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TOURISM MARKET IN UKRAINE: STATE AND DEVELOPMENT PROSPECTS

Objective. *The main goal of this paper is to monitor the status of the tourist services market and prospects of its development.*

Methods. *The graphing method and the method of theoretical generalization and comparison and content analysis were used during the study.*

Results. *Main tendencies of development of the Ukrainian tourist services market were revealed, and its characteristics and the basic directions of strategic development were identified. The necessity to intensify efforts to improve the country's attractiveness to foreign tourists is substantiated.*

Academic novelty. *Further clarification of issues that slow down the development of the tourism market in Ukraine is given. They are the following: inefficient and unsustainable use of natural resources, absence of an accurate strategy for the development of the tourism industry and its precise regulation, an underdeveloped infrastructure and a poor developed transportation services system for tourists, and also an insufficient quality standard of rendering of tourist services.*

Practical importance. *These results contribute to the optimization of strategic planning of the tourist services development in Ukraine.*

Key words: *tourism market, status, problems, tendencies and prospects.*

An effective functioning of the tourist services market is critical for the success of the social and economic development in any country. It identifies the laws of the human society progress in globalization tendencies in the world economy.

Because of its specific character the tourist services market exerts not only direct economic influence on a country and its regions, but also essential indirect influence over interrelated fields: transport and communication, building, agriculture, consumer goods production which is evaluated by a significant multiplicative effect. It is the catalyst of the social and economic development and directly and indirectly contributes to the improvement of living standards.

If using it right, a strong Ukrainian potential in travel business can contribute to a rapid progress of the tourist services market within a country and consequently it contributes to big cash receipts, an accretion of budget revenues, a consumer goods production progress, and an improvement of living standard.

Ukraine is of interest for western tourists, but a poorly developed infrastructure prevents the tourist industry snowballing in a country. These problems are especially topical for a regional tourism development.

Foreign scholars and our countrymen analyzed various aspects of the tourist services market in their scientific studies. Among the foreign authors one would like to mention the works of Krivir Ph., Lasorothy O., Merlin P., Viard G., Viollier P., Varnes M., Williams N., Kotler Ph., Urbain J., Oury G., and others.

Problems of a tourist industry development were touched upon by such Ukrainian scholars as Agaphonova L.G. and Gorodnya T.A. Main social and economic problems of tourism development in Ukraine and the tourist industry development strategy were formulated by Balashova R., Shkola I.M., Dyadenko L.P., Kiphyak W.Ph. who worked out principles of tourism development in market economy. In addition to that the issues which are concerned with functioning features of the tourist services market demand a more detailed consideration.

The insufficiency of the study of the problems mentioned above and its relevance influenced the choice of the theme and the object of the study: the published work evaluates the state, tendency and prospects of the Ukrainian tourism market development as of a privileged and socially significant sector of the national economy.

Ukraine possesses all the necessary prerequisites for the rapid development of an internal and foreign tourism: special geographical location and relief, favourable climate, essential, recreation and historical and cultural resources. Also one should mention [8] that as from the early 90th the present stage of tourism development has no own concept to solve a new conflict which came out exactly in the latest decades.

The main problem of the Ukrainian tourism progress is an inefficient and unreasonable use of natural resources as well as the absence of an efficient tourism development strategy and its precise regulation. A poorly developed infrastructure and also an underdeveloped transportation services system for tourists and the population hamper the rapid progress and spread of country's fame for tourists, and comers are often faced with the choice. That's why the tourist infrastructure development and the improvement of means of transport are a primary task to liven the activity of tourism business in general.

An issue connected with the quality of given tourist services is no less important. In this field Ukraine is behind a lot of governments with similar recreational tourist potential. As the result a lot of Ukrainians prefer foreign health resorts where the quality of services is much higher, the price is the same though. Thus they became the investors in foreign economics. The improvement of quality standard of domestic tourist services up to the European standard would speed up the Ukrainian tourism progress to a considerable extent and would attract more visitors within the country and from the near abroad.

As the population possesses little knowledge of hotels, other health resort places, travel tours within the country, tourist services, and also of an appreciable tax burden for touristic activity objects, this problem may be mentioned among other ones concerned with the tourism [7].

According to the one of the tourism leading specialists Robert A. Brymes, [6] currently the most inhibitive factor in tourism progress on the social level is the lack of attention and support from politics and the authorities. When one does not count on tourism, its income is not identified, its thorough planning is absent and as the

result the progress is absent as well. As soon as a great interest on legal grounds and joining of efforts for raising the tourism industry status to higher levels not only in the form of declarations but also of specific measures for communication installation and support will appear, marketing will start operate efficiently in tourism sphere, and one may count on direct results.

The travel market is quite appreciable to economic changes. With stable prices the growth of individual consumption by 2, 5% increases tourism expenses by 4% and the growth of individual consumption by 5% – by 10% [6].

According to the State Committee on Statistics [2], growth rates of real wages of Ukrainians in 2010 made up 110% as compared with 2009 (average monthly wages were 2205 hryvnias in 2010 and 1877 hryvnias in 2009). In connection with this the tourist services market started to develop more dynamically within the country and economic crisis contributed to this in some way: a lot of countries brought down the prices for services for guests, and flight prices also became more available.

An international tourism takes on special significance when domestic economy passes on to the market and integrates into world business system.

A lot of countries try to solve problems concerned with balance of payment through the instrumentality of the international tourism [2]. Foreign tourists who come and pay the goods and services provide the budget of a host country with money. Thereby they activate its external account. In this connection the improvement of active international tourism is a significant issue concerned with economic growth both for every region and for the whole country in general. The analysis of statistical data [4] of tourism in Ukraine for the last eleven years showed the following (fig.1).

From 2000 until 2008 a number of foreigners coming to Ukraine were increasing in a stable way. Starting from 2003 up to 2008 this rate increased on the average by 17%. But 2007 was an exception, a number of comers increased by 22%. In 2009 the rate of people interested in visiting Ukraine reduced nearly by 19%. Next year this number remained almost unchanged: it increased by 1%.

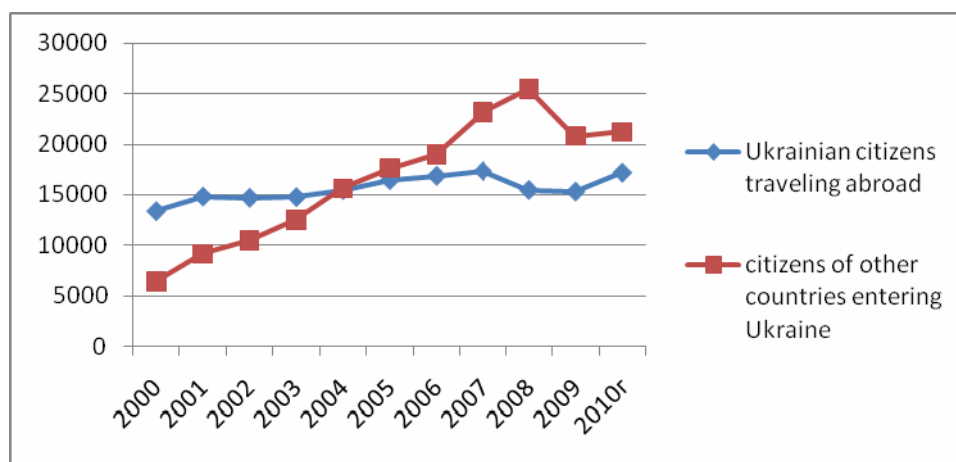


Fig. 1 The change of a number of people coming to Ukraine and going abroad [2].

Considering the whole evolution of increase of the number of foreigners who have visited Ukraine for the last years a number of tourists, that is foreigners, who were served by subjects of Ukrainian tourism institutions were changing from 6430,94 thousand of people (in 2000) up to 21203,33 thousand of people (in 2010). If in the absolute value there is an increase of foreign tourists then their part in total number of foreigners that visited Ukraine reduces.

If in 2000 the rate of tourists in total number of foreigners that visited Ukraine was 31%, then this rate reduced gradually to 11% in 2010 [2].

Thus the analysis of Ukrainian tourism for the last eleven years revealed that despite the total growth of the number of people coming to Ukraine, the number of tourists does not increase. This fact proves that there is a necessity to make our country more appealing for foreign tourists. The analysis of data on figure 3 shows that outbound and inbound tourism increased from 33% to 35% and from 12% to 14%, respectively.

In 2011 the tourism structure that was served by subjects of Ukrainian tourist institutions, accounted for 59% of Ukrainians who went abroad, 26% of domestic tourists and only 15% of foreign tourists [5].

Moreover if the rate of Ukrainian external tourism increases, for instance, during 10 years from 2001 to 2011 it increased by 78% and run up to 1, 4 million of people, then the rate of inbound tourism has been remaining on a stable level (0, 3 – 0, 4 million of people) for a decade already (with the exception of some growth in 2003 and in 2012 because of the 2012 UEFA European Football Championship).

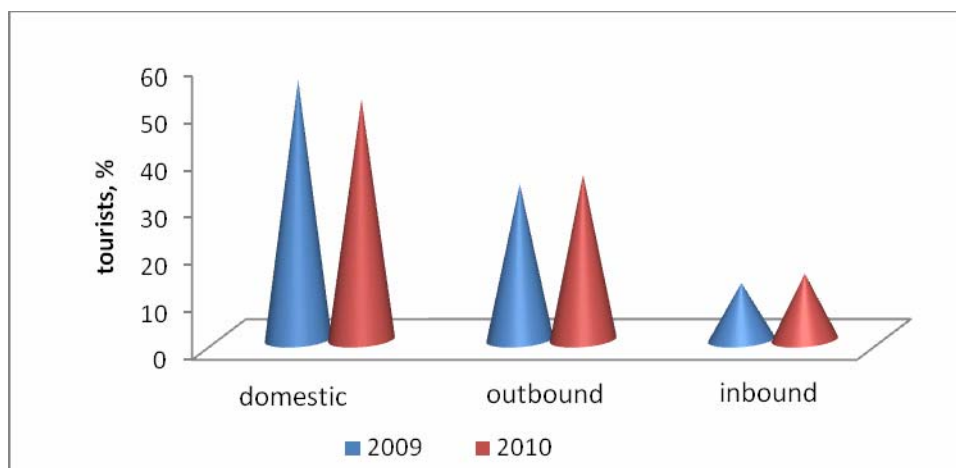


Fig. 2 The tourist services market structure [5]

The evolution of tourist industry indicates a diversification of presented tourist services and emphasizes the necessity of a comprehensive rates analysis the object of which is to select travel places in services market totals in Ukraine, and to collate and to form its progress trends predictions [1].

On the ground of the statistical data [3] there was built a histogram of volume change of services that have been presented in Ukraine for the last years (fig. 3) and it demonstrates graphically the stable growth of this rate.

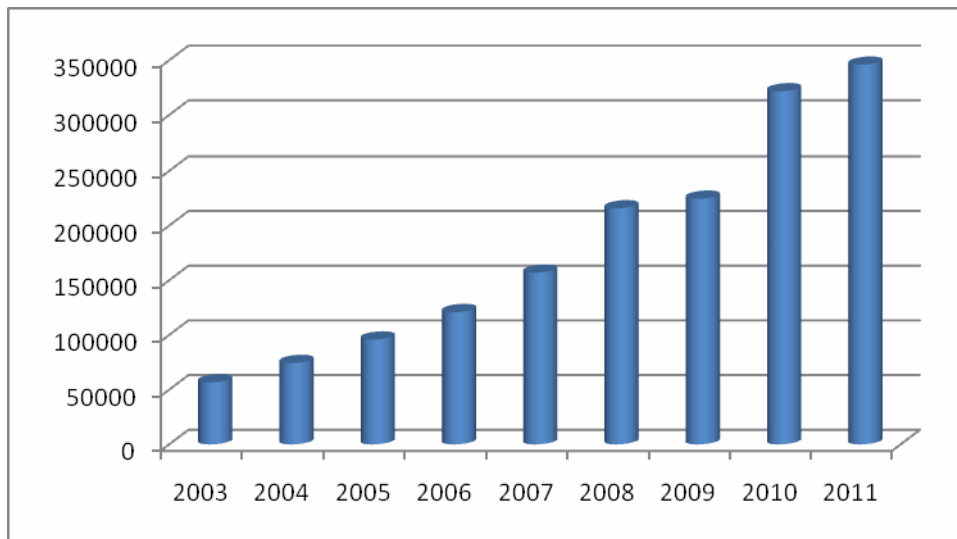


Fig. 3 The volume change of services presented in Ukraine [3]

The evolution of travel services volume (fig. 4) proves the analytical derivations about its increase in 2003-2009.

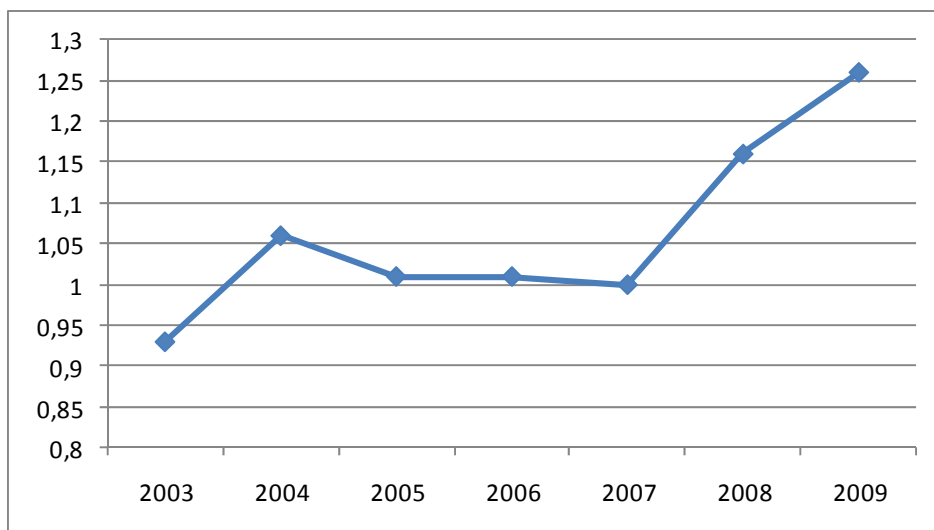


Fig. 4 The change of the Ukrainian tourist services rate in total services volume [3]

When estimating the tourist services market state, one identified the change of travel services volume. The analysis of the graph on the figure 5 shows that the travel services volume in Ukraine in 2003-2009 makes up a small rate (from 0,1% to 1,26%) despite its stable annual growth.

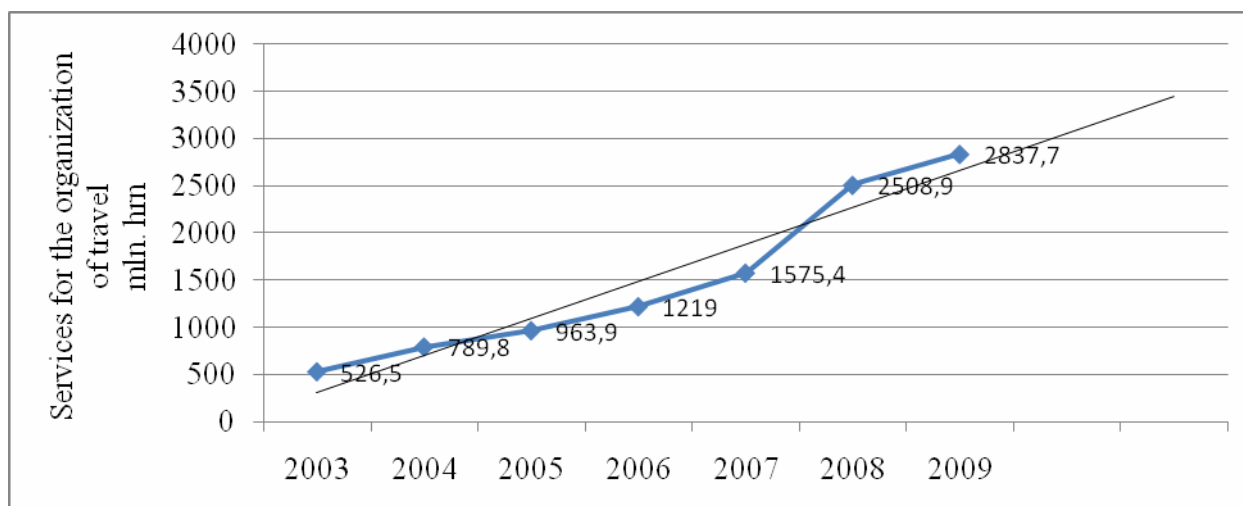


Fig. 5 The change of travel services volume in Ukraine (based on the data [3])

The present problems do not contribute to the travel market progress in Ukraine. These problem-solving will influence both the economic and the social development of the country.

Thus as the research result of the Ukrainian travel market development state and its progress trends, one can come to the following conclusions.

The results of the analysis of the tourism development peculiarities in Ukraine enabled to find out main problems, namely an ineffective and unreasonable use of natural resources, absence of an effective strategy for the development of the tourism industry and its precise regulation, an underdeveloped infrastructure and a poor developed transportation services system for tourists, and also an insufficient quality standard of tourist services.

As the result of the comprehensive rates analysis the object of which is to select travel places in the Ukrainian services market totals, and to collate and to form its progress trends predictions, it has been found out that the Ukrainian travel services rate accounts for 1, 26% considering the stable growth of the services rendered.

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