marketing strategies to promote tourism products at the domestic and macro-regional tourism markets.

Further trends in tourist activity will depend on many factors: the stability of the internal military-political and socio-economic situation, attracting investments, developing infrastructure and improving the quality of services, the effectiveness of tourism development strategies and incentive systems at the state and regional levels, and improving the training of qualified personnel of tourism business, specific actions of the authorities (including local authorities) for the development of territories, widespread advertising of tourist destinations not only within the country, but also abroad.

Also relevant is the study of management experience in the tourism industry in developed tourism countries, the role of the state non-governmental sectors, creation of mechanisms to improve the investment climate to attract domestic and foreign investments, issues of sustainable development in the country's tourism in the context of globalization of the modern world.

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