

Section: Economics and management of national economy

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THE FRAMEWORK OF AN EFFECTIVE STATE TOURISM DEVELOPMENT POLICY IN UKRAINE

Nowadays tourism can provide a well-balanced and stable economic base for a region whose only development options are related to the wide variety of cultural and natural resources or their combination, and Ukraine is not an exception, but a bright approval to these words. Due to the abundance of cultural and natural resources there is something interesting for every tourist coming to Ukraine: enjoying the charming architectural ensembles of Ukrainian cities and small towns, some of which have been inscribed into the UNESCO World Heritage List, visiting the amazing ancient palaces and national parks, exploring the unique culture of the rural areas and the diversity of communities there, enjoying relaxing coasts and skiing resorts holidays.

The direct contribution of Ukrainian Travel & Tourism to GDP was UAH 30,8 bn (2,3 % of GDP) in 2013 and is expected to grow by 4,3 % to UAH 49,0 bn (2,4 % of GDP) by 2024 [1]. It is evident that despite the tremendous tourism resources, Ukraine is not overwhelmed with the crowds of visitors from abroad. For many people positive points, related to this tourist destination, remain buried under other preconceived notions as poor tourism infrastructure and the nuclear fallout of Chernobyl years before. Besides, the last 2014 year proved to be a damaging period for the tourism industry in Ukraine, “with inbound arrivals and occupancy rates falling to unseen depths, putting high amounts of pressure on hoteliers in the country and the industry as a whole” [2].

Economical and political instability and the lack of policy and planning are the major problems in the tourism development in Ukraine. That is why national tourism developers should make every effort on increase of efficiency of resources use, increase of promotion and advertisement and international experience implementation. No improvement will be possible without a specific policy towards new offers that involve all the tourist fields, even in the perspective of a future European integration; in fact, tourism could mean not only a chance to earn money and to increase the Ukrainian GDP, but also to enforce the role of the country in the European geopolitical scenario, proposing the potential tourists as a good choice to stay on holiday in its southern beaches or to visit the unique historical places.

In this regard, for effective tourist industry development it is necessary to clearly define the powers between tourist markets` participants, to form the governance structure of tourist industry and to ensure full use of region`s tourism potential, making it as affordable as possible for the consumer by establishing a high-quality tourism infrastructure (Table 1).

Table 1

Key Objectives Relating to the Policy for Tourism Development in Ukraine
[according to authors` compilation]

Objectives	Content
Economic	To increase revenues and the contribution of tourism sector to foreign currency earnings and the GDP. To create a favorable investment climate in the tourism sector and encourage local entrepreneurship, with linkages between tourism and other industries. To use tourism to support the development of rural communities. To achieve growth in domestic, regional and international tourism.
Social / Cultural	To encourage the further development of a national identity and the maintenance of pride in our culture. To develop tourism to help conserve and protect the physical environment, enhancing the use of historical sites, monuments and attractions. To use tourism to stimulate the expression of all forms of contemporary culture, through different activities and events.
Organizational	To establish effective institutional arrangements and planning mechanisms for tourism sector development. To develop tourism in a balanced and sustainable manner in harmony with the country`s economic and social goals, according to the national priorities as set from time to time. To keep various components of the tourism product in balance in both quality and capacity. To coordinate all public and private sector agencies, organizations and interests.
Environmental	To promote the development of environmentally sustainable products and practices. To promote use of indigenous knowledge in the development of tourism. To expand tourism facilities in accordance with the land use controls.

Table 1 shows us that the expected results from the implementation of such a tourism development policy at the state level are as follows: infrastructure development in tourist and recreational sphere across the whole country; exhilaration of the mechanisms of public-private partnerships in the field of infrastructure development; creation of a favorable investment climate for projects implementation in the tourism sector.

The development of tourism in Ukraine takes place in a specific environment, which indicates the level of tourist potential usage and provide its protection in the long-term period. Uneven distribution of the tourist attractions and tourist flows across the country as a whole may result an imbalance in territories development, disrupt they overall development and lead to anthropogenic overload. The lack of spatial planning induces the real chaos in the process of the tourist infrastructure objects development. Considering this fact, we can determine the key tasks of tourism potential increasing in Ukraine (Table 2).

Table 2

Tasks of Tourism Potential Increasing in Ukraine [according to authors' compilation]

Tasks	Possible spheres of the development
The support of available tourist products as well as the creation of new ones	Development of the tourist and excursion routes network and implementation of actions for the development of walking tourist routes, such as hiking, horse, car, bike routes, etc. Formation of cross-border tourist routes and launching of the program for training specialists in the field of tourist guiding. Development and further popularization of guided weekend tours, as well as off-season sightseeing tours.
The development of the resort and recreational zones	The development of recreational activities in nature protected areas. The suitable development of tourist infrastructure within the existing resort areas in Ukraine.
The development of tourist infrastructure in the country	Improvement of recreational territories, tourist routes and river banks across the country. Network development and promotion of the tourist information centers functioning. Tourism infrastructure development in compliance with the requirements of persons with disabilities. Construction of the tourist bus stops for drivers and passengers rest along the travel routes.
Development of ecotourism, including rural tourism	Promotion of tourism by conducting the seminars for rural estates owners. Categorization of rural green tourism homesteads. Support of eco-tourism, construction and marking of tourist routes, ecological trails, climbing routes.

The expected results from the implementation of the above-mentioned tasks should be as follows: creation of an integral brand of each Ukrainian region as a

tourist destination; creating a positive tourist image of Ukraine as a tourist country in the domestic and international tourism markets; ensuring the competitiveness growth of the domestic tourism supply in order to meet the international standards of quality; increase in sales of tourist products in Ukraine as a whole. The key indicators of the proposed activity can be defined in the following way: total amount of tourist tax revenues in the country, quantity of domestic and foreign tourists rate of web portal visiting, average annual investment in the tourism sector development; tourist average expenses while staying in the certain region.

Ukrainian economy is expected to undergo a gradual adjustment with significant short-term output costs. According to the recent forecast data from the international experts in the field of economics, external and fiscal imbalances would be gradually reduced with the support of the International Monetary Fund program. That is why the required structural reforms would be implemented on schedule and a systematic banking crisis would be prevented, though fiscal costs of bank recapitalization may turn out to be essential. These reforms are of the essence for the medium-term recovery of the Ukrainian economy, especially its tourism sector.

The arguments we have presented suggest that Ukraine has a great potential for further development of tourism industry and as a result additional resource for foreign exchange earnings. Investments in the tourism industry will attract more international tourists and, therefore, increase the amount of services provided. The further development of tourism industry in this country as any other field of activity, requires an appropriate institutional framework, a proper tourist destination management. This is quite impossible without an effective strategy, able to flourish and expand tourism in Ukraine.

References:

1. Turner R. (2014), Travel & Tourism: Economic impact 2014, Ukraine. World Travel & Tourism Council. 24 p.
2. Ukraine Tourism Report. Published on the 24th of June, 2015. BMI Research Group. Accessed at: <http://store.bmiresearch.com/ukraine-tourism-report.html>