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Analysis of the market of international tourist services of Ukraine (for the period 2007-2017)

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Abstract. The state of development of the tourism industry in Ukraine for the period 2007-2017 is analyzed. It is established that it does not correspond to the existing potential of tourist resources, and the economic efficiency of the tourism industry is low. One of the main reasons for this situation is the lack of theoretical understanding of the socio-economic nature of tourism as a social phenomenon and its economic significance as a profitable

industry. The tourism industry is one of the fastest growing sectors of the world economy. This increases the competitiveness of countries and regions, creating new jobs and improving living standards. It is proved that self-regulation of the tourist market is a necessary condition for its functioning. The dynamics of export-import of tourist services of Ukraine is analyzed. There is a tendency to a slight increase in the cost of services in the last years of the study period. In the interaction "government regulation - market" the primary link is the market, and government regulation is a tool that provides the general conditions of its existence, equalizes the conditions of the start of its subjects and eliminates, if possible, the negative manifestations of the market element. The activities of the tourism industry in Ukraine are analyzed. There is a tendency to reduce the number of enterprises in the tourism industry in recent years of the study period. The rating of tour operators by the number of served tourists and by the reviews of tourists is analyzed. The place and role of the Ukrainian tourism business in the world market of tourist services has been identified. The situation on the world market of tourist services of Ukraine is considered and it is concluded that one of the favorable conditions for tourism development in Ukraine was the adoption of visa-free regime with EU countries, the tourist market gradually recovered after the crisis of 2014, and Ukrainians begin to conquer Europe. 2017 can be called the year of tourism development in Ukraine: the flow increased rapidly, and the number of permits for sale, according to the State Statistics Committee of Ukraine, increased by 36%. Citizens of Ukraine who went abroad formed the group that used the services of tourism entities the most. It was found that the largest number of tourism entities is concentrated in the city of Kyiv and in Dnipropetrovsk, Kharkiv and Odessa regions.

Keywords: tourism, tourist, foreign tourists, international tourism, world market, tourist service, integration, Ukraine

Аналіз ринку міжнародних туристичних послуг України (за період 2007-2017 років)

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Анотація. Проаналізовано стан розвитку туристичної галузі в Україні за період 2007-2017 років. Встановлено, що він не відповідає існуючому потенціалу туристичних ресурсів, а економічна ефективність туристичної галузі є низькою. Однією з головних причин такої ситуації є відсутність теоретичного розуміння соціально-економічної природи туризму як соціального явища та його економічного значення як прибуткової галузі. Індустрія туризму - одна з найприбутковіших галузей світової економіки, яка найбільш швидко розвивається. Це підвищує конкурентоспроможність країн та регіонів, створюючи нові робочі місця та покращуючи рівень життя. Доведено, що саморегулювання туристичного ринку є необхідною умовою його функціонування. Проаналізовано динаміку експорту-імпорту туристичних послуг України. Встановлено тенденцію до незначного зростання вартості послуг в останні роки досліджуваного періоду. У взаємодії «державне регулювання – ринок» первинною ланкою є ринок, а державне регулювання виступає інструментом, що забезпечує загальні умови його існування, вирівнює умови старту його суб'єктів та усуває, за можливістю, негативні прояви елемента ринку. Проаналізована діяльність суб'єктів туристичної галузі в Україні. Встановлена тенденція до зменшення кількості підприємств туристичної індустрії в останні роки досліджуваного періоду. Проаналізовано рейтинг туроператорів за кількістю обслужених туристів та за

відгуками туристів. Ідентифіковано місце та роль українського туристичного бізнесу на світовому ринку туристичних послуг. Розглянуто ситуацію на світовому ринку туристичних послуг України та підсумовано, що однією зі сприятливих умов для розвитку туризму в Україні було прийняття безвізового режиму з країнами ЄС, туристичний ринок поступово відновлювався після кризи 2014 року, і українці починають підкорювати Європу. 2017 рік можна сміливо назвати роком розвитку туризму в Україні: потік швидко збільшувався, а кількість дозволів на продаж, за даними Держкомстату, зросла на 36%. Громадяни України, які виїхали за кордон, склали групу, яка найбільше користувалася послугами суб'єктів туристичної діяльності. Було встановлено, що найбільша кількість суб'єктів туристичної діяльності зосереджена у місті Київ та у Дніпропетровській, Харківській та Одеській областях.

Ключові слова: туризм, турист, іноземні туристи, міжнародний туризм, світовий ринок, туристична послуга, інтеграція, Україна

Introduction. The modern tourism industry occupies a leading position in the world economic system. It accounts for about 10% of world gross output, about 30% of world trade in services, 7% of total world investment, 11% of world consumer spending. The World Tourism Organization provides statistics showing that revenues from international tourism have grown by an average of 9% per year over the past 16 years. For more than 40 countries, the tourism industry is the main source of revenue for the state budget, and for 70 countries it is one of its three main articles (Malska, 2008). Travel and leisure in today's world are becoming an integral part of the lives of people on all continents. The result is that in the cost structure of the average family, the cost of travel services is the fourth item after the cost of food, clothing and car maintenance.

Ukraine objectively has all the prerequisites for the intensive development of domestic and foreign tourism, namely – the peculiarities of geographical location and relief, favorable climate, rich natural, historical, cultural and tourist-recreational potential. This sector of the economy can bring the country to the state treasury up to 4 billion US dollars a month. However, in Ukraine its development is insufficient. This is primarily due to the difficult socio-economic situation in the country, the lack of effective regulation of incentives for the tourism industry, the lack of an effective strategy for the development of this industry at both national and regional levels (Parfinenko, 2015).

The variety of research on tourism confirms its complexity, relevance and ambiguity of this topic. However, it should be noted that a number of aspects of state regulation of tourism development in Ukraine do not yet have adequate and comprehensive coverage in the scientific literature. These include, in particular, the role, functions and powers of the state in this area, mechanisms of socialization of tourism and the role of territorial communities in the industry and so on. Today, the issues of scientific substantiation of the place and role of the tourism sector in the system of socio-economic priorities are extremely relevant. In other words, it is necessary to develop tactical and strategic directions for attracting foreign tourists to

Ukraine in terms of integration into the world market of tourist services. The above determines the choice of topic and relevance of the study.

Research methods. The study uses literary, analytical, comparative, mathematical and statistical methods and the method of scientific systematization.

The purpose of the work is to analyze tourist services in Ukraine and identify ways to attract foreign tourists to the country in terms of integration into the world market of tourist services.

Results and their analysis. The tourism industry, given its significant impact on the economic and social development of the country, the branching of economic ties, needs regulation, support and careful control by the state. The issue of creating an effective structure for the management of the tourism industry at all levels, decentralization and deconcentration of power with a clear definition of the powers of each level is becoming especially important at the present stage of development of Ukraine. The transformation of Ukraine into a tourist state of world importance requires coordination of activities of various sectors of the economy, which depend on the quality of tourist services, including transport, trade, souvenir production, publishing and advertising, etc.

According to the Ministry of Economic Development, in 2016 Ukraine was among the 30 most attractive countries for foreign tourists, taking 27th place. According to the World Bank, Ukraine in 2017 successfully rose to 25th position. In 2018, this position was maintained. We will analyze the number of foreign tourists to Ukraine by country.

According to the World Bank, as of 2017, 14.2 million foreign tourists visited Ukraine. This figure is higher than the number of foreign tourists in Singapore, Denmark, Iceland and the Czech Republic, Switzerland, Norway, Australia, Sweden, New Zealand and other countries known for their ancient history, unique attractions and beautiful nature. Of course, France, with its capital Paris and the Eiffel Tower, continues to be the most popular country in the world, with 86.8 million travelers. The second and third places in the ranking were taken by Spain and the United States, which received 81 million and 77 mil-

lion tourists, respectively (UNWTO World Tourism Barometer, 2019). The World Bank figures coincide with the data of the State Statistics Service of Ukraine as of 2017, which recorded that compared to 2016, the number of foreign tourists increased by almost one million – from 13.3 million people to 14.2 million people. The Ministry of Economic Development of Ukraine gives almost the same figures and notes that the rate of inbound tourism in 2018 remained at the level of 2017 – a little more than 14 million people.

Traditionally, the leading suppliers of tourists to Ukraine are border countries – Moldova (4.4 million tourists in 2018), Belarus (2.6 million), Russia (1.5 million), Poland (1 million), Hungary (915 thousand) and Romania (740 thousand). The head of the Center for Tourism Development of Ukraine noted that these data are based on the number of border crossings, when this happens, when the same person is registered at the border several times. This issue is particularly important in the case of Moldova, which had a population of 3.5 million as of 2017. That is, a large number of tourists from border countries is not necessarily an indicator of tourist attractiveness, but, as often happens, a marker of close family, business and trade ties with the need to visit a neighboring country (Kravtsova, 2016).

We can trace the wavy trajectory of the dynamics of the tourist flow of Ukraine in Fig. 1. Thus, it should be noted that since 2011 the dynamics has gained positive values, but in 2014 there was a decrease in the total number of tourists due to the inability to visit the temporarily occupied territory of the Autonomous Republic of Crimea, Sevastopol and parts of Donetsk

and Luhansk regions (Pavlenko, 2013). The share of foreign tourists in the structure of the tourist flow of Ukraine until 2013 was over 50.0%, and in 2008 reached 62.2% (25.4 million people), but since 2014 their share did not exceed 36.2%–35.0%.

The study analyzed statistics on the types of tourist trips by number of people as of 2017. We have identified five main categories that are characteristic of the Ukrainian market of tourist services. Among citizens who left Ukraine in 2017, 63% went on vacation, 34% went on business trips, and only about 1.0% went on specialized, sports tourism and medical treatment. The smallest number of people in 2017 traveled for sports tourism (1079 people) (Fig. 2).

In 2017, the country was visited by 9,782 foreign tourists, or 58% of the incoming tourist flow; 14% and 13% of foreign tourists came for treatment and business trips, respectively (Fig. 3).

In the structure of foreign trade in tourist services, exports decreased almost 2 times, from 51.9% in 2008–2010 (Zaŭtseva, 2012) to 25–27% in 2014–2017. There is a clear advantage of imports and an increase in the negative balance of 17 billion US dollars from foreign tourists in 2012 to 525.1 billion US dollars in 2017 (Fig. 4).

During 2014–2016, negative trends in tourism development were observed, such as a decrease in incoming tourist flows due to territorial, political changes and a sharp rise in the exchange rate.

Representatives of the Asian continent rank first in exports and imports of international tourist services to Ukraine with a share of 32% and 52%, respectively. In terms of exports, the second place is occupied by

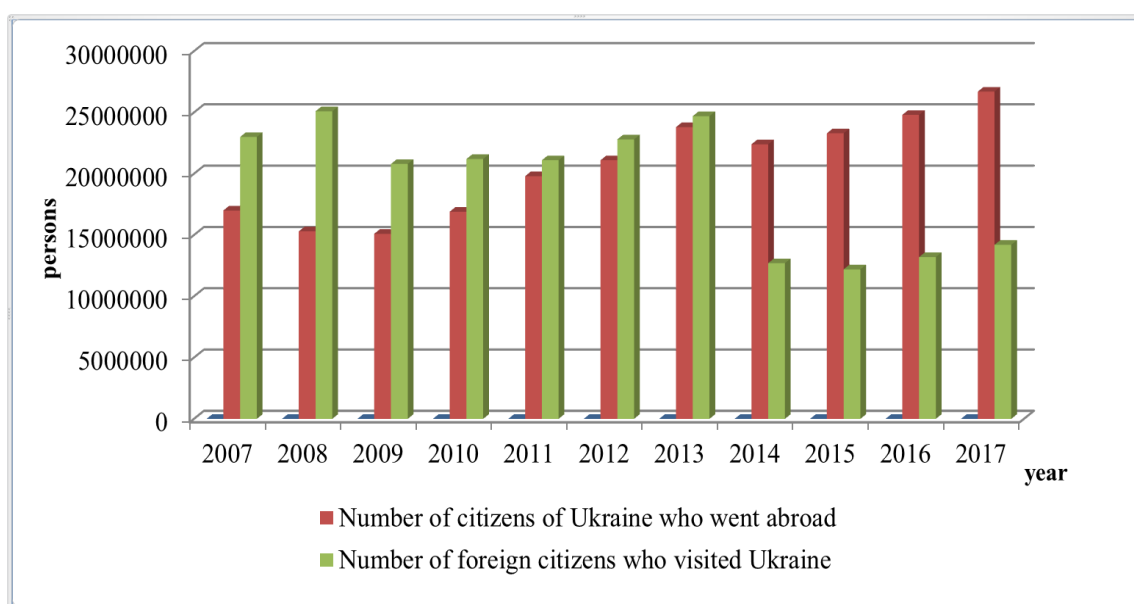


Fig. 1. Dynamics of tourist flow of Ukraine for the period 2007–2017, persons (Official site of the State Statistics Service of Ukraine, 2018)

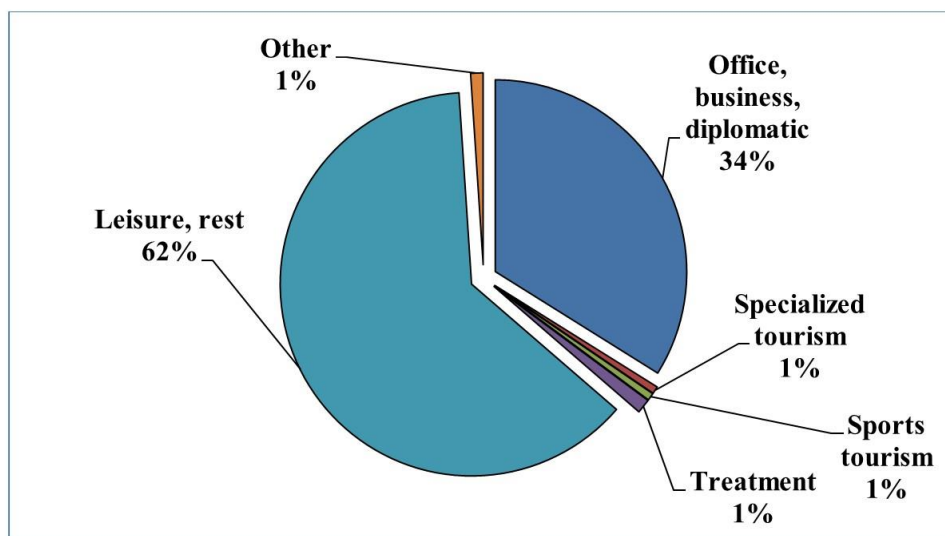


Fig. 2. The structure of the outflow of citizens of Ukraine for travel in 2017, persons (Official site of the State Statistics Service of Ukraine, 2018, UNWTO Tourism Highlights, 2018, World Travel and Tourism Council, 2018)

representatives of Europe and the CIS countries with a share of 21%, the third place - by representatives of the African continent with a share of 18%.

The geographical structure of imports to European countries is 35%, and to the African region - 7%, ranking second and third, respectively. Representatives of the CIS countries account for only 2.5% of total imports of tourist services to Ukraine (World Travel and Tourism Council, 2018).

An additional balance of bilateral trade in tourist services of Ukraine was with the CIS countries, America, as well as Australia and Oceania.

Important tasks of economic theory and practice are to identify and regulate the most important macro-economic indicators of socio-economic development of the country, to identify trends and factors that affect their scale (Pavlenko, 2013).

Тому функціонування економіки країни в цілому оцінюється на основі чітко визначених показників, що дозволяють оцінити її динаміку. За останні три роки темпи зростання були позитивними (рис. 5). Therefore, the functioning of the country's economy as a whole is assessed on the basis of clearly defined indicators that allow us to assess its dynamics. Over the past three years, growth rates have been positive (Fig. 5).

2017 can be called the year of tourism development in Ukraine: the flow of tourists is growing rapidly, and the number of permits for sale, according to the State Statistics Committee of Ukraine, increased by 36%.

Also, one of the favorable conditions for the development of tourism in Ukraine was the adoption of a visa-free regime with EU countries. The tourism

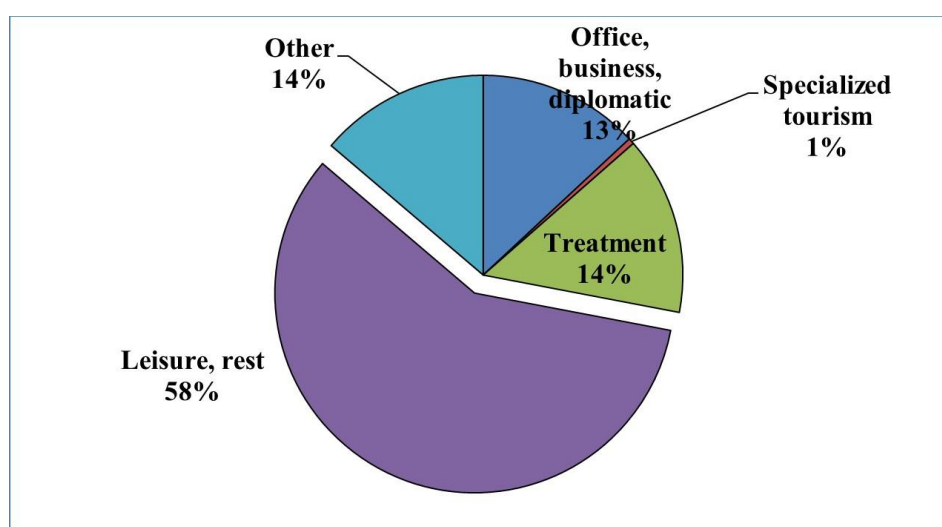


Fig. 3. The structure of the inflow of citizens of Ukraine for the purpose of travel in 2017, persons (Official site of the State Statistics Service of Ukraine, 2018)

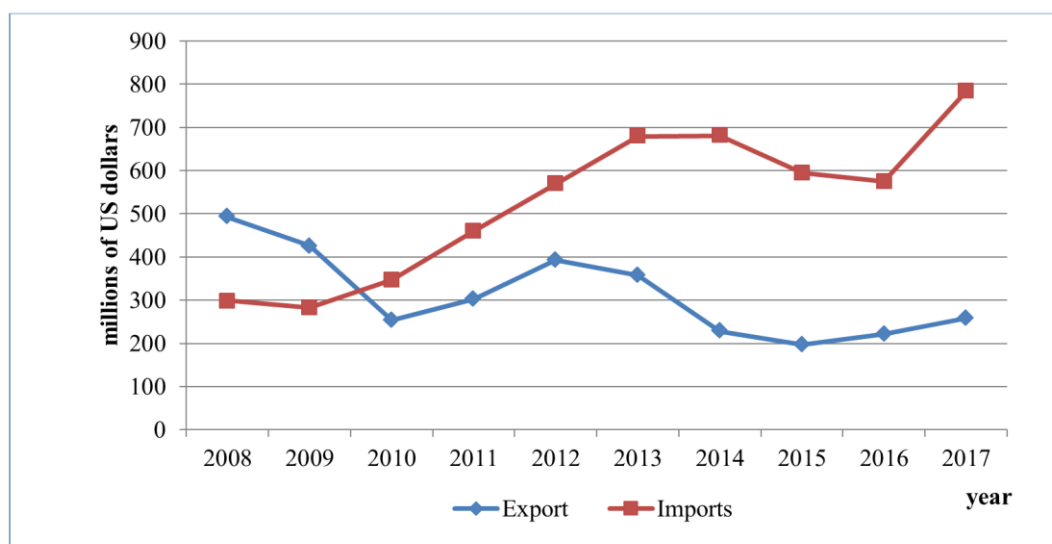


Fig. 4. Dynamics of change in export-import of tourist services of Ukraine for the period of 2008-2017, millions of US dollars (Official site of the State Statistics Service of Ukraine, 2018)

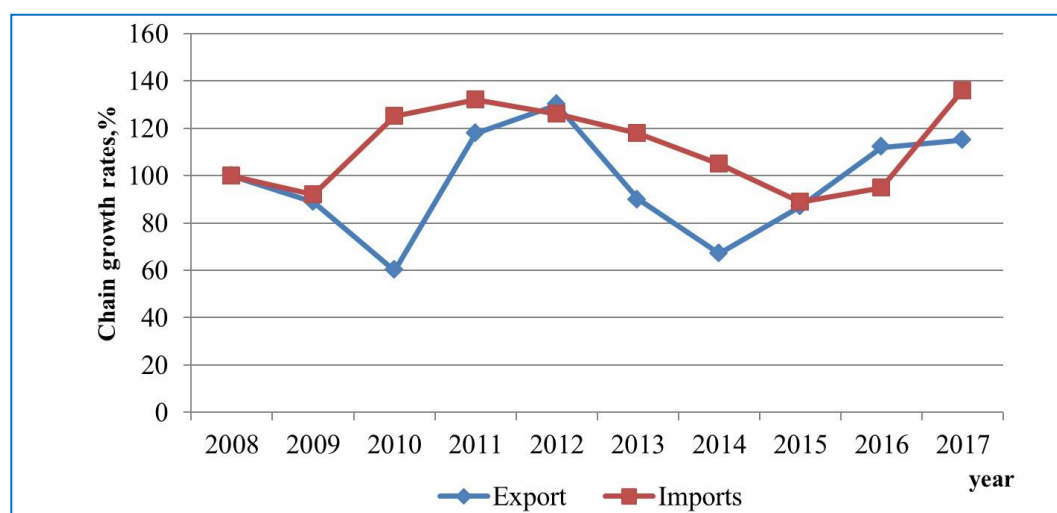


Fig. 5. Dynamics of change in the chain growth rates of exports and imports of international tourist services of Ukraine for the period 2008-2017, % (Official site of the State Statistics Service of Ukraine, 2018)

market is gradually recovering after the 2014 crisis, and Ukrainians are starting to visit EU countries.

When analyzing the tourist market of Ukraine, it is advisable to assess both the number of tourism entities (Fig. 6) and their performance.

Thus, in 2017, the number of Ukrainian tourism entities - legal entities and individuals-entrepreneurs - was 3469 units, which is 40 units less than in 2016. In the structure of all tourist entities, the largest number falls on travel agencies, the share of which exceeds 80% of the total number of legal entities. The maximum development of the tourism industry can be observed in 2012 and 2013, which can be explained by the holding of the European Football Championship in 2012, after which there was a sharp decline in both the number of businesses and reduced incomes. And in 2017, the number of legal entities decreased by 6%. At the same time, the number of

legal entities engaged in tourism in 2017 compared to 2016 increased by 58 units.

The number of tourists - citizens of Ukraine, who were served by tour operators in 2017, was more than 2.7 million people (which is 8% more than in 2016), foreign tourists - almost 40 thousand people (in 2016, respectively, 35 thousand persons). For the vast majority of tourists (85%) the main purpose of the trip was to organize leisure and recreation. Revenue from the provision of tourist services to businesses is presented in Fig. 7.

From Fig. 7 we see that, despite a certain decrease in the number of tourism entities, in 2017 there was a significant increase in income of legal entities engaged in the provision of travel services (including tour operators, travel agents and businesses engaged in excursion activities in this category) by 60% compared to 2016. Positive changes were also

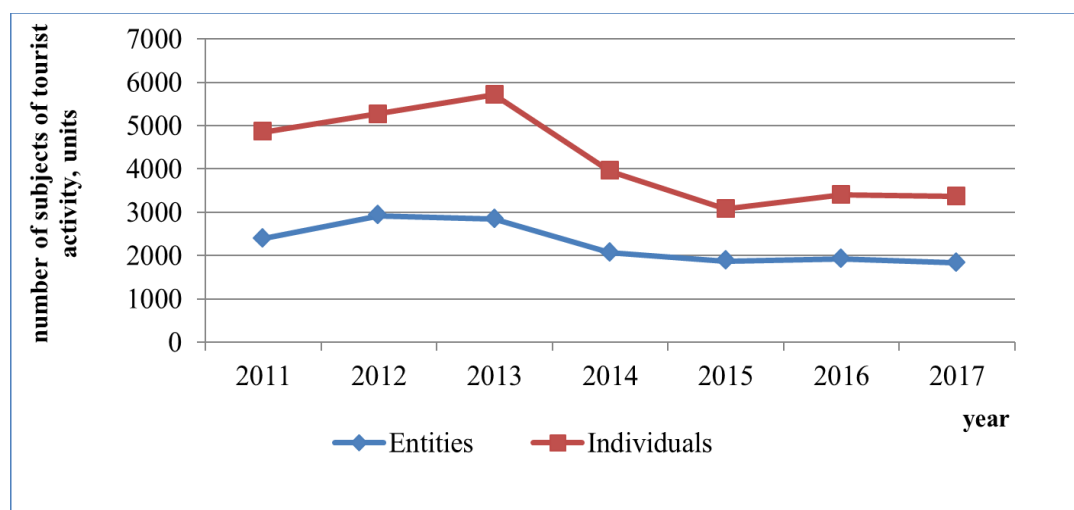


Fig. 6. Dynamics of change of subjects of tourist activity in Ukraine, units (Official site of the State Statistics Service of Ukraine, 2018)

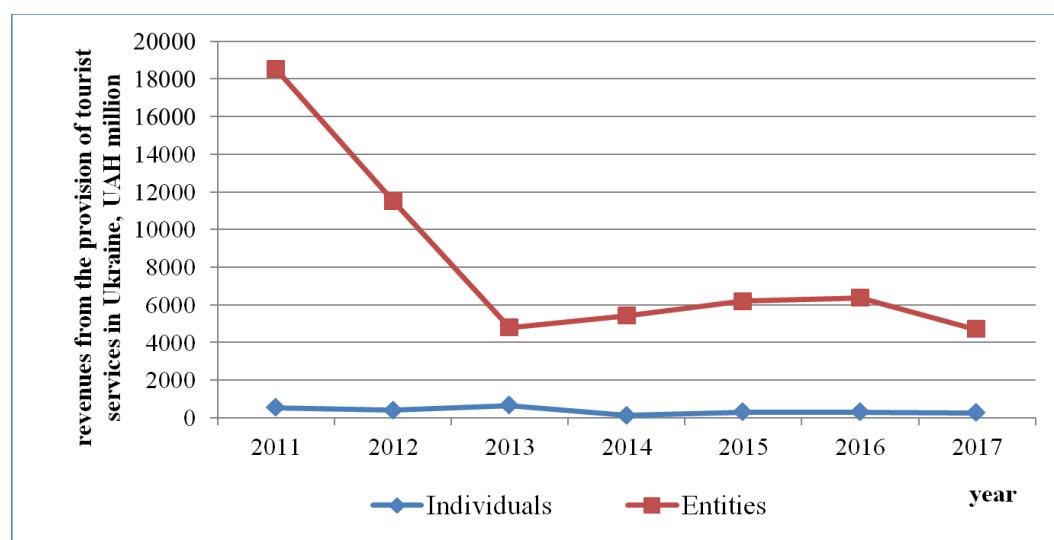


Fig. 7. Dynamics of change in revenues from the provision of tourist services in Ukraine, UAH million (Official site of the State Statistics Service of Ukraine, 2018)

characterized by the income of individuals (travel agents and organizations engaged in excursion activities), which increased by more than 25% compared to 2016.

At the same time, the increase in revenues from the provision of tourist services during the study period is associated with an increase in both the cost of tourist services and an increase in the number of vouchers sold (State Statistics Service of Ukraine).

Since the development and income of tour operators that they receive directly depend on the number of tourists served, it is advisable to analyze the number of tourists served by tour operators in Ukraine during 2011–2017 (Fig. 8).

Citizens of Ukraine who went abroad used the services of tourism entities the most. Like the above-mentioned tourist flows in Ukraine, the

number of tourists served by tour operators has the same dynamics as peak (2013), decline (2014) and development (since 2015).

The study identified the leaders of tour operators in the number of tourists served, based on the ratings of various marketing companies and reviews of tourists (Table 1 and Table 2).

It is also advisable to consider the rating of tour operators in the most popular destinations - Turkey and Egypt among Ukrainian tourists in 2017 (Fig. 9). Ukraine ranked 7th among the leading countries in the number of tourists who visited Turkey in 2017. During this period, this destination was chosen by 1,212,644 tourists, which is 23% more than in the same period of 2016.

Slightly different positions are occupied by tour operators in the Egyptian direction (Fig. 10).

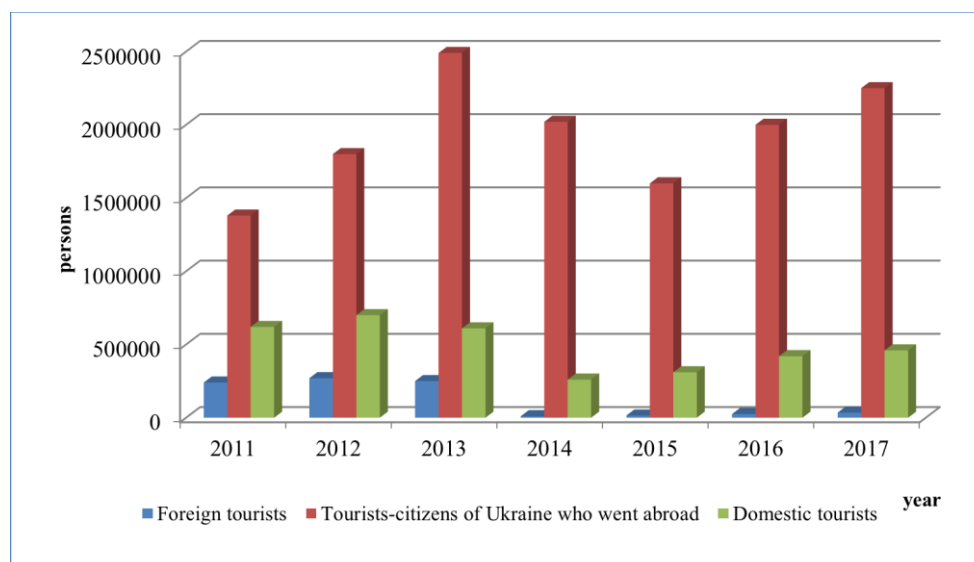


Fig. 8. Dynamics of changes in the number of tourists served by the subjects of tourist activity of Ukraine, persons (Official site of the State Statistics Service of Ukraine, 2018)

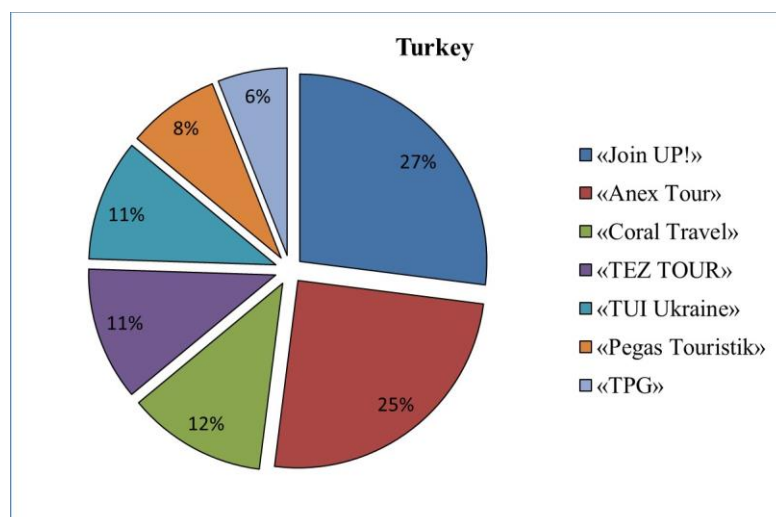


Fig. 9. Tour operators-leaders in sales of tours to Turkey, % (Official site of the State Statistics Service of Ukraine, 2018)

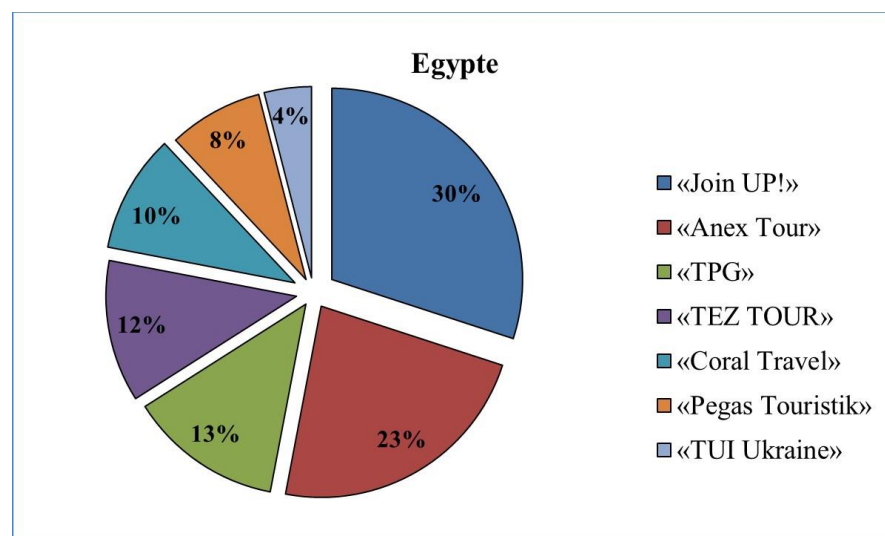


Fig. 10. Tour operators-leaders in sales of tours to Egypt, % (Official site of the State Statistics Service of Ukraine, 2018)

Table 1. Rating of tour operators by the number of served tourists (Official site of the State Statistics Service of Ukraine, 2018)

Place	Tour operator	Number of tourists who used the services of a tour operator, thousand people
1	«Join UP!»	500
2	«Anex Tour»	374
3	«TPG»	300
4	«Coral Travel»	170
5	«Pegas Touristik»	130
6	«TEZ TOUR»	120
7	«TUI Ukraine»	100
8	«Akkord tur»	77
9	«Mouzenidis Travel»	54
10	«Feieriia»	50

Table 2. Rating of tour operators according to tourist reviews (Official site of the State Statistics Service of Ukraine, 2018)

Place	Tour operator	Number of positive reviews
1	«Akkord tur»	5124
2	«TPG»	5059
3	«Feieriia»	5008
4	«Alf»	3494
5	«TEZ TOUR»	2550
6	«Hamaliia»	2055
7	«Mouzenidis Travel»	2030
8	«Pegas Touristik»	2010
9	«Join UP!»	1734
10	«TUI Ukraine»	1679

Conclusions. Analyzing the situation on the world market of tourist services in Ukraine, we can conclude that one of the favorable conditions for tourism development in Ukraine was the adoption of visa-free regime with EU countries, the tourist market gradually recovered after the crisis of 2014, and Ukrainians began to travel to Europe. But we can also single out the factors that hindered the development of tourism in this period, such as a decrease in incoming tourist flows due to territorial, political changes and a sharp rise in exchange rates. Representatives of the Asian continent rank first in exports and imports of international tourist services in Ukraine with a share of 32% and 52%, respectively. In terms of exports, the second place is occupied by representatives of Europe and the CIS countries with a share of 21%, the third place

– by representatives of the African continent with a share of 18%. It can now be argued that, as a result of the global pandemic, the market for travel services has come to a near halt.

2017 can be called the year of tourism development in Ukraine: the flow increased rapidly, and the number of permits for sale, according to the State Statistics Committee of Ukraine, increased by 36%. Citizens of Ukraine who went abroad used the services of tourism entities the most. It is established that the largest number of tourism entities is concentrated in the cities of Kyiv, Dnipropetrovsk, Kharkiv and Odessa regions. The most popular destinations for tourists from Ukraine are Egypt and Turkey. Join UP!, Anex Tour, Coral Travel, TEZ Tour and others are the tour operators that are the leaders

in selling tours to these countries. Of course, tourism is one of the priority parts of the economy of any country, including Ukraine, so state support for the tourism industry is extremely important, and research on the tourism market is always relevant, regardless of the economy of a country or region.

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