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REVITALIZATION OF UKRAINE'S RESORT AND WELLNESS ECONOMY: LEVERAGING NATURAL HEALING ASSETS TO ESTABLISH ECONOMIC GROWTH POLES

Ukraine's Natural Healing Resources (NHR), encompassing the vast potential of mineral waters, healing muds, estuary brines, and favorable climatic zones (the Black and Azov Sea coasts, mountain ranges, and forest areas), are of paramount importance to the state. The utilization of these resources enables prevention, treatment, and medical rehabilitation using factors that are typically employed in a nearly unchanged natural state.

The development of this sector should be seen not simply as an economic opportunity, but as a strategic priority. It can become a powerful catalyst for the country's recovery and sustainable development, especially against the backdrop of post-war reconstruction needs. The relevance of research in this area is heightened by Ukraine's need for large-scale human capital restoration. The research thus goes beyond purely economic perspectives, highlighting the profound impact of natural healing assets (NHAs) on national health and social well-being.

Pursuant to the Law of Ukraine “On Resorts” [1], Natural Healing Resources constitute a clearly defined concept. An important characteristic of NHR is their natural origin and use, typically utilized in a nearly unchanged natural state, predominantly in resort settings.

Today, there is no clear definition of the concept of “Natural Healing Assets” (NHA) at the legislative level. In our opinion, the transition from NHR (Natural Healing Resources) to NHA occurs on the basis of the implementation of Article 16 of the Law of Ukraine “On Resorts”; specifically, the pivotal element of this transition is the inclusion of NHR in the State Fund of Mineral Deposits of Ukraine and the State Cadastre of Natural Healing Resources. It is after the inclusion of NHR in state registers that the resource acquires the status of an asset and becomes subject to legal regulation regarding its further use by legal entities and individuals for the purpose of treatment, medical rehabilitation, and disease

prevention, as well as for its industrial use (bottling mineral waters, packaging healing muds, manufacturing cosmetic and prefabricated products based on mud, and so on).

Thus, we will summarize the above and formulate a definition for the concept of NHA. Natural Healing Assets are Natural Healing Resources (NHR) that have been identified through comprehensive medical-biological, climatological, geological-hydrological, spa, and other research; possess therapeutic properties whose quality and value have been confirmed by medical-biological assessments of the NHR; are recorded in the State Fund of Mineral Deposits of Ukraine and the State Cadastre of Natural Healing Resources; and are currently used or designated for use by legal entities and individuals for the purposes of treatment, medical rehabilitation, and disease prevention, as well as for their industrial exploitation (for profit), or to provide benefit to society through the maintenance, restoration, and improvement of human health.

The main properties of NHA include the following: firstly, their natural origin and therapeutic application in a nearly unchanged natural state, predominantly in resort settings; and secondly, their capacity to be a resort-forming factor [1, 2]. The property of NHA to be a “resort-forming factor” indicates that these assets are not merely resources for exploitation, but fundamental elements around which entire economic “ecosystems”, such as resorts and related services, can be built. This feature emphasizes their unique catalytic role in regional development. NHA act as the core of a pole of economic growth, attracting investment and contributing to the creation of complex infrastructure, jobs, and the development of local communities. Consequently, their value extends beyond direct therapeutic use, making them a driving force for comprehensive socio-economic growth.

A detailed analysis of international experience in entrepreneurial activities utilizing NHA was conducted based on international economic reports, online business publications, scientific articles, and the findings of our calculations using data on key indicators, such as market size and its Compound Annual Growth Rate (CAGR).

To visually represent the data, the calculated projected sizes of the NHA activity markets and their corresponding CAGR values are presented in Figures 1 and 2, respectively.

As illustrated in Figure 1, the top three markets by 2028 will be wellness tourism, bottled and mineral water production, and nature and ecotourism. The size of the wellness tourism market will comprise nearly half of the total market size of the NHA-utilizing sectors we studied.

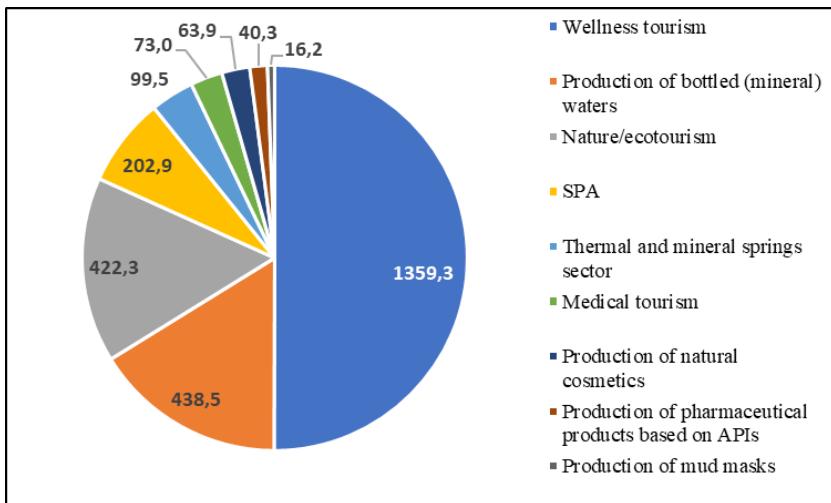


Figure 1. Projected Global Market Size Distribution for NHA-Utilizing Activities by 2028 (Values in USD billions)

Conversely, the growth rates of NHA-utilizing markets by 2028 present a different pattern (Figure 2). The medical tourism market will grow the fastest, followed closely by the development of nature and ecotourism and the production of mud masks. The thermal and mineral springs sector rounds out the top three. The growth rate of the largest market (wellness tourism) in our analysis is only in fourth place.

It should be noted that the average annual growth rate for the global markets of the aforementioned NHA-utilizing activities exceeds the World GDP growth rate. This suggests the high potential and dynamic expansion of these markets, indicating that they will develop significantly faster than the world economy as a whole. Such a forecast highlights the attractiveness of these markets for investment, as they promise high profitability. Investors seeking capital appreciation may favor these economic sectors. We believe that these development forecasts for the NHA-utilizing markets may also indicate their greater resilience to potential economic downturns, as people often continue to invest in health, which, in turn, increases the stability of these markets.

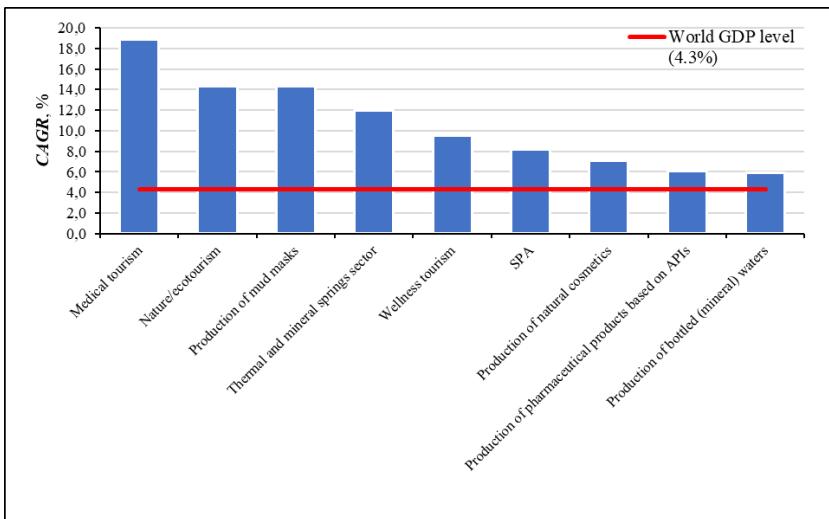


Figure 2. Compound Annual Growth Rates (CAGR) for the Global Markets Utilizing NHA, 2023–2028

*Red line represents the estimated CAGR for World GDP

Source: based on International Monetary Fund data [3]

Thus, the synthesized results of the analysis of global markets utilizing NHA demonstrate their significant scale and dynamic growth. The analysis shows that for success, it is crucial to expand activities beyond traditional sanatorium and resort treatment, including wellness, SPA, cosmetics production, and recreational tourism. This reflects the shift in consumer priorities away from treatment and toward maintaining a healthy lifestyle. At the same time, the analysis revealed that NHA markets face certain challenges that require scientific, technical, and investment solutions. For example, the problem of inconsistent market data and varying definitional methodologies complicates a standardized market volume assessment. The necessity of long-term medical monitoring and aftercare is also a limitation, as this may entail significant financial outlay. Furthermore, challenges exist regarding environmental regulation (e.g., taxes on plastic packaging) and the scarcity of qualified personnel.

Ukraine needs to effectively use its NHA. Given the current state of war and the country's post-war reconstruction, the development of medical rehabilitation based on these assets is a key priority. The success of this process depends on an integrated approach and close cooperation between all stakeholders: the state, investors, and entrepreneurs, thereby creating a

favorable environment for sustainable economic development. Indeed, none of these parties can achieve effective results by acting in isolation.

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