

# THEORETICAL AND APPLIED ASPECTS OF ECONOMIC PROCESSES IN UKRAINE AND IN THE WORLD ECONOMY

UDC 332.05

DOI <https://doi.org/10.26661/2414-0287-2019-2-42-14>

## DEVELOPMENT OF ECONOMIC COMPLEX OF THE TOURISM INDUSTRY IN UKRAINE

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**Key words:**

tourism, economy, sector, factors, effects, labor force.

This article explores that tourism is an important part of the country's economy. It includes certain factors that are closely related to the population, the country's territory and its economic indicators. The tourism sector is increasingly seen as a specific, ecological and attractive sector of the economy and a component of state and regional policy on which the social and economic development of the country depends to a large extent, its image on the international scene has been formed. Tourism infrastructure is a set of social institutes, organizational structures and regulation procedures, as well as the state of socio-political climate and public consciousness in the country, ensuring the safe functioning and interaction of subjects of tourism activity, regulate the movement of material, financial, information flows between them and the surrounding (social and natural) environment and that are used to meet the needs of tourists. Tourism has direct, indirect and induced factors of influence on the economy of the region, the country. They can vary widely between countries based on the structure of the industry, but most importantly, on the extent to which tourism activity is well connected with the economy. The analysis of the market of tourist services of Ukraine is provided with statistical data methods; it shows the dynamics of the main indicators of the tourism industry and their influence on the efficiency of development of this sphere. Significant links usually translate into higher levels of local economic activity, which tend to occur when tourism enterprises are the source of their goods and services (including labour) at the local level, while the low level of economic ties occurs where tourism enterprises depend on imports (including employees) to submit their claims. The overall impact of the sector is the sum of direct, indirect and induced effects.

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## РОЗВИТОК ЕКОНОМІЧНИХ СКЛАДОВИХ ТУРИЗМУ В УКРАЇНІ

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туризм, економіка, сектор, фактори, ефекти, робоча сила.

Досліджується вплив економічних складових туризму на економіку регіону, країни. З'ясовано, що туризм є невід'ємним атрибутом життя будь-якого цивілізованого суспільства, а рівень розвитку туризму в тій чи іншій країні свідчить про добробут населення й наявність економічних можливостей для здійснення подорожей. Проведений аналіз розвитку туристичної індустрії в Україні свідчить про негативні тенденції, які є наслідком політичних і економічних подій в країні. Розглянуті в статті склад, структура й особливості туристичної індустрії дозволяють зробити висновок, що вона являє собою цілісну відтворювальну систему з інтегральним ефектом.

Ці фактори можуть відрізнятися на основі структури галузі, але найголовніше те, наскільки добре пов'язаний туризм з економікою. Вагомі зв'язки зазвичай переводять на більш високі рівні місцевої економічної діяльності, які, як правило, відбуваються, коли підприємства туризму є джерелом своїх товарів і послуг (зокрема робочої сили) на місцевому рівні, тоді як низький рівень економічних зв'язків виникає там, де туристичні підприємства залежать від імпорту (зокрема співробітників) висувати свої вимоги.

### Statement of the problem

Nowadays, Ukraine is rapidly penetrating the sphere of international tourism and seeks to seize as a large part of the income as possible in the tourism business. Examples of the developed countries demonstrate the possibility of significant revenue from participation in the international tourist relations. Thus, the tourism industry is vital to the economy of our country, and the development of this sphere of social life must become a priority for the near future. The research on the development of tourism in Ukraine is important because of the political and military problems in our country. The development of the tourism sector has fallen into the background, but it is thanks to this sector of the economy that it is possible to improve the economic condition of Ukraine. The study of tourism components predicts the situation in tourism sphere, which can happen in a few years.

### Analysis of recent studies and publications

The significant contribution to the development of theories and solving problems of economic trends in the tourism industry were made by our scientists: U.I. Ivanyuk [3], M. Bondarenko [4], S. Melnichenko [6], G.M. Boyko [7], V.A. Kravtsov [8] and others. Each of them has made a significant contribution to research on the prospects of tourism development in our country, but still our country uses only a third of its potential, despite the rich nature, history and culture.

According to statistics, in the field of travel and tourism Ukraine takes 78-place among other countries.

### Objectives of the article

The purpose of the article is the study of the current state of the tourist market in Ukraine and prospects for its development.

### The main material of the research

The Ukrainian economy is under the influence of modern global trends that shape the conditions for the development of basic economic sectors, among which tourism is of primary importance:

one of the important factors of the foreign policy of the state;

promotes employment and economic diversification (because of tourism and resorts functionally linked to more than 50 industries);

stipulates the preservation and development of cultural potential;

promotes infrastructure development, historical and cultural heritage;

creates real opportunities to attract investment funds;

causes harmonization of relations between different countries and peoples;

affect the conservation of the ecologically safe environment and so on.

Dynamism and scale of tourism contribute to the fact that the economic activity even under adverse conditions, and

the period of the global financial and economic crisis is able to maintain positive trends.

The attractiveness of the tourist product is a system complex of factors in the production and sale of tourist products and services. In modern conditions, the operation of tourism enterprises in the developed network of tourist markets and the large number of firms represented on them, the main focus of the activity is to create the attractiveness of the tourist product, which manifests itself in its ultimate goal: in expanding the flow of tourists, making profit and ensuring the competitiveness of tourist products. This characterizes the sustainability of a tourism enterprise and the ability of employees to use their potential.

Determine the contribution of tourism to the economy (the economic impact) using the following components:

contribution of tourism to the creation of national income;

tourism and tax revenues in the budget;

tourism and job growth;

the impact of tourism on regional development.

innovation in the tourism industry.

Nowadays, tourism is an integral part of the global economy. The industry employs more than 265 million people, which is 2.8% of the number of employees [1, pp. 4]. The share of tourism in 2018 in world GDP was 10% and 34% of world exports of services. The total turnover of world tourism is USD 1.03 trillion.

Tourism has become one of the priority areas of the global economy, creating development in specific areas. Overall, the tourism industry and related sectors of the economy employ 2.8% of the working population. The average annual growth rate of tourist profits is 8%.

According to the State Statistics Service of Ukraine: number of Ukrainian tourists are catered subjects of tourist activity in 2017 was 2.8 million people and foreign tourists were 40 thousand. While in 2015-2016 these figures were 2 million and 15 thousand people and 2.5 million and 35 thousand people, respectively.

Already in the first half of 2018, according to the State Border Guard Service, the number of Ukrainians who went abroad grew by 3.3% to 12.9 million people. This is not only for tourists but also labour migration, visits to relatives, short-term shopping, etc., as reflected in the list of leading countries: Poland – 4,81 million (+ 10.9%), Russia – 1.85 million (– 30.9%) and Hungary – 1,54 million (+ 6.4%).

In Ukraine, the contribution of the tourism sector to GDP is UAH 92.1 billion. Direct costs of travel, accommodation, visiting monuments and museums, for both domestic and foreign tourists, amounted to UAH 24.6 billion. Indirect investments of the tourist sphere into the economy of the country at the expense of the construction of tourism infrastructure, transport,

administration, provision of information services amounted to UAH 51.9 billion.

Tourism occupies a position of one of the most profitable industries. Despite the fact that tourism creates wealth in the GDP, it is a budget-forming sector of the economy through the implementation of services rendered and tourist services as a tangible and intangible nature [2].

Despite the attractiveness of Ukraine related to climatic conditions, geographical location, availability of transport infrastructure, cultural and historical heritage, the tourist flows of the outgoing foreign tourists considerably exceed the tourist flows of the internal domestic tourism.

The main problem for regional tourism development is the potential conflict between the rich historical, cultural, natural and recreational resources and technological overload of the region, due to which the resource potential can be maximally used.

The impact of tourism on the economy of the host party is limited not only to the contribution to GDP and budget revenues, but also to the contribution to employment. This is also foreign exchange earnings from foreign tourism. Tourism contributes to a deeper understanding of the mentality of other peoples, to strengthen ties, and to reduce conflicts.

In terms of uncertainty in the development of the economic and political situation in the country in order to preserve the attractiveness of tourist products, flexibility is required for the promotion of the tourism products market. Instead of rising prices, due to the financial situation, inflation and the growth of uncertainty, in order to ensure profit in the short run, it is necessary to introduce different stocks and affordable prices in order to ensure the attractiveness of the tourism product and the corresponding growth in the consumption of tourist products [3, pp. 416-424].

The economic situation with the development of tourism in Ukraine reveals the prevailing influence of outbound tourism, which contributes to the growth of financial flows to Ukraine. Domestic and inbound tourism attraction that provides financial flows in Ukraine requires considerable mobilization of public resources and changes at the state level.

The analysis of the impact of the attractiveness of the tourism product on the structure and volume of the tourist market has shown a high competition in the market and rapid adaptive changes in the structure of the proposed tourist products. Therefore, issues of organizational and economic measures to improve the attractiveness of tourism products require special attention. There is a need to study and monitor tourism demand and search of tourist products that will maximize meet customer needs [4, pp. 104-109].

Taking into account such an element of the tourism sector as a work force, we can conclude that the labour market for the creation of tourism products is the key to the knowledge and creativity of employees. The

development of new segments of the tourist market, such as space, territories of extreme type, deserts, Antarctica, equatorial forests are gaining popularity. There are proposals on the possibility of taking part in the expedition to the North Pole and the Arctic. The prison tourism has become unexpectedly attractive in such countries as Malaysia and Finland. Adventure, underwater and cruise tourism is gaining popularity. According to the requirements of customers to ensure the exotic and accordingly attractiveness of tourist products, such tourist tours are developed with the involvement of elements of originality.

Tourism sector depends not only on state deposits, but also on innovation. In tourism, innovations are systemic measures that have novelty and lead to positive changes, ensuring the competitiveness of the services offered. The commercial benefits of implementation of innovations are provided by their recognition of the tourism market and considering the degree of customer satisfaction. Market innovation and intellectual property products today characterize the transition from the economy of proposals to the economic demand [5].

According to the World Tourism Organization UNWTO, Ukraine's share is only 4% in tourist flows in Europe, which demonstrates the low efficiency of Ukrainian tourism industry. Therefore, the formation of the business environment for the development of tourism in Ukraine opens up wide opportunities for creating the attractiveness of tourist products [6].

The decisive influence on the development of the economy of industrial production of tourist products has the structure of export potential. Replacing import consumption with import substitution determines the priority of the development of related branches of economy, strategic guidelines and development prospects. This also is one of the determinants of public policy, formation of the business environment to ensure the attractiveness of tourism products. There is a need for active work of marketing and technology transfer units that will respond to demand-driven technologies and travel markets [7 pp.177-179].

In order to encourage foreign investors to expedite the investment of capital in the Ukrainian economy, it is necessary to carry out a number of socioeconomic reforms, improve the country's investment climate. Also, with the help of active marketing activities, it is necessary to inform foreign tourists about the availability of rest. The priority target markets for foreign tourists could be: Qatar, UAE, Saudi Arabia, Kuwait, etc. In order to make the tourism industry in Ukraine more attractive, it is necessary to provide state tax incentives for owners of objects of tourist infrastructure. Thus, many developed countries in Europe are reduced rates of VAT for that business. Investment attractiveness of Ukrainian facilities will dramatically increase if the tax rate will be about 5.10%. Such a change in tax legislation will not lead to a loss for the budget, but to its filling by attracting funds from investors. Also, in order to obtain

information about the most popular among tourists of the country, regions, it is necessary to conduct continuous monitoring of tourist flows [8, pp. 70-76].

### Conclusions

After analysing the current state of the tourist industry of Ukraine, referring to some aspects of historical development, the main reasons that hamper the development of tourism and ways of overcoming the crisis situation in the tourism industry of Ukraine were

identified. In order to succeed and real development, maximum efforts should be made to solve the tourist problem. The tourist industry of Ukraine is slowly beginning to develop, but the main thing is that we cannot stop at the achieved. The future of the industry depends on the direction of the modern development; it will affect the future of the Ukrainian economy in particular and, consequently, the life of Ukraine as a whole.

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