

# Tourist Industry of Ukraine: Reserves of Financial and Economic Growth and Determinants of Quality Management

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## Abstract

Authors presented main aspects of tourism industry of Ukraine. The opinion was expressed that one of the factors in the recovery of domestic and international tourism in Ukraine will be the new quality of management of the industry. Main proposals regarding the restoration of tourist flows to the capital of Ukraine and the country in particular were named, namely: to develop a strategy aimed at eliminating the crisis situation and improving the image of the city and which will be able to neutralize the status of a dangerous city; to encourage the standardization of accommodation facilities (hotels, motels) and their official registration and functioning; to create a practical and convenient public transport infrastructure and travel navigation in three main languages (Ukrainian, English and Chinese). Statistical data on the flow of tourists from European and Asian countries have been analyzed, and the countries to which Ukrainians travel most often have been indicated.

Authors expressed the opinion that the financial policy in tourism and hotel business sector should be conducted in a flexible way, and should be carried out with the help of attracting investments from private companies, charitable, social, and foreign organizations. According to the presented SWOT-analysis, the team of authors indicated that there is a need in Ukraine to develop a new anti-crisis strategy to maximize tourist flows to the city, as well as to develop measures to improve the image of Ukrainian capital and an accessible destination.

**Keywords:** tourism industry, financial and economic growth reserves, management determinants, tourism innovation, international tourism, domestic tourism.

## Introduction

Prior to the beginning of the military invasion of Ukraine by Russian Federation, the upward trend of the tourism and hotel industry was observed in Kyiv for the past several years in a row. Thus, according to official data from the press service of Kyiv City Administration, for 2021, even despite restrictions due to the global pandemic, the capital was visited by about nine hundred thousand foreign and approximately two million domestic tourists, which brought approximately seventy-six million hryvnias to the city budget (Senenko, 2022). In 2021, the

tourism industry of Kyiv was able to increase by as much as 80%, compared to 2020, which was too difficult for this industry.

Tourism industry has a great impact on the economy and development of the city, contributes to the inflow of foreign currency into the country, creates new jobs and improves infrastructure. Touristically attractive can be considered a territory that is known among tourists and this region turns into a tourist center. That is, a tourist center is an area that is popular among tourists due to the presence on

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the territory of characteristic tourist resources, a comfortable transport and geographical location, and information about cultural and historical heritage that is generally available to tourists. In order to achieve the maximum level of tourist attraction and obtain a high social and economic effect, the tourist center must have a modern and developed material and technical base of tourism and tourist infrastructure.

In the XXI century, tourism is becoming an increasingly important link for the development of financial, economic and social spheres in the country, which is rapidly merging into world tourism. Active leadership, building the newest and most efficient hotel and recreation industry both in cities and in their suburbs contributes to the economic and social growth of many regions, especially unpromising ones. Thus, an integrative approach to managing the development of tourism industry provides the

necessary security and guarantees the correct use of historical and cultural heritage, as well as the environment, promotes the development of tourism industry in terms of the priority direction of local and national economic development.

Tourism is an integral part of the economic and social life not only of capitals, but also of each country in particular. In modern conditions, the tourism and hotel business contribute to the development of the economy in terms of employment, smart industry and e-commerce, which adds to the growth of the gross national income. The strengthening of the role of Ukraine in the international market is a positive phenomenon, which affects the increase of incoming tourist flows and the increase of interest both in Ukraine and in the capital in particular.

## Material and methods

Scientific works and practical researches and developments of such well-known scientists as O. Bartoshchuk (Bartoshchuk, 2011), N. Buntova (Buntova, 2020), O. Zavoruieva (Zavoruieva, 2019), Yu. Myronova (Myronov, Svydruk, 2016), O. Polinkevych (Polinkevych, 2021), N. Pogudy, T. Prymak (Poguda, Prymak, ets., 2020), G. Savina (Savina, Yakovenko, 2019), V. Savchenko (Savchenko, 2018) are valuable scientific studies of the problems of tourism industry in Ukraine. In light of the deep innovation of tourism industry, scientists and economists are also actively involved in systematic studies of problems in general and the possibility of the future development of tourism in the regions of Ukraine in the conditions of the coronavirus pandemic and martial law. And this question is very acute and still remains unanswered and "put on pause". In particular, a significant

number of issues regarding the determinants of quality management of tourism industry in Ukraine and the search for reserves of financial and economic growth remain insufficiently disclosed.

The purpose of the article is to study the state of tourism industry of Ukraine in the conditions of innovation, coronavirus and martial law. Development of practical recommendations and instructions regarding the restoration of domestic and international tourism in Ukraine. Presentation of the determinants of quality post-war management of Ukrainian tourism industry. Clarification of available reserves of financial and economic growth of tourism industry. Justification of main tasks of the tourism sector in terms of ensuring the promising future of its recovery and development.

## Results and discussion

Tourism is a type of human activity with a centuries-old history that takes its roots long before the creation of modern civilization.

During the centuries of world eras that have any element of human activity, or to a different extent, it affects the field of tourism. Tourism

industry has developed over many centuries and has had a great impact on the economic development of many countries. The field of tourism contributed to the creation and development of world civilizations, which had a significant impact for many centuries. Also, a significant contribution to the history of mankind was made by seafarers who discovered new lands with their travels. Their contribution formed a significant influence on the world economic space, and made it a unified system (economic, social, cultural, etc.). It is known that the predecessors of modern travels were the journeys made by our ancestors, and the factors that prompted them to take such actions were: the need to master unexplored territories, to facilitate life and various types of activities; human curiosity and desire to understand and explore the surrounding world.

According to other data, as noted by researcher O. Savchenko (Savchenko, 2021) the forerunner of the current form of tourism were grand tours conducted by young aristocrats between the XVI and XVIII centuries. They wielded their own, new structures, which were clearly indicated by corporate statuses: their main purpose was to expand education, mark the end of childhood, and acquire and hone social commitment. However, leisure and entertainment became more and more important over time. On the one hand, it created a paradigm of traveling "art". On the other hand, the pursuit of fun and entertainment inherently contains elements of travel. Yes, the classic grand tour lasted approximately one to three years. The direction, sequence and contacts, not to mention the curriculum, were planned down to the last detail. Nobles traveled with their tutors, students and domestic servants, coachmen and other staff. They provided them with safety, comfort, education, care and satisfaction in their professional sphere of responsibility (Legislation of Ukraine, 2020).

In connection with the development of civilizations, commodity-money relations were created that divided labor and separated people

who were not engaged in management and social production. At very first stage of the development of travel industry, we can highlight a number of important characteristics:

- The formation of trade, which contributed to the development of socio-economic society, and satisfied the needs of people in understanding the world and other nations that surrounded them, as well as the establishment of cultural, economic, and most importantly, political relations with them;

- The development of various religions also made a significant contribution to the development of the hotel and tourism industry in different centuries, and in particular in the Middle Ages. Devout believers performed religious rites, the pilgrimage contributed to the necessary conditions for life, food, travel, and acquaintance with the surrounding (i.e., excursion services). Such services were the same services that tourists would provide in the future. As an example, we can cite Kyiv-Pecherska Lavra, the cathedral had everything necessary to serve pilgrims – a pharmacy, a library with church chronicles, a dining room and special houses called "hospitable houses", which became the predecessors in our understanding of hotels. Prochans were one of the particularly protected categories of travelers from the point of view of life and health. This was due to their statuses and the variety of activities performed by the pilgrimage leaders, that is, they were various religious orders and missions;

- Cultural and artistic development, of course, there are certain types of travelers who aim to learn about the culture and art of the peoples of the world, there is also another category of travelers for whom it is important to learn something new, education, as well as improve foreign languages, due to constant communication;

- Human understanding of nature has led to the discovery of new civilizations, lands where there are places with a variety of natural climates, healing springs that improve immunity and health. This phenomenon contributed to

the creation of a new direction in tourism, namely: health tourism;

- The emergence of increased time spent in social leisure also became a significant impetus for the emergence of tourism. This is caused by the fact that free time, which gives a working person time to rest, and also the opportunity to use it to study the world around him, and engage in his hobby.

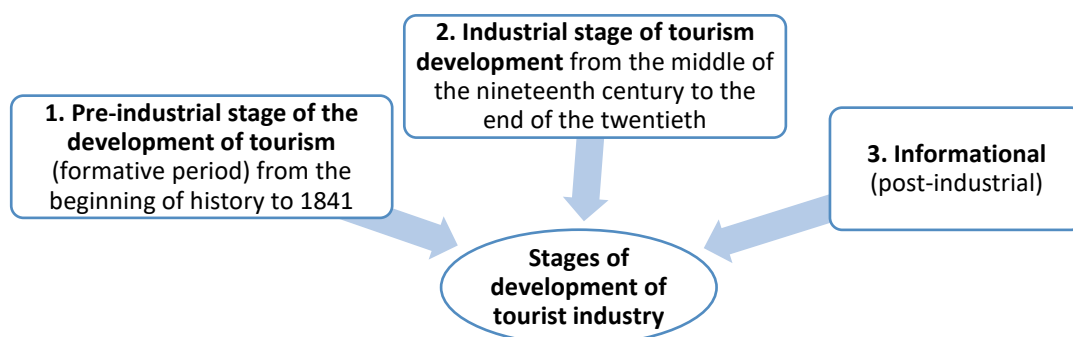
So, to summarize, we can note that main factors that contributed to the development of the tourism industry were the social location of peoples, the emergence of commodity-money relations, that is, the rise of trade, which contributed to both the economic and social development of mankind.

Considering the historical development of tourism industry, it can be noted that it is somewhat contradictory and does not have clear historical boundaries. In our time, in the academic and scientific literature dealing with the concept of tourism, we can explore various versions regarding the development of the industry and its exact period in history. Studying scientific research from a historical point of view, it is possible to distinguish several methods of presenting travel: historical, that is, they are consistent with chronology, related to the development of travel; distribution according to main periods of the development of science, and with clarification of the stages of scientific knowledge; as a result of the industrial revolution; within the framework of the

development of main social and economic forms, such as feudal, fishing and primitive society; the development of tourism industry as a whole is prehistoric, mass and elite tourism.

The phasing of tourism activities is based on the following principles: technical, economic and social concepts, leading characteristics and factors of various stages of the development of tourism activities. According to the changes in the criteria for the development of tourism, three main stages are distinguished: the development of tourism industry in the era of formation, industrial and informational periods, each of them has its own stage (Figure 1) (Bartoshchuk, 2011).

Despite all the difficulties, today represents a new period for the development of the newest direction in cultural life of people, which revives historical monuments and evaluates the heritage of historical culture according to new principles. For these reasons, the focus of attention of most Ukrainian regions is on the sphere of cultural tourism, which is one of the actual prospects of economic, social and cultural development. Unveiling the development potential of country's regions, caused by meeting needs of urban development and the need to help the territorial community in order to optimize activities involving a wide range of the population in order to cooperate with various cultural communities and processes related to long-term forecasting of territorial development.



**Figure 1. Main stages of the development of the tourist industry**

Source: summarized by authors.

Sphere of tourism is a multifunctional phenomenon, so among main components we

can mention: social, ecological, cultural and educational, economic and educational. Such

a variety of functions of tourism indicates a characteristic motivation that prompts people to travel, as well as to organize various tourist trips and provide various services to tourists. The economic and technological component of tourism, which forms and implements products to meet the demand for tourist services, includes four main elements, such as: production of tourist services; purchase of a tourist product; sale of tourism products or their separate services; realization of tourist product/services. Thus, the Law of Ukraine "On Tourism" specifies main goals of the development of tourism industry in the state and its main provisions in the policy in the field of tourism (Savchenko, 2021):

- Ensure accessibility for all citizens, and in particular for people with special needs, combatants, war and labor veterans, children, women, etc.;

- Taking into account the needs of the country's citizens when drawing up and adopting national and local plans for the development of tourism;

- Economic and rational regulation of stocks and guaranteeing them decent protection;

- To contribute to the renewal of Ukrainian tourism in a competitive environment;

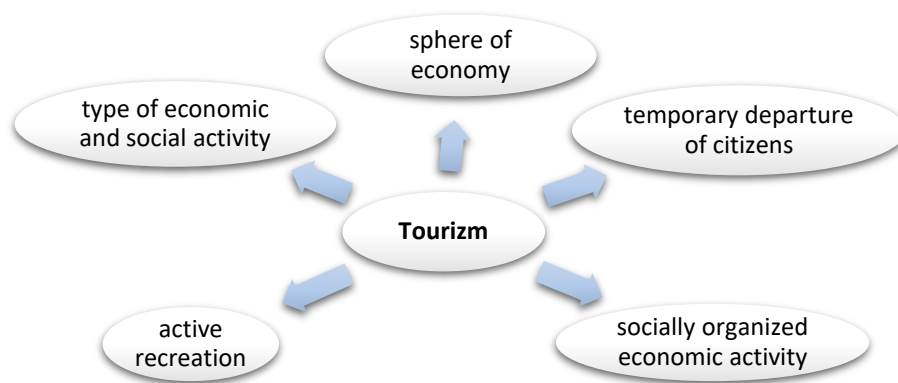
- Legislative and regulatory concept of provisions and protocols for the organization of tourist activities.

It is worth noting that scientist Yu. Mironov takes the position that the economic and social significance of tourism industry in modern conditions depends on how tourism contributes to economic growth through the development of such industries as agriculture, trade, construction, communications, the production of consumer goods, contributes the development of population employment, as well as the growth of the country's potential and real GDP, as well as an important source of foreign exchange earnings and a means of ensuring an attractive balance of payments balance of Ukraine (Myronov,

Svydruk, 2016).

As noted by O. Zavoruyeva the impact of tourism on the development of national economy is expressed in a significant increase in business activity and expansion of the production of goods and services, and as a result, an increase in the solvency of demand due to foreign and local tourists. From an economic point of view, the interest of tourism industry lies in the quick payback of foreign and local investments and the income received in freely convertible currency (Zavoruieva, 2019). In Figure 2, we tried to present structural elements of the "tourism" category.

One of main strategic directions in modern world for the development of tourism in the capital and in the country is considered to be the creation of a competitive environment both on the domestic and on the world market of national tourist product, to increase the volume of inbound tourism, as well as to ensure the comprehensive development of tourist areas in city, taking into account its socio-economic interests for both local residents and city guests, preservation and restoration of historical and cultural heritage and park areas. In order to achieve the maximum result and carry out successful activities in the tourism industry, it is necessary to implement a coordinated productive policy. As noted in the work of Professor N. Buntova, according to the estimates of experts of World Tourism and Travel Council (WTTC), the income of the world tourism industry can form more than 10% of the world gross domestic product (GDP) and show growth rates that are ahead of the growth of the world economy. By 2020, international tourism provided 30% of global exports of services and 7% of total exports of goods and services. Business trips accounted for about 9% of all international earnings (Polinkevych, 2021).



**Figure 2. Disclosure of the content category of the “tourizm” category**

Source: summarized by authors.

Among the large number of productive types of modern world tourism, urban tourism is one of its most famous types. The rapid growth of interest in Ukraine, and first of all in its capital, provides an opportunity to develop the tourism industry, thereby increasing the employment of the population, incomes and ultimately increases the incomes of the entire country. Tourism is both a dynamic and a universal phenomenon with recreational, cultural and educational, social and, most importantly, economic functions.

Analyzing the year 2021, according to the results of many industry experts, we will highlight that the number of trips within the country has increased significantly compared to the number of international trips. That is, this phenomenon is explained by the fact that for international transportation there is a key requirement and rule of quarantine that must be followed, and that is social distancing. That is, the procedure for traveling abroad is significantly different from domestic travel. In addition, the cost of air tickets to other countries has increased, and the most important factor is that not all citizens of Ukraine want to be vaccinated, which is the most important factor when entering another country. Domestic researchers in the field of domestic tourism note that tourism is the most dynamic field of human activity, that is, it is both economic and cultural development, and the protection of historical and cultural heritage and the environment also plays an

important role in this. Tourism is a multifaceted phenomenon and is an important economic and social activity, as well as a form of international relations, and one of the most dynamic industries in the field of active entertainment and recreation.

The capital of Ukraine is an independent administrative and territorial part of the country, its political, cultural, transport, scientific, legal, as well as socio-economic center. According to the population rating of European cities, Kyiv ranks sixth after London, Berlin and Madrid. According to the results of the annual assessment of the socio-economic development of the region, the capital occupies a leading position in Ukraine. Kyiv is a leader in such spheres as economic and social, as well as in investment and innovation development and foreign economic partnership, financial independence, development of small and medium-sized businesses, availability and quality of medical services (Executive body of Kyiv City Council, 2021).

The capital of Ukraine is famous among foreign tourists for its convenient location in Europe. Kyiv is a city that has its own centuries-old history, which begins according to the research of scientists at the end of V century. Arriving in the capital, every traveler will be able to see the incredible architecture that has attracted millions of tourists from different parts of the world for several decades. In the capital, everyone will find an

exciting vacation, a competitive price policy, an excellent and highest level of service and provision of services, as well as against the background of a global pandemic, the city is equipped with 24-hour laboratories and highly qualified doctors. Today, Kyiv is the most attractive for tourists because it combines ancient architecture with modern technologies.

Ukraine has great potential for the growth of both inbound and domestic tourism. There are more than 130,000 cultural monuments in the country on the state account: 57,206,000 of them are archaeological monuments; 51,364 thousand are monuments of history; 5,926 thousand are achievements of monumental art; 16,293 thousand – urban planning architecture and garden and park landscapes; sixty-one historical and cultural reserves also operate. Sophia Cathedral and Kyiv-Pecherska Lavra in Kyiv are included into UNESCO World Heritage List. In Kyiv, according to reports published on the websites of the Ministry of Culture and the Department of Cultural Heritage Protection of the KMDA, 3,521 objects of cultural heritage are listed.

Tourism is a branch of production and sale of tourist products and services, and tourism market subjects who own or have at their disposal their own tourist resources. Tourism industry operates under the close supervision of state administration and regulation, and the state, in the form of the government and the legislative branch of government, formulates policies for the development of tourism industry. At the same time, the plan for the development of tourism from the perspective of modern science reflects the planned procedures, processes and mechanisms of influence of the country and the subjects of the industry on the modern concept of tourism and on adjacent branches of national economy and on the sphere itself as a whole. We also note that new development of approaches takes into account several separate components of its elements that have an impact on tourism and its

development, separately, economic, social, transport, cultural and territorial policies.

Despite the absolute increase in the fields of tourism and hospitality, the following problems are still relevant nowadays: the need for diversified and specialized provision of hotel services, i.e., there are no statistics on the applicability of the housing industry for tourist purposes, including renting housing to foreigners. The problem of reducing the number of tourists staying in hotels due to their location in private houses is urgent. Such a scenario is beneficial because the city budget is replenished through the tax of the person who rents an apartment; inadequate state supervision; outdated technical support; poor quality of service and lack of qualified personnel; comprehensive plans for the development of some types of tourism industry and hotel business were not developed, and instead implemented; insufficiently thought out and organized advertising, marketing industry.

Today there is a problem that the state somewhat restrains the evolution of the material and technological basis of the hotel industry. According to official data, in Kyiv the material and technical conditions of hotels, except for elite hotels, do not meet the standards. In this case, it is necessary to formulate the rules for providing and controlling the quality of service. Prices for hotel services in the capital are too high and will continue to increase, and coziness, comfort, and service do not meet European quality requirements. This is due to economic factors such as inflation, rising prices for household services, and war. It should also be noted that the restoration of campsites and motels for tourists who choose bus tours will be relevant.

To solve all the above-mentioned problems, there is a need for investments. Financial policy in the tourism and hotel business sector should be flexible and implemented with the help of attracting investments from private companies, charitable, social, and foreign

organizations. The promotion of the investment potential of Kyiv in terms of tourism development is:

- Analysis of the city's potential and its active participation in international events for investment, and positioning itself as an attractive city of Central and Eastern Europe;
- Conducting advertising and information events (including the promotion of investment events) for the organization of the investment community regarding Kyiv's investment opportunities;
- Ensuring the full use of the potential of international visits of senior leaders to the capital in order to attract the international community to investments;
- Permanent cooperation with international rating agencies (making efforts to improve the city's position in the international rating).

The development of hotel and restaurant business in Ukraine is a promising direction due to good conditions and significant resources. Nevertheless, there are still a large number of difficulties with the country's legislative framework and its weak economic and political situation, which significantly hinders the growth and development of hotel and hotel-restaurant business. Because of this, main issue is the regulation of the emergency situation in Ukraine, the organization of the economic and political situation, renewal and improvement of the legislative framework, management in the field of hotel and restaurant business.

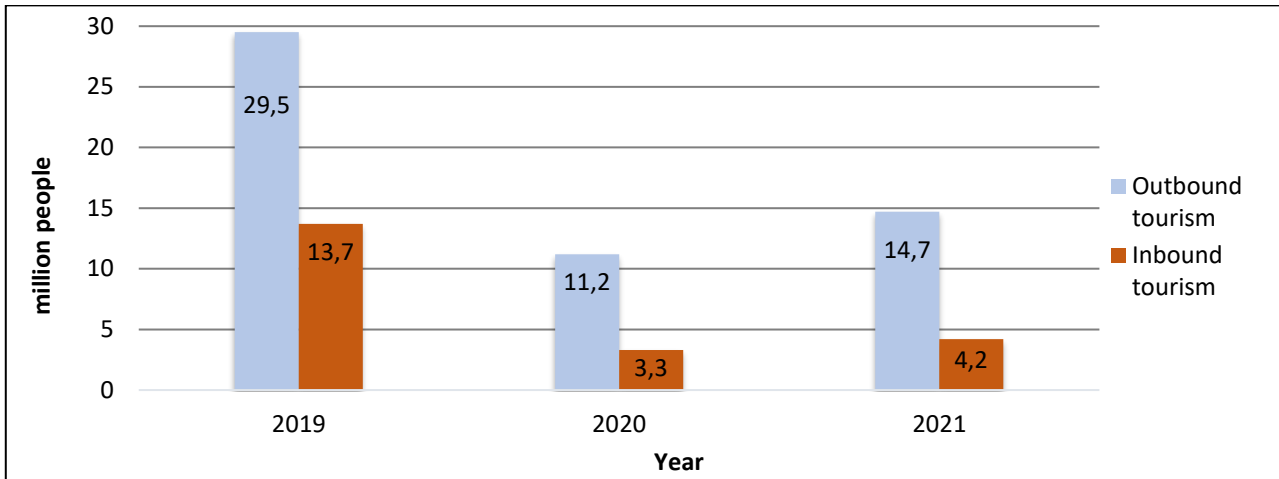
It should be noted that the tourist potential of Ukrainian capital is related to air and rail transport, which connects approximately 70 cities around the world. But the best air route is with such countries as Poland, Germany, Turkey and Italy. Visitors to Kyiv are served by two international airports, such as Boryspil Airport and Zhulyany Airport. But today the air transportation market has some features, such as: the unavailability of flights in certain strategically important directions that could connect the Ukrainian capital with major cities of the world, that is, there are no direct flights

with such megacities as: Shanghai, Delhi, Abu-Dabi, Toronto, Oslo, Tashkent, etc., which does not make it possible to open attractive tourist markets for the city and the entire state; the air transport market has a certain monopoly and does not contain international and well-known low-cost carriers; most often, only one out of four possible terminals and halls of official delegations works, this phenomenon is explained by the lack of a sufficient break-even point for passenger traffic); transit (border and customs) procedures for crossing the border are too cumbersome, which has the effect of hindering the increase in transit passenger traffic; relatively high price of services provided by Boryspil airport, such pricing affects the attractiveness of the airport for new airlines, which causes an increase in ticket and flight prices.

If we analyze the tourist flow for the period from 2019 to 02 February 2022, we can notice a decreasing trend, so if we compare 2019 and 2020, there was a big decrease during this period, the reason for this was the virus, due to which there was a ban on tourism all over the world. According to the State Border Service of Ukraine, in 2019, 13.7 million people visited Ukraine, and in 2020, their number was 3.3 million tourists, that is, the number of foreign tourists decreased by 75.3% compared to 2019, in 2021 the indicator was 4.2 million foreign tourists, that is, the trend is positive and the indicator increased by 26.3% compared to 2020. In 2021, the situation with the coronavirus becomes more controlled and safer, so there are more foreign tourists.

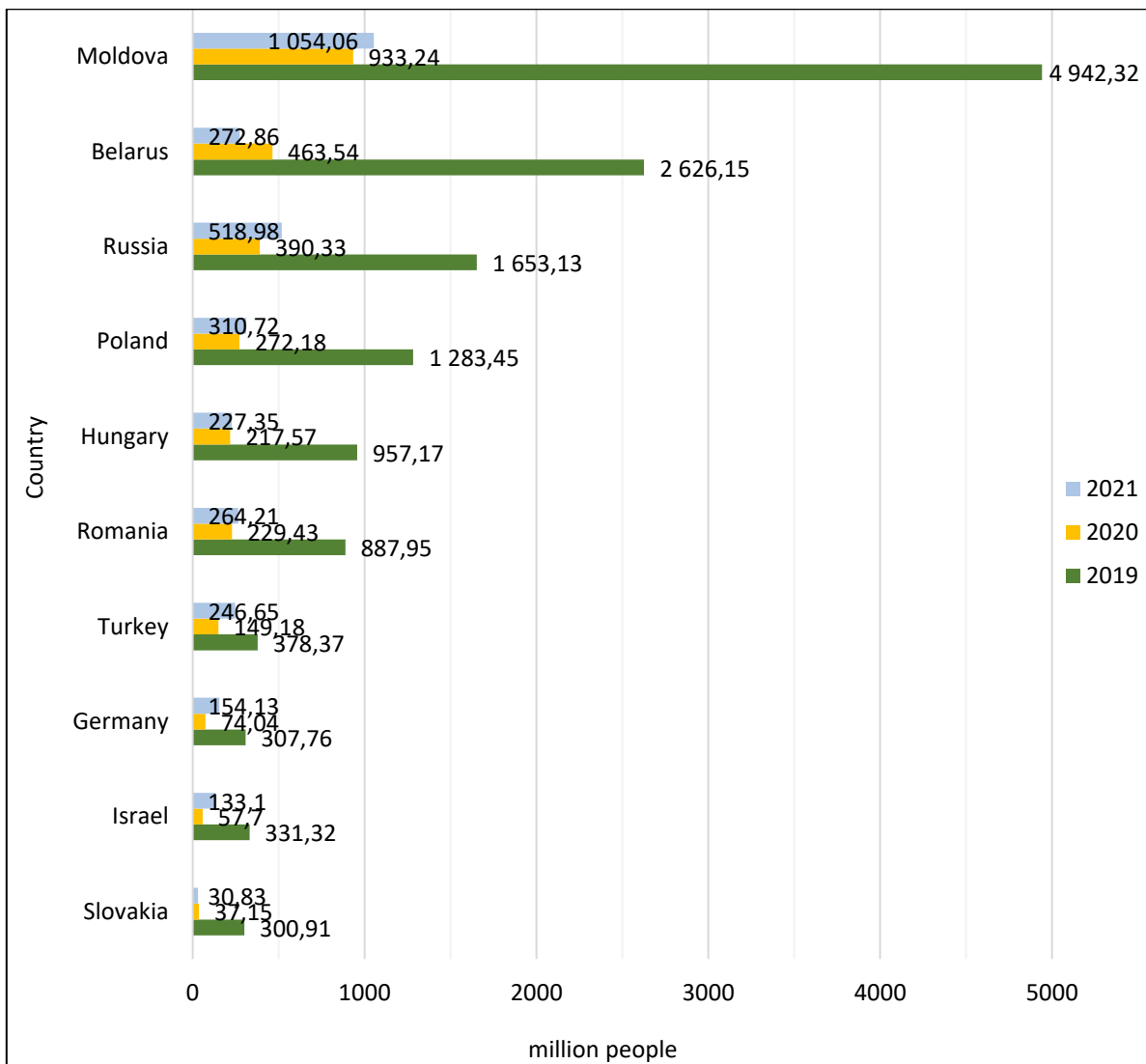
At this time, the flows of outbound tourism are also not stable. Thus, in 2019, 29.5 million citizens left the country, in 2020 this figure decreased to 11.2 million, i.e., compared to 2019 it decreased by 80.4%, in 2021 the figure increased and amounted to 14.7 million people, which compared to 2020 increased by 30.9%. A visual demonstration of the data is presented in Figure 3. The breakdown of countries whose citizens most often visit Ukraine is presented in Figure 4.





**Figure 3. Tourist flows in 2019–2021**

Source: constructed by the authors based on source Official portal of Kyiv. Kyiv City Council. Kyiv City State Administration, 2021.



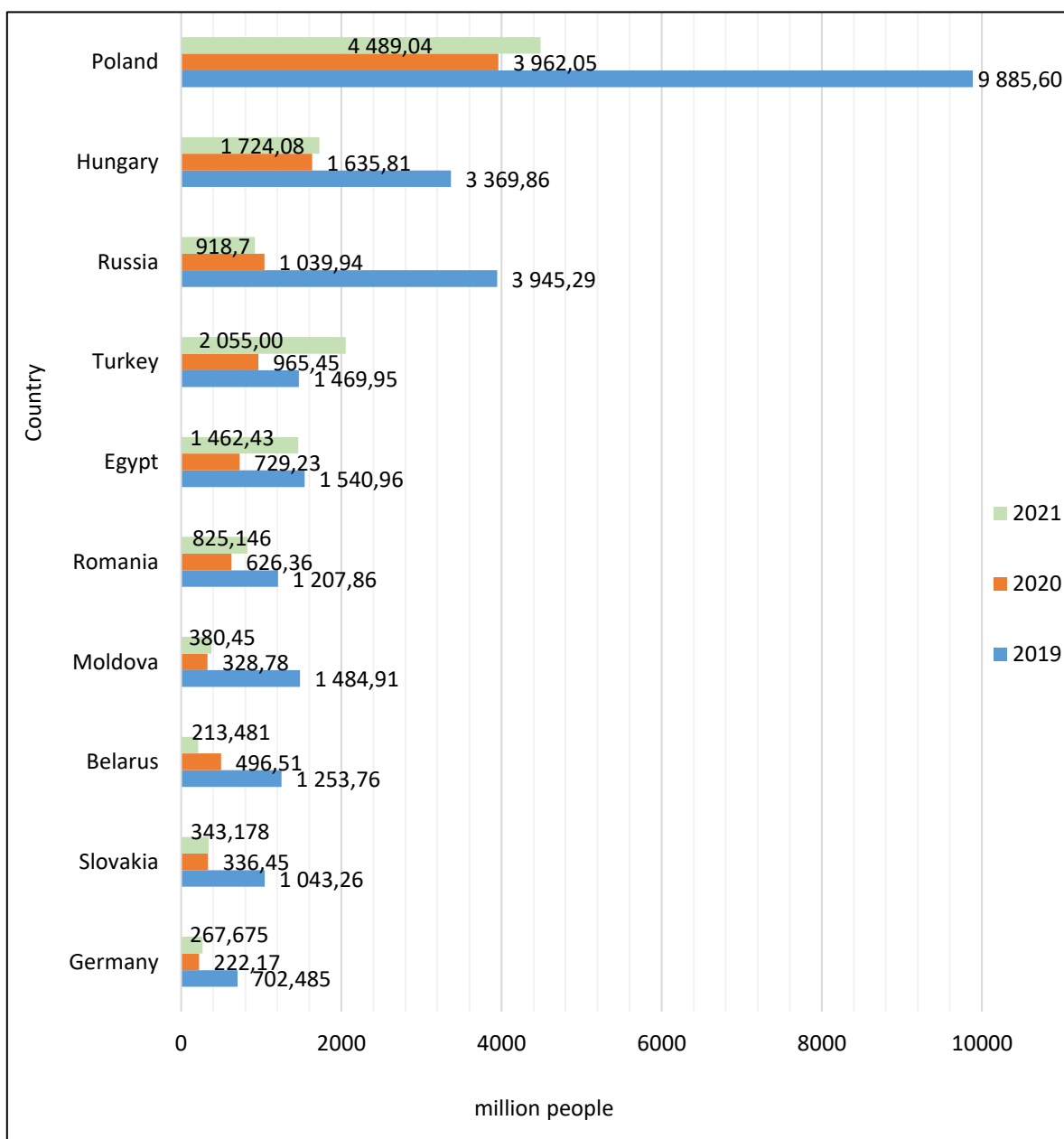
**Figure 4. Countries whose citizens most often visited Ukraine in 2019–2021**

Source: constructed by the authors based on source Official portal of Kyiv. Kyiv City Council. Kyiv City State Administration, 2021.

The largest number of foreign citizens in 2019–2021 came from Moldova, where there was an average of 6.2 million tourists, Belarus (3.07 million), Russia (2.3 million), Poland (1.7 million), Hungary (1.2 million) and Romania (1.2 million). The ten countries that most frequently visited Ukraine in the period 2019–2021 also include: Turkey (702 thousand), Germany (498 thousand), Israel (486 thousand), Slovakia (337 thousand). The share of citizens of European countries was 78.9%, in the second city of Asian countries with an indicator of 17.9%.

Citizens of Ukraine most often visited such

countries as: Poland, Hungary, Russia, Turkey, Egypt. The countries most often visited by Ukrainians are shown in Figure 5, for which data from the State Border Guard Service of Ukraine for 2019–2021 were used. Over the course of three years, Ukrainians traveled to border countries, such as Poland, to which an average of 18.3 million Ukrainians traveled during the period 2019–2021, on Hungary is in second place with 6.7 million citizens, and Russia is in third place with 5.9 million citizens. We can also note that starting from 2020, trips to Russia and Belarus have significantly decreased.



**Figure 5. Countries where Ukrainians travel most often in 2019–2021**

Source: constructed by the authors based on source State websites of Ukraine, 2022.

As for tourist flows in the city of Kyiv, according to the Kyiv City Council, the main portrait of tourists who most often visit Kyiv has changed significantly. Thus, by 2013, almost a third of foreign tourists were from Russia, which significantly exceeded the number of European and Asian tourists. But today main countries from which people travel to Kyiv are Europe, Israel and the USA (they account for 50% of the total number of foreign tourists) (Official portal of Kyiv. Kyiv City Council. Kyiv City State Administration, 2018).

According to official data of the State Border Service, in 2021 the largest number of tourists came to Kyiv from the USA – 26,576 people, Israel – 22,684 people, and Turkey – 21,057 tourists (Official portal of Kyiv. Kyiv City Council. Kyiv City State Administration, 2021). According to the Doing Business – 2020 rating, we can see an improvement in the trend of tourism development and a rise in the rating by 7 points immediately, the growth of positions took place in such areas as tourist infrastructure – it rose by six points (Government portal. The only web portal of executive authorities of Ukraine, 2019).

The position of the country according to the rating of the best countries and doing business in tourism has not changed, that is, the introduction of both main and tourist business is not easy, so domestic enterprises are still quite sensitive to changes in the external environment both in the country itself and outside its borders. Tourism business is acutely aware of the change in currency exchange rates, which can be explained by settlements with foreign companies that are providers of services and payments to foreign tourists, such a change occurs under the conditions of cooperation with suppliers, a change in the income of the population.

We share the opinion of scientists N. Pohuda, T. Primak, L. Ivchenko, who are of the position that tourism cannot develop without normal interregional competition,

that is, the level of development of a certain tourist city of Ukraine depends on its ability to realize its already existing tourist potential. The ultimate impact is the growth of domestic tourism, which can make a significant contribution to the social and economic development of the country, influence the income of local and national budgets, business development in tourism and related areas (Poguda, Prymak, etc., 2020). Tourism refers to the sphere that must quickly respond to fluctuations in demand and supply, as well as to changes in the external environment, such as political, economic and social factors. International trends in the development of tourism services may indicate an increase in its role both at the global and local levels.

Ukrainian capital is not only the leader in terms of paying taxes and tourist fees, but also in terms of the number of tourist visits, the number of tourist entities, as well as restaurants and hotels. Statistics show that the dynamics of the number of certain subjects of tourist activity in the capital corresponds to the dynamics of the entire Ukraine.

Analyzing the flow of tourists to Kyiv, it should be noted that a significant number of domestic tourists are currently traveling from the northern part. If we consider the inbound tourist flow, it shows that the largest number of visitors to Kyiv come from Europe (59.2%), Asia (30.6%), Australia, New Zealand, America and Africa (from 1–2%) (Official portal of Kyiv. Kyiv City Council. Kyiv City State Administration, 2022).

As part of the problem of the article, we will present a SWOT-analysis of the tourist attractiveness of the Ukrainian capital (Table 1). According to the presented SWO- analysis, there is a need in Ukraine to develop a new anti-crisis strategy to maximize tourist flows to the city, as well as to develop measures to improve the image of the Ukrainian capital and an accessible destination.

**Table 1. SWOT-analysis of the tourist attractiveness of the city of Kyiv**

<b>Strengths</b>	<b>Weak sides</b>
<ul style="list-style-type: none"> <li>- Many affordable and high-quality public catering and entertainment establishments;</li> <li>- Geographical position, which helps the development of a network of many directions and connections;</li> <li>- Connects main directions of travel and events for further trips in Ukraine and Europe;</li> <li>- One of the affordable cities for vacations or weekends;</li> <li>- A city with centuries-old history and diverse architecture;</li> <li>- A hospitable and good city;</li> <li>- A significant part of international air transport;</li> <li>- Availability of many network connections.</li> </ul>	<ul style="list-style-type: none"> <li>- In the international arena – the reputation of a dangerous and criminal city;</li> <li>- Frequent actions and rallies in the government quarter of the city;</li> <li>- Lack of sufficient greening and landscaping, namely, few parking lots, poor-quality road surface, not enough public toilets and there are problems with cleanliness on roadsides and in parks;</li> <li>- Public transport is not perfect;</li> <li>- Many hotels without categories;</li> <li>- The cost of services provided by the airport is too high;</li> <li>- Sufficiently high level of terrorist threats;</li> <li>- Underdeveloped infrastructure for active leisure for disabled people and children.</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>- Liberalization of the visa regime with a number of countries, that is, the cancellation of visas, the introduction of electronic visas and transit day corridors issued upon arrival;</li> <li>- 2022–2024 implementation of the city target program of city development;</li> <li>- The position of the capital for spending affordable weekends by Europeans in Kyiv;</li> <li>- Delayed demand for travel to the city, which will be used after the stabilization of the situation in Ukraine.</li> </ul>	<ul style="list-style-type: none"> <li>- Deterioration of the country's attractiveness for foreign tourists due to active hostilities and a difficult socio-political situation;</li> <li>- Economic crisis, decrease in purchasing power;</li> <li>- Successful for the positive growth of other large European cities, such as Wroclaw, Budapest, etc.);</li> <li>- Strengthening the attractiveness of other tourist cities of Ukraine, which also have airports, such as Odesa, Lviv, etc.).</li> </ul>

Source: summarized by authors.

So, based on the results of our study of the inbound and domestic tourist market of the capital, and the SWOT-analysis of the characteristics of the city's tourism, we can draw the following conclusions and provide recommendations in terms of improving tourist flows, namely:

- Development of a strategy aimed at eliminating the crisis situation and improving the image of the city and which will be able to neutralize the status of a dangerous city;

- Targeted positioning on the consumer market, as well as creation of a competitive tourist product for certain categories of tourists;

- Strategy for planning a large number of international level events and festivals;

- Encouragement of standardization of accommodation establishments (hotels, motels), and official registration and functioning;

- Creation of practical and convenient public transport infrastructure and navigation of trips in three main languages (Ukrainian, English and

Chinese);

- Improvement of landscaping and landscaping, i.e., roads, parks, parking lots, public toilets, cleaning in public cities;

- Creation of infrastructure for active recreation for people with disabilities and children.

The difficult economic and social situation in the country, affected by the epidemic and the war, significantly inhibits the development of tourism and loses any meaning of the long-term efforts made by the heads of enterprises and the country to stabilize tourism. However, regardless of the unstable foreign economic environment, tourism industry will demonstrate considerable dynamism. In order to solve the problem of the necessary ways and recommendations for the further development of tourism in the country, it is necessary to determine the influence of various factors and conditions affecting it. Their main classification consists in such characteristics as the level of influence, direction of influence, consequences

and nature of influence.

As noted by Ukrainian scientist V. Savchenko, local self-government bodies play a significant role in the implementation of tourism tasks. The provision of tourist information, implementation of law enforcement, cooperation of tourism infrastructure with other important elements of economy, development of communal economy and construction of routes and tourist facilities depend on their activity. Branches of activity of local self-government bodies take part in the generation of tourism offer, which may indicate their main role for the development of the industry. Also, an essential element of the activity of local self-government bodies in the field of tourism policy is the popularization of a certain area and tourist product. The effectiveness of these measures is reduced to the correctness and reliability of information, the complexity of materials, production and printing, and participation in exhibitions (Savchenko, 2018).

In order for there to be a successful development of tourism in Ukraine, it is necessary to create proper conditions for the functioning of enterprises, firms and companies in tourism market. Thus, one of main determinants affecting the development of tourism is the decision of the Cabinet of Ministers of Ukraine to approve the strategy for the development of the tourism industry and resorts for the period until 2026. In order to implement this strategy, main directions are foreseen: ensuring the protection of tourists and their rights and interests, implementing the legislation of the European Union in the field of tourism, satisfying the comprehensive development of the territories of the state, including the creation of convenient conditions for the attraction of investment flow in the tourist infrastructure, improving the system of professional training service personnel, creating and promoting an attractive image of both the capital and the entire country (Order of the Cabinet of Ministers of Ukraine, 2017).

If we define tourism as a branch that is one of main branches of national economy, then for its

effective functioning, some problems need to be solved, which require state regulation and there is a need for the help of executive authorities. We are talking about the normalization of cooperation mechanisms of state authorities with public organizations, scientists and entrepreneurs; maximizing the degree of safety at tourist sites and their routes, i.e. timely emergency assistance to travelers injured during the trip; organization of appropriate infrastructural and information facilities for tourism objects and their routes; improvement of the tax legislation, which will be able to contribute to the investment flow in Ukrainian tourism infrastructure and health complexes.

It is worth noting that one of the priority areas of Kyiv's development stipulated by Kyiv City Development Strategy until 2025 is tourism industry. For this reason, the strategy states that the development of tourism will make it possible to maximize the average annual growth rate of tourism to 6.3% in 2025, and this can be achieved if the number of tourists is 2.6 million. This is possible under the conditions of the implementation of main determinants of the promotion of Kyiv as a tourist destination center (Executive body of Kyiv City Council, 2017), namely:

- Development of marketing programs for the development of tourism in Kyiv;
- Ensuring further filling and promotion of the tourist portal, listing the city in the TOP-10 register of world sites for tourists and tour operators;
- Promoting the tourist potential and brand of the city by conducting PR events and participating in international tourist events.

But unfortunately, in wartime conditions, when tourism both in Ukraine and in its "very heart" suffers from tests like a new virus in the world, the war of Russian Federation, so the suspension of international tourist transportation becomes obvious. But domestic tourism is allowed, so the attraction of the capital has only increased, especially with the beginning of summer, when the city of Kyiv is relatively safe compared to the eastern regions of Ukraine.

When the war began in Ukraine, all cities became a place for bombing both civil and historical architecture. For example, the Russians destroyed not only cultural heritage, but also entertainment shopping centers, such was the destructive shopping and entertainment center "Retroville" on Vynogradar, the shopping center "Lavina Mall" was shelled twice, but against the background of all the destruction experienced by Kyiv, it is still in the center. Various flowers bloom in all colors on Kyiv's Independence Square, and the famous Singing Field is open to everyone who wants to enjoy the beauty of nature.

In the summer of 2022, in Kyiv, you can see many contrasts that are related to military actions, so driving somewhere you can see a lot of trenches, soldiers, and near the TV tower,

which was fired at three times, you can see an unexploded rocket sticking out of the asphalt. But despite all the troubles, the capital continues to live. Despite all the destruction, Kyiv remained the most beautiful city, where apple and cherry trees bloom in the parks, there is a small garden with daffodils and lilacs around every house, where people make our city the grandest and most beautiful in the world. Even political figures from European countries who came to Kyiv were pleasantly surprised by our capital. So, despite the realities of the war, the city lives on tourism, cafes and restaurants, cinemas and shopping centers, parks and squares are open here, and this is a great contribution to the country's economy in wartime.

## Conclusions

The history of tourism industry is very rich and diverse, with a centuries-old history, from the beginning of mankind to the present day, people sought to see something different and different: culture, religion, language, all this led to the appearance of a new varnish in the economy such as the tourism industry.

The development of tourism industry in the country is often subordinated to the system of a number of determinants that need to be resolved. Classification and ordering of these factors will allow to maximize tourism industry and bring it to a new level of development. So, among the necessary organizational measures that will help firmly establish business development are: the introduction of systematic trainings and seminars of tourist destinations for businesses and interested persons in the field of tourism; creation and improvement of state policy in the fields of tourism and hotel business, which will help restore this sphere; expansion of tourism infrastructure to comprehensively meet the needs of all types of tourism.

In conclusion, we note that updating the development of Ukrainian hotel and restaurant business involves not only research, but also forecasting and planning of the field of activity for the future at the appropriate phase. This should

be done by starting with an analysis of the environment, both internal and external, defining new programs of economic entities, taking into account new modern realities, opening up one's own perspectives and, on their basis, developing new plans and concepts, models of business plans, scenarios, and finally is the process of implementing projects. At the same time, it is necessary to modernize services and products, and further increase the technical and economic level, as well as their nature and ability to compete. It is also worth paying attention to knowledge-intensive production activities and the ability to export services.

So, tourist industry of Kyiv is a set of various tourist services that are in the process of intensive development and have the most important component of the local tourist product, which acts as a business card and becomes a branded product of the city. The most important task of creating a competitive local tourism product in Ukraine for the coming years should be the achievement of a high-quality level of tourism services both in the domestic and foreign tourism markets, by increasing the innovativeness and digitization of services, and later, leadership in them.

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