

# RESTORATION AND DIRECTIONS OF TOURISM BUSINESS DEVELOPMENT IN UKRAINE AFTER THE END OF THE RUSSO-UKRAINIAN WAR

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**Abstract.** The article examines the prospects and directions of development of the post-war recovery of the tourist business in Ukraine after the end of the Russo-Ukrainian war. It is well known that the tourist activity in Ukraine and abroad has suffered a lot. *The purpose* of the article is to analyze the peculiarities of the tourist sphere of Ukraine, to study the possible directions of the development of the tourist business and to reveal the prospects of the post-war renewal of the tourist sphere in Ukraine. *Methodology.* In order to achieve the set goal and solve the set tasks in the research process the following methods were used: system method (to study the current state of tourism in Ukraine); method of theoretical generalization (to specify the data); graphical method (to interpret the obtained results); methods of surveys, expert assessments (to assess the situation in tourism enterprises); method of transition from abstract to concrete. *Results.* The peculiarities of military, educational and ecological tourism were studied. The priority directions of development of tourist sphere of Ukraine are suggested. It was established that the post-war reconstruction of Ukraine is an opportunity to involve international experts from various fields in modernization. At the same time, it is necessary to take into account the experience of many countries, which were able to overcome the crisis situation as a result of military actions, and attract foreign tourists to increase the economy of Ukraine. *Practical implications.* A program has been proposed that will be an important part of future development and not a decline. *Value/originality.* General mechanism of renewal and development of tourism. The innovative development of the economy in the affected regions can be ensured only by the creation (first on the controlled territories, and then on the de-occupied ones) of special economic zones and scientific and production parks. Such creation will stimulate development of production based on new advanced technologies, increase of vacancies, volume of exports, etc.

**Key words:** tourism, restoration, Russo-Ukrainian war, tourism, military tourism, foreign tourists, migration of population, challenges, prospects of development.

**JEL Classification:** A11, M21, M38

## 1. Introduction

The urgency of the topic is caused by the fact that in today's conditions the tourist business of Ukraine will suffer huge losses. Due to the Russo-Ukrainian war the tourist activity in the center, east and south of Ukraine has completely stopped.

The decrease in tourist flows began in 2014 due to the occupation of the Autonomous Republic of Crimea and parts of the Donetsk and Luhansk regions of the Russian Federation, as well as

the beginning of the war between Russia and Ukraine. In addition, the quarantine restrictions caused by the COVID-19 wind epidemic had a great impact on the tourist sphere. The new challenge for the tourist business was February 24, 2022 – the beginning of a full-scale invasion of Ukraine by Russia. Since then, there has been a dramatic decrease in tourist flows, as a large number of Ukrainians have moved abroad to escape the brutal war, and some tourist enterprises have closed or turned to volunteer activities.

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The purpose of the research is to analyze the peculiarities of the tourist sector of Ukraine, to study the possible directions of the development of the tourist business and to reveal the prospects of the post-war renewal of the tourist sector in Ukraine.

## 2. Nature and potential of tourism in Ukraine

Tourism is a temporary departure of a person from the place of residence for health, cognitive, professional-business or other purposes without carrying out paid activity in the place where the person leaves.

The main types of tourism are as follows: urban tourism; ecological (green); ethnic; rural; cultural and educational; joint; medical and health; culinary; religious; mountain, sports, cycling; adventure and active; scientific and educational; cruise and yacht; shopping and entertainment tourism; other priority types of tourism. (Verkhovna Rada of Ukraine. The Law of Ukraine on Tourism)

Depending on the categories of people who travel, their goals, objects used or visited, or other signs, there are such types of tourism: Children, youth, family, elderly, accessible, cultural-cognitive, medical-health, sports, religious, ecological (green), rural, underwater, mountain, adventure, hunting, car, amateur, etc. (Verkhovna Rada of Ukraine. About the approval of the Strategy)

It is well known that Ukraine has considerable tourist potential. In particular, it is one of the leading countries in Europe by the number of objects of historical and cultural heritage.

In the state register there are about 170 thousand real estate monuments of cultural heritage located on the territory of Ukraine. By 2021, more than 15 thousand monuments of national (1167 objects) and local significance were included in the State Register of immovable monuments of Ukraine, the rest were included in the lists of monuments until 2000, according to the Soviet legislation (Great Ukrainian encyclopedia).

## 3. War's impact on tourism

As a result of the Russo-Ukrainian war, tourism has suffered greatly both in Ukraine and abroad. Experts predict that the greatest impact of the war will be on the tourist activities of the Middle

East, Turkey, Germany and Greece. And these consequences are not connected with political reasons, but with rising gas and oil prices. In addition, the prices of tourist services will increase. (Parfenenko)

The main challenges in the sphere of tourism were (National Council for the Restoration of Ukraine from the consequences of the War):

- lack of tourist flows to Ukraine;
- dangerous stay in many regions of the country;
- large number of destroyed objects of tourist infrastructure, historical monuments, museums, etc;
- lack of awareness of tourist facilities in many regions;
- absence of an automated system for collecting tourism statistics to assess the industry, the volume of revenues and expenditures in the industry;
- no-fly zone over the country;
- absence of a national tourism portal for foreigners.

It is worth noting that the sphere of tourism is defined by the following aspects (Korchevska, 2022):

- volunteering has become one of the main goals of tourism business management;
- most tourist centers have become centers of humanitarian and volunteer assistance;
- a tourist route should include a map of bomb towers or other protective structures;
- there should be minimal routes around important state and military facilities, which can be a target of rocket-bomb attacks of the Russian aggressor;
- routes in the vicinity of important state and military facilities should be minimized because they can serve as targets for the Russian aggressor;
- inability to conduct beach and pedestrian tours due to military actions.

Today, there are no completely safe recreational areas in Ukraine during the war, which affects the tourist attractiveness and competitiveness of the country, which currently has no positive indicators. Regular mass shootings and rocket attacks have completely closed the entrance of foreign tourists to Ukraine. They do not have the opportunity and do not want to go to a country with increased danger. Moreover, not only international tourism has stopped its activities. Due to the migration of millions of people from the dangerous regions of Ukraine to the safe ones, Ukrainians themselves stopped traveling.

The sphere of tourism has become especially relevant during the full-scale war in Ukraine, that is why it is studied by many domestic and foreign scientists. In particular, Sak T., Bilo I., Tkachuk Yu. in their works analyzed the ecological and economic consequences of the Russo-Ukrainian war. In the researches of Pankov N. attention is paid to the direct influence of the war on the tourist sphere, the behavior of the participants of the tourist market at all stages of the crisis is discussed.

In addition to enormous real human losses, war has very serious economic costs, such as damage to infrastructure, reduced labor force, inflation, deficits, insecurity, increased debt, and disruption of normal economic activity.

For example, during World War II, inflation in the United States rose sharply because the economy was operating at near full capacity, and high government spending and a shortage of labor created inflationary pressures. (Sak, Bilo, Tkachuk, 2022)

The Ukrainian tourist industry is losing a lot of money. First of all, foreign tourists do not come to Ukraine. In 2020 their number will be almost 4 million, of which about 90 thousand will use the services of Ukrainian travel agencies.

In fact, since February 24, the flow of inbound traffic has been completely lost, business tourism has been suspended, and local tourism has turned into the movement of internally displaced persons. (Maliarchuk, Chirva, 2022)

However, despite the losses of the Ukrainian tourist sector due to the war, in the first four months of 2022 the total amount of tourist tax was 64 million 611 thousand UAH, which is almost 65% more than in the same period of 2021, when the budget received 39 million 206 thousand UAH.

The leaders on payment of tourist fees included the city of Kyiv and 4 regions (Figure 1). (State Agency for Tourism Development)

Such a noticeable increase was caused by the massive migration of the Ukrainian population fleeing bombing and occupation. Millions of people left their homes in the eastern, central and southern regions and moved to more peaceful areas in the west of Ukraine. As a result, there has been a significant decrease in tourism in the areas where fighting is taking place or has taken place, as well as in the occupied territories.

In Mykolaiv Oblast the amount of tourist tax decreased by 63%, in Luhansk Oblast – by 60%, in Sumy Oblast – by 48%, in Kherson Oblast – by 46%, in Zaporizhzhia Oblast – by 41%. Taking into account the calculations, in the first 4 months of 2022 representatives of the tourist sector of Ukraine paid 18% less taxes than in the same period of 2021. Thus, the total number of taxpayers engaged in tourist activity, during the first months of the war, decreased by about 10%. (State Agency for Tourism Development)

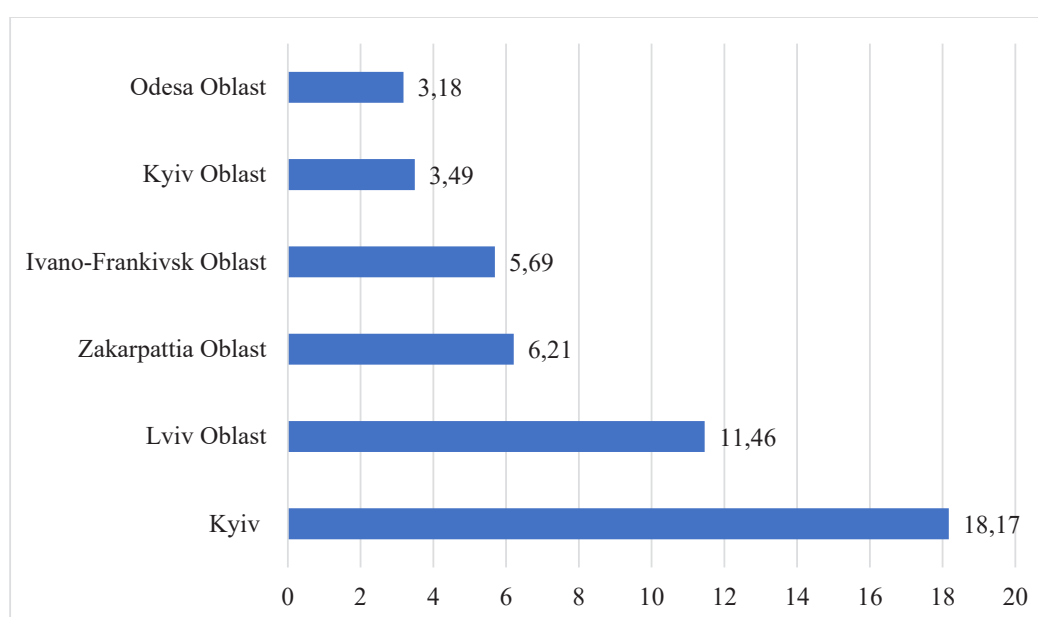


Figure 1. Total tax revenues from tourism by region, million UAH

Having analyzed the current situation and evaluated the existing potential of the tourist sphere, it is possible to define the measures for the renewal of tourism, increase of tourist attractiveness in Ukraine after the end of the Russo-Ukrainian war.

#### 4. Survey methodology

In order to analyze the situation in the field of tourism, marketing research was carried out, companies working in this field were analyzed, the Ukrainian market was studied and a survey was conducted. After that, it is possible to see what happens to companies in the travel business.

The survey was conducted in December 2022. Enterprises from the central and western parts of Ukraine participated in the survey. In general, the survey was conducted by 26 enterprises.

The reality of today is that full-scale military actions on the territory of Ukraine lead to the reconstruction of the entire tourism sector.

Prospects for the resumption of tourism in Ukraine after the end of the Russo-Ukrainian war can be:

- analysis and digital collection of data on the state of destruction of tourist objects;
- restoration of tourist sites and objects of national, regional and local level;
- application of new methods of advertising and sale of products to tourist enterprises;
- creation of funds for restoration of Ukraine and specific programs and strategies for restoration;

– increasing the flow of tourists using the experience of countries that have experienced war. Since many tourists are interested in places that have become symbolic and leave a memory, they will be able to visit Ukraine. It is military tourism that could become real after the end of the war. Mariupol, Bucha, Irpin, Chornobaivka – cities that can receive a large number of tourists.

Another very important direction of the post-war revival of tourist activity is the demining of coastal tourist areas.

In addition, speaking about the renewal of the tourist business in Ukraine, it is expedient to take into account the experience of other countries, which were in crisis situations because of the war, and now are successful in the development of the tourist sphere.

Military, educational and green tourism could be the areas of tourism development in Ukraine.

Nowadays military tourism is very popular. All this is connected with people's desire to see historical places and learn about these or other events. Moreover, it can satisfy the needs of tourists of all ages who want to feel like participants of historical events.

The goal of military tourism after the end of the Russo-Ukrainian war should be to honor the memory of all victims and to demonstrate to Ukrainians and the world the consequences and cruelty of the Russo-Ukrainian war, which has continued since 2014. (Barvinok, 2018)

On the territory of Ukraine there are many towns and villages which are unique heroes of

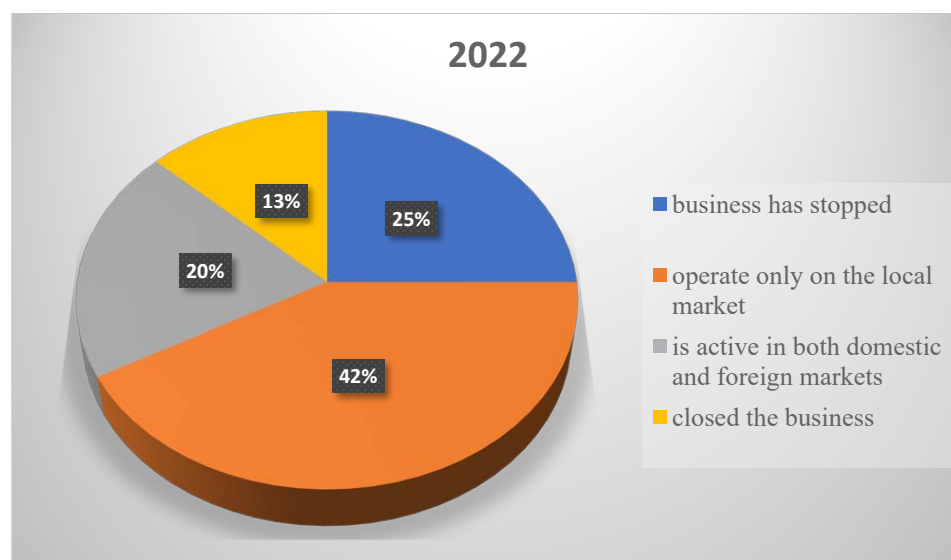


Figure 2. War's impact on the activities of tourism enterprises



glory and resistance against the Russian aggression. In the future they can serve as the main centers of military tourism. Tourists will have an opportunity to see all the terrible events that took place in Mariupol, Bucha, Chornobyl, Borodianka, Kharkiv and other unforgotten cities and villages.

The possible resource base of military tourism in Ukraine on the example of the Russo-Ukrainian war can be served by the towns and villages, as shown in Table 1.

Besides, military tourism in Ukraine can be based not only on the objects created during the Russo-Ukrainian war. History shows that Ukraine has a huge number of objects, places, monuments preserved from previous wars.

It is also worth mentioning educational tourism as a direction of tourism development, which is becoming more and more popular every year. The COVID-19 pandemic created new conditions for its development. The past years have been the beginning of a powerful digital transformation of education and tourism, which is still in progress.

The development of green tourism is also important. Ukraine can create its own model of development of this type of tourism, taking into account the peculiarities of nature, historical and cultural specifics. The combination of environmental protection and aesthetic harmony is one of the features of this unusual type of

tourism. In addition, it is aimed at preserving the habits and customs of the local population. Ukraine has invaluable natural and historical heritage, unique natural reserves, favorable climate and self-preservation of ethnic heritage, which are the main factors for the development of green tourism.

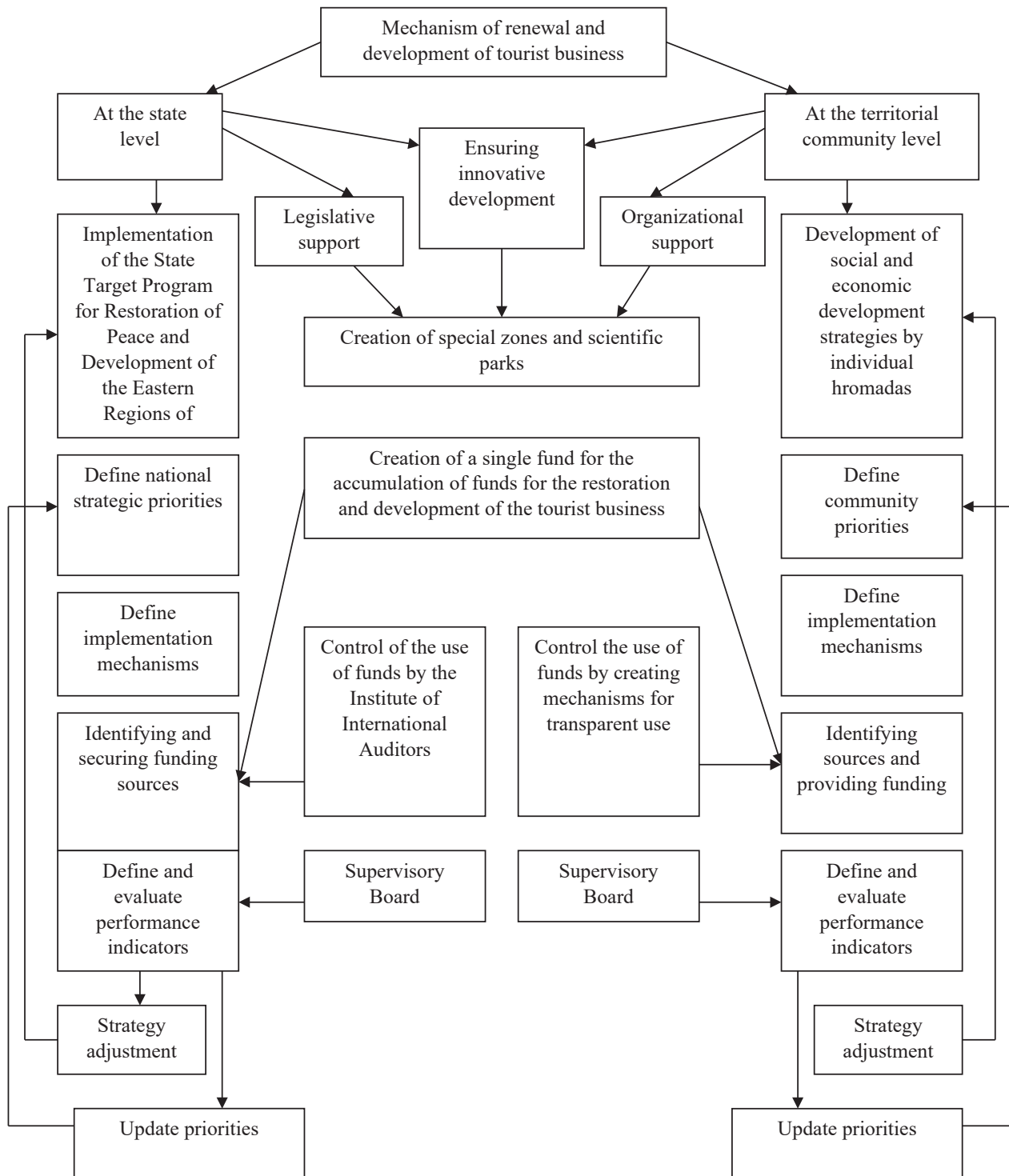
## 5. Findings

According to the authors, innovative economic development in the affected regions can only be ensured by the creation (first in the government-controlled territories, and then in the de-occupied ones) of special economic zones and research and production parks. Such creation will stimulate development of production based on new advanced technologies, increase of vacancies, volume of exports, etc. The general mechanism of renewal and development of tourist business is shown in the figure.

In addition to the proposed mechanism, the authors propose to evaluate it from an economic point of view. For this purpose, together with the programmers the program "Economic mechanism of return of invested funds" was developed, with the help of which it is possible to significantly reduce the time of decision-making, which in turn will allow enterprises of tourist business to control

Table 1  
**Military tourism in Ukraine. Geography 2014–2022**

City/Village	Landmark
Debaltseve	"Debaltseve kettle"
Ilovaisk	"Ilovaisk kettle"
Donetsk	Battle for Donetsk airport
Sloviansk	Battle for Sloviansk
Kramatorsk	Battle for Kramatorsk
Sievierodonetsk	Fighting for Sievierodonetsk
Pisky	Fighting for Pisky
Mariupol	Battle for Mariupol, genocide of the Ukrainian people, Azovstal
Bucha	"The Bucha massacre"
Borodianka	"The most destroyed city in Kyiv Oblast"
Hostomel	Battle of Antonov Airport, Destruction of the Ukrainian Mriya
Irpin	Destruction of the bridge of life
Izium	Mass killings
Kharkiv	Missile attacks and shooting
Kherson	Antonivka Road Bridge
Chornobaivka	"See Chornobaivka and die"
Snake Island	"Here is the oldest sanctuary of Apollo. Whoever controls the Snake Island can control the course of world history."



expenses, invested funds and promptly get information about their necessary sum for carrying out of measures of renewal of tourism.

The post-war reconstruction of Ukraine is an opportunity to involve international experts in various fields in the modernization of the country. The experience of many countries where military actions took place shows that in

the post-war period the number of tourists to these countries only increases. And due to the income from foreign tourists, it is possible to grow the economy of the country faster than other sectors, which require a longer period of renewal. International partners are willing and ready to help in the reconstruction of tourism and infrastructure.

## 6. Conclusions

Thus, studies of the tourist business of Ukraine have shown that the Russo-Ukrainian war has a considerable negative impact on it. Therefore, the main tasks in the sphere of tourism are development of strategy of renewal and directions of development of tourist activity of Ukraine.

The most promising directions of the post-war revival of the tourist sphere are:

- development of military, educational and ecological tourism;
- acquainting potential tourists with regional tourist attractions;
- development of small and medium business in the field of tourism;

- increasing the interest of foreign tourists in the places of war glory of the Armed Forces;
- creation of funds and various programs to support tourism enterprises;
- improving the tourist attractiveness of Ukraine in the world.

It is also necessary to prepare a large marketing campaign for foreign markets and to look at the experience of other countries that have experienced crisis situations, including war, and have been able to rebuild the tourism industry.

Tourism enterprises, which will resume their activity in the post-war period, can apply the directions of tourism development suggested in this study.

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